OIO No:52 /ADC/SRV/O&A/2026-27
F. No: VIII/10-74/DRI/SVPIA/O&A/HQ/2025-26

प्रधान आयुक्त का कार्यालय, सीमा शुल्क, अहमदाबाद

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

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

DIN: 20260771MN00007A748D

PREAMBLE

A	फ़ाइलसंख्या/ File No.	:	VIII/10-74/DRI/SVPIA/O&A/HQ/ 2025-26
B	कारणबताओनोटिससंख्या–तारीख / Show Cause Notice No. and Date	:	DRI/AZU/GI-02/ENQ-67/2025 dated 20.03.2026
C	मूलआदेशसंख्या/ Order-In-Original No.	:	**52/ADC/SRV/O&A/2026-27**
D	आदेशतिथि/ Date of Order-In-Original	:	**24.07.2026**
E	जारीकरनेकीतारीख/ Date of Issue	:	**24.07.2026**
F	द्वारापारित/ Passed By	:	**Shree Ram Vishnoi**, Additional Commissioner, Customs, Ahmedabad
G	आयातककानामऔरपता / Name and Address of Importer / Passenger	:	**(i)** Shri Manish Madnani, Swami Bodhraj Mohalla (Gali), Khari Khuhi Chowk, Ajmer, Rajasthan – 305001 (madnanimanish4@gmail.com) **(ii)** Shri Pankaj Kumar Amarnani 353/17, Swami Bodhraj Gali, Khari Khui,Ajmer, Rajasthan – 305001 **(iii)** Shri Satish Amarnani 353/20, Swami Bodhraj Mohalla, Khari Kui, Ajmer, Rajasthan - 305001 **(iv)** M/s. Shree Mehul Bullion, 1163, Near Bank of India, Opposite Soni Ni Khadki, Manewk Chowk, Ahmedabad
(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:

An intelligence was developed/gathered by Directorate of Revenue Intelligence, Zonal Unit Ahmedabad, (hereinafter also referred to as DRI) that a passenger was arriving from Dubai to Ahmedabad via Flydubai Flight No. FZ-437 at Sardar Vallabhbhai Patel International Airport (SVPIA), Ahmedabad on 26.09.2025 and he would be carrying contraband/dutiable goods and may attempt to clear the same through the Green Channel at the arrival hall of the SVPIA without making any declaration to the Customs authorities, with an intent to evade payment of applicable Customs duty.

2. Acting on the said intelligence, a team of officers from DRI positioned themselves near the Green Channel at the arrival hall of Terminal-2 of Sardar Vallabhbhai Patel International Airport (SVPIA), Ahmedabad, to keep surveillance on the passengers arriving from Dubai, UAE by Flydubai Flight No. FZ-437 on 26.09.2025. The DRI officers verified the passports of the passengers in order to identify the suspected passenger. At around 04:00 Hrs. on 26.09.2025, a passenger, later identified as Shri Manish Madnani, arrived from Dubai, UAE by the said flight and proceeds towards the Green Channel trying to exit from SVPIA. The said passenger was intercepted by the DRI officers when he passed the Green Channel near the arrival hall of Terminal-2, SVPI Airport, Ahmedabad, for further examination and the proceedings thereof were recorded under panchnama of dated. 26.09.2025.

2.1 The person intercepted by the DRI officers introduced himself as Shri Manish Madnani, holder of Passport No. Y4829927. The DRI officers asked Shri Manish Madnani whether he was carrying any contraband/dutiable goods which were required to be declared before the Customs authorities. In response, Shri Manish Madnani stated that he is not carrying any such goods and that he had nothing to declare. The DRI officers thereupon informed Shri Manish Madnani that his thorough personal search was required to be conducted. Before commencing the search, the DRI officers offered themselves for personal search, which was politely declined by Shri Manish Madnani. The DRI officers also apprised him of his right to be searched before an Executive Magistrate or a Gazetted Officer, to which Shri Manish Madnani gave his consent to be searched before the Superintendent of Customs (Gazetted Officer) present at the Airport.

2.2 The DRI officer instructed the passenger to put his entire luggage i.e. Two black colored luggage bags, on the X-Ray Bag Scanning Machine installed near the Green Channel at terminal 2 of SVPI Ahmedabad for scanning. On scanning of his baggage in the X-ray machine no suspicious images were seen. Thereafter, the officers once again asked the passenger if he is carrying any contraband/ Restricted/dutiable goods in person, which he wants to declare to the customs, but the passenger still replied in negative. Subsequently, the officers proceeded to physically examine the baggage. Upon opening both the said bags no contraband/ Restricted/dutiable goods found concealed.

2.3 Thereafter, the officers asked the passenger to walk through the Door Frame Metal Detector (DFMD) machine installed near green channel at terminal 2 of SVPI Ahmedabad; before passing through the said DFMD Machine, the passenger was asked to remove all the metallic objects he was wearing on his body/clothes. The passenger removed his mobile, wallet, etc., and passed through the DFMD Machine. When the passenger passed through the DFMD Machine, no beep sound was heard.

2.4 Thereafter, in the presence of the Superintendent of Customs and the Panch witnesses, the DRI officers proceeded to conduct the personal search of Shri Manish Madnani. During the course of frisking, a brown-coloured paste-like substance was found concealed between the layers of fabric in the blue-coloured jeans pant worn by Shri Manish Madnani below the knee portion. On being questioned about the said concealed substance, Shri Manish Madnani informed the officers that the said paste-like substance was gold paste. He further stated that the said blue coloured jeans pant containing the concealed gold paste had been given to him in Dubai by Shri Satish Amarnani and informed that Shri Pankaj Amarnani (9887072805) has come to the SVPIA, Ahmedabad to receive the said jeans pant having gold paste. Photos of the Blue coloured Jeans pant having concealed brown coloured paste was captured during the Panchnama proceeding and the same is attached below:

2.5 The officer telephonically called Mr. Soni Kartikey Vasantrai, a Government Approved Valuer and informed him that aforesaid suspected brown colour paste concealed in jeans pant needs testing for identification of substance and its purity/valuation thereof. In response Shri Soni Kartikey Vasantrai, Government Approved Valuer informed that for the removal and purification of paste suspected of being gold from the jeans/cloth, it could only be possible at his business premises/office which is situated at 301,

Golden Signature, Bh Ratnam Complex, Nr National Handloom, C. G. Road, Ahmedabad, where melting facility is available as melting is required in above situation.

2.6 The DRI officers and Shri Manish Madnani left airport to the office of Shri Kartikey Vasantrai, in the vehicle of DRI office. On reaching there one person came forward and introduced himself as Shri Soni Kartikey Vasantrai. The officer showed the blue jeans in which the gold was suspected to be concealed in brown paste form. Shri Soni Kartikey Vasantrai checked the jeans and told that the possibility of concealment of gold was only in the lower half part of the jeans and he has to cut that portion of the jeans for melting. The passenger, Shri Manish Madnani gave his consent to cut his jeans for the process of melting. The weight of the jeans before and after cut was taken and photo of the same pasted as below in which before weight is 1188.43 grams and 833.35 grams.

2.7 Shri Soni Kartikey Vasantrai, Government Approved Valuer started the process of melting in presence of Shri Manish Madnani and the Panchas and the DRI officers. Shri Soni Kartikey Vasantrai, firstly burnt the jeans with the equipment available with him at his business premises and form ash like material. The said ash substance consisting of suspected gold was

put in the furnace, heated and taken out of furnace, and poured in a bar shaped plate and after cooling for some time, it became yellow coloured solid metal in form of a bar. After completion of the procedure, Government Approved Valuer informed that one gold bar weighing 446.460 grams having purity 999.0/24 Kt. was derived from half cut jeans weighting 833.35 grams. After testing the said bar, the Government Approved Valuer confirmed that it was pure gold. Shri Soni Kartikey Vasantrai vide certificate no. 640/2025-26 dated 26.09.2025 certified that the gold bar was having purity of 999.0/24kt, tariff value of Rs. 46,60,987/- and Market value of Rs. 52,69,344/- dated 26.09.2025. The value of the gold bar has been calculated as per the Notification No. 56/2025-Customs (N.T.) dated 15.09.2025 (gold) and Exchange Notification No. 38/2025 dated 19.09.2025. The details and weighment pictures of which are as under:

S No	Details of Items	PCS	Net Weight in Gram	Purity	Market value (Rs)	Tariff Value (Rs)
1	Gold extracted from the blue coloured jeans recovered from Shri Manish Madnani	1	446.460	999.0 24Kt	52,69,344	46,60,987
	Total	1	446.460		52,69,344	46,60,987

2.8 During the process of melting few photographs were taken which are pasted as below Along with the photograph taken of weight of pure gold after the process of melting.

2.9 After the proceedings of the extraction of gold at the workshop of business premises/office of Shri Soni Kartikey Vasantrai, its valuation and checking of purity, the officers took possession of the following items in the separate containers mentioned below:

S No	Details of Items	PCS	Net Weight in Gram	Plastic Container Number
1	Gold extracted from the blue-colored jeans recovered from Shri Manish Madnani	1	446.460	A

2	Remnants Blue coloured jeans	1	---	B
	Total	2		

2.10 The officers, Shri Manish Madnani and Panchas left the workshop premises of Shri Soni Kartikey Vasantrai at around 11:40 hrs on 26.09.2025 and reach back to the Airport at around 12:15 hrs on 26.09.2025 along with the plastic containers marked as A and B.

2.11 The officers, then informed that since the gold recovered from Shri Manish Madnani has been attempted to smuggle into India with an intent to evade payment of Customs duty which was a clear violation of the provisions of Customs Act, 1962. Thus, the officers informed that they have a reasonable belief that the aforesaid Gold was attempted to be smuggled by the passenger and the gold along with its materials used to conceal the same are liable for confiscation under Section 111 of the Customs Act, 1962; hence, the aforesaid Gold along with remnants of blue coloured jeans were placed under seizure under Section 110 of the Customs Act, 1962.

3. Seizure of smuggled Gold and other relevant articles:

3.1 The gold bar weighing 446.460 grams, having purity of 999.0/24 Kt, with a market value of Rs. 52,69,344/- (Rupees Fifty Two Lakh Sixty Nine Thousand Three Hundred Forty Four only) and a tariff value of ₹46,60,987/-, was seized on the reasonable belief that the said gold had been attempted to be smuggled into India through Sardar Vallabhbhai Patel International Airport, Ahmedabad, by Shri Manish Madnani, and was therefore liable to confiscation under Section 111 of the Customs Act, 1962.

3.2 Further, the blue coloured jeans pant, used for concealment of the said gold paste and extraction of the aforesaid gold bar, under the reasonable belief that the same was liable for confiscation under Section 119 of the Customs Act, 1962 since it was used for concealment of smuggled gold in violation of the provisions of Section 77 and Section 135 of the Customs Act, 1962, was also placed under seizure on 26.09.2025.

3.3 An order under Section 110 of the Customs Act, 1962, dated 26.09.2025, was issued for the seizure of the above said gold bar weighing 446.460 grams and the blue-coloured jeans pant (remnants) used for concealment of the same.

3.4 Further, the gold bar was kept in a transparent plastic container marked as "A" and the remnants of the blue-coloured jeans pant were kept in a separate transparent plastic container marked as "B", and both the containers were sealed with Customs lac seal. The said sealed plastic containers marked as "A" and "B" were handed over to the Warehouse In-charge, SVPI Airport, Ahmedabad, vide Warehouse Entry Nos. 7721 and 7722 dated 26.09.2025, for safe custody.

4. STATEMENTS OF KEY PERSONS:

4.1 Statement dated 26.09.2025 of Shri Manish Madnani was recorded under Section 108 of the Customs Act, 1962, wherein he inter-alia stated that:

- He reached SVPI Airport, Ahmedabad vide Flight No. FZ437 dated 26.09.2025 in the early hours; that he had not booked the said ticket; that Shri Satish Amarnani had given him both the tickers for departure and arrival, visa having validity of one month, Hotel booking etc.; that Shri Satish Amarnani travelled with him to Dubai.
- Shri Manish Madnani stated that he was staying alone at the Hotel Regal Peninsula in Dubai; that he checked out the room on 25.09.2025 at about 12.00 Hrs (local time); that after he checked out, he was waiting in lounge; that after 5-10 minutes Shri Satish Amarnani who had been to Dubai with him and who is cousin of Shri Pankaj Amarnani, arrived at the Hotel; that they both left the Hotel and took breakfast at nearby place; that then Shri Satish Amarnani took him to a nearby shop in Meena Bazar and handed over him a bag containing a jeans having the gold in paste form and asked him to go in shop and change the pant; that as told by Shri Satish Amarnani, he

entered the shop and asked the person in the shop to allow him to change the clothes; that he changed the pant; that thereafter in both of them travelled in the metro and then reached Dubai Airport at around 16.00 hrs (local time).

- He agreed with the fact that 446.460 gms of gold with purity 999.0/24KT which were recovered by melting from the brown coloured paste like material concealed in blue colour jeans was brought into India from Dubai by him.
- He perused the valuation certificate No. 640/2025-26 dated 26.09.2025 by Shri Soni Kartikey Vasantrai and also perused running Panchnama dated 26.09.2025, drawn at SVPI Airport, Ahmedabad along with Annexure B (Valuation Certificate issued by Shri Soni Kartikey; that he confirmed that he was present during the whole proceeding mentioned in the said Panchnama.
- He further, confirmed that on thorough frisking, the officers at SVPI Airport, Ahmedabad found the suspicious paste like material found concealed between the layers of fabric/cloth in blue colour jeans pant below the knee portion; that he had put on the said blue jeans before departing from Dubai.
- He stated that the said jeans pant was taken to business premises/office of Shri Soni Kartikey Vasantrai, Government Approved Valuer, having the premises situated at 301, Golden Signature, Bh. Ratnam Complex, Near National Handloom, C.G. Road, Ahmedabad for melting purpose; that thereafter, the government approved valuer took them to the furnace, which was located inside his business premises; that the Government Valuer started the process of melting; that Government approved valuer, burnt the part of jeans having paste concealed therein and form ash like material.
- He stated that the said ash like substance consisting of gold was put in the furnace, heated and taken out of furnace, and poured in a bar shaped place and after cooling for some time, it became yellow coloured solid metal in form of a bar; that after completion of the procedure, the Government Approved Valuer informed that one gold

bar weighing 446.460 gms having purity of 999.024 Kt was derived from half cut jeans weighing 833.35 gms.; that after testing the said bar, the Government Approved valuer confirmed that it was pure gold; that Shri Soni Kartikey Vasantrai vide certificate No. 640/2025-26 dated 26.09.2025.

- He stated that the market value of melted gold, as per the certificate no. 640/2025-26 dated 26.09.2025 was Rs. 52,69,344/-.
- He agreed the details mentioned in the certificate regarding Gold recovered, its purity, market value, Tariff Value of the gold; that the gold of 446.460 gms have been recovered from him in paste form which was melted in bar form.
- He agreed with the facts that during Panchnama proceedings dated 25.09.2025, the officers asked him, if anything to declare before the customs authority at SVPI, Airport, Ahmedabad for which he had denied to have anything to declare to the Customs authorities at SVPI Airport, Ahmedabad.
- He stated that when he left from Dubai on 25.09.2025, Shri Satish Amarnani had informed him that Shri Pankaj Amarnani would receive him at Ahmedabad; that before his landing at Ahmedabad Airport, Shri Pankaj Amarnani had messaged him, whether he reached; that he subsequently had inquired him over calls.
- He stated that he knew Shri Pankaj Amarnani, since the time of lockdown 2020, in the same manner, he knew Shri Satish Amarnani; that Shri Pankaj Amarnani and Shri Satish Amarnani are cousins; that Shri Pankaj Amarnani is also his neighbour.
- He stated that both the tickets for Ahmedabad to Dubai and return ticket from Dubai to Ahmedabad was given to him by Shri Satish Amarnani before entering at Ahmedabad Airport.
- He stated that Shri Satish Amarnani had offered him money about Rs. 10 to 12 thousand, same as was offered during his earlier trip to Dubai by his cousin Shri Pankaj Amarnani; that to earn the money he consented for the trip to Dubai on 21 to 25.09.2025.

- He stated that he had visited Dubai for 3 times; that first time, he visited Dubai during December, 2024; that Shri Pankaj Amarnani had asked him that they will visit Dubai and for which he will get money for expenses; that therefore, he agreed for the trip; that they visited Burj Khalifa and Dubai Mall during that visit; that visited Dubai for Second time in February with Shri Pankaj Amarnani and throughout the trip Shri Pankaj Amarnani was along with him.
- He stated that during these trips, Shri Pankaj Amarnani had given him a Jeans pants and instructed him to wear the same while he was in hotel and while preparing to leave; that he felt weight below knee and he had informed the same to Shri Pankaj Amarnani; that Shri Pankaj Amarnani had replied that it was normal; that on approaching at Ahmedabad, Shri Pankaj Amarnani had took the jeans pant in taxi and asked him to de-board the taxi; that thereafter, he went to Ajmer at his own.
- He stated that he did feel suspicious about the said pants and smuggling of gold, however, he did not have the idea of gravity of issue.
- He stated that the trip was arranged by Shri Satish Amarnani and they both travelled to Dubai; that on reaching Dubai, Shri Satish Amarnani had left him alone at hotel.

4.2 Statement dated 26.09.2025 of Shri Pankaj Kumar Amarnani was recorded under Section 108 of the Customs Act, 1962, wherein he inter-alia stated that:

- He agreed that Shri Manish Madnani travelled through Flight No. FZ437 from Dubai to Ahmedabad on 25.09.2025 and reached Ahmedabad International Airport on 26.09.2025.
- He came to Ahmedabad at 03.00 AM to receive 446.460 gms. of (999/24KT) foreign origin gold in paste form from Shri Manish Madnani, who was to arrive at Ahmedabad.

- He admitted with the facts that he came to Ahmedabad International Airport to receive 446.46 grams of (999/24Kt) of foreign origin gold from Shri Manish Madnani; that he further added that he was intercepted by the DRI officers at SVPI, Airport while waiting for Shri Manish Madnani outside the arrival area.
- He stated that Shri Manish Madnani travelled alone from Dubai.
- He stated that Shri Manish Madnani did not have any work in Dubai or Ahmedabad; Shri Manish Madnani had visited Dubai for tour only; that runs the shop of general store in Swami Bodhraj Gali, Khari Kut, Ajmer, Rajasthan.
- He stated that one person, Shri Harish had given foreign origin gold paste to Shri Manish Madnani in Dubai.
- He stated that he had arranged 40 thousand Dirham and the remaining money i.e. 1,30,000/- Dirham was arranged by one person viz. Shri Harish in Dubai and they both bought gold in Dubai. The gold paste is to be carried in a concealed pocket in jeans; that this arrangement of gold paste and fitting jeans to conceal the same was handled by Shri Harish; that Shri Harish provided finances to buy the said gold from Dubai as well as arranged for jeans to conceal the same.
- He did not know the whereabouts of Shri Harish; that Shri Harish originally from Ajmer, Rajasthan; that his office is in Vaishali Nagar, Kotra, Ajmer; that this office was being run in the name of M/s. JMD Tours and Travellers.
- He managed flight tickets, food and other miscellaneous expenses for Shri Manish Madnani.
- He stated that he had visited Dubai and brought 100 gms of gold in bullion form during July, 2025.
- He admitted that Shri Manish Madnani was not carrying any invoice of its purchase or any documents in proof of its legitimate import.

- He visited Dubai in 2025 for five to six times and worked therein company Mulani who is dealing with room rental and property; that he himself smuggled 100 gms in July 2025 from Dubai.
- He stated that he was about to meet Shri Mehul who runs the business at Manek Chowk and his shop name is Shree Mehul Bullion situated at Manek Chowk, Ahmedabad and he was about to sale the smuggled imported foreign origin gold in paste form, and Shri Mehul would melt it and give him money after deduction Rs. 700 to 1000 per gms from the prevalent market rate and thereafter, he would be return back to Ajmer with the sale proceeds; that he would have given the money back to Shri Harish after deduction 1 Lakh as profit to himself.
- He stated that he got in touch with Shri Mehul as per a reference from Dubai Market where Shri Mehul's Ahmedabad shop is having a trustworthy and fair image that they can melt and buy smuggled gold in Ahmedabad.
- He agreed that Shri Manish Madnani did not have any invoice of its purchase or any other documents in proof of its legitimate import, since it was brought with the clear intention of smuggling into India.
- He accepted that the activity of smuggling of gold without declaring the same to the Customs authorities is illegal.

5. Shri Pankaj Kumar Amarnani in his statement dated 26.09.2025 had stated that the he was about to meet Shri Mehul who runs the business at Manek Chowk and his shop name is Shree Mehul Bullion situated at Manek Chowk, Ahmedabad and he was about to sale the smuggled imported foreign origin gold in paste form, and Shri Mehul would melt it and give him money after deduction Rs. 700 to 1000 per gms from the prevalent market rate and thereafter, he would be return back to Ajmer with the sale proceeds. Shri Pankaj Kumar Amarnani had further stated that he got in touch with Shri Mehul as per a reference from Dubai Market where Shri Mehul's Ahmedabad shop is having a trustworthy and fair image that they can melt and buy smuggled gold in Ahmedabad.

5.1 Accordingly, a search was carried out on 26.09.2025 at the premises of M/s. Shree Mehul Bullion situated at 1163, Near Bank of India, Manek Chowk, Ahmedabad. During the search proceeding under panchnama (RUD-05), there were three 100 grams foreign origin gold bullions bearing import marking of "SAM" of UAE bearing Serial Number 6842020725 and "VALCAMBI" of Switzerland bearing Serial Number AM238579 and AM238580 were found. Shri Mehul informed that his firm buys imported gold bullion from M/s. Balaji Bullion and he had submitted purchase invoices related to the same. During the search proceeding, Shri Mehul had talked to Shri Viral Maheshbhai Jani of M/s. Balaji Bullion to provide the legitimate import details of the imported gold bullions having markings "SAM" and "VALCAMBI" and after spoken with Shri Viran Maheshbhai Jain of M/s. Balaji Bullion, Shri Mehul informed that he shall provide all the details of imports pertaining to the purchase from M/s. Balaji Bullion within 2 days.

6. Further, statement of Mr. Manish Madnani, Son of Late Shri Hasanand Madnani was recorded on 06.02.2026, under Section 108 of the Customs Act, 1962, wherein interalia stated that

- He perused the Panchnama dated 26.09.2025 drawn at SPVI Airport, Ahmedabad and confirmed that the details and the contents of the Panchnama are true and correct.
- He perused his statement dated 26.09.2025, recorded under section 108 of Customs Act, 1962 and stated that his statement dated 26.09.2025 was recorded as per his version and he fully agreed with the statement.
- He pursed the statement dated 26.09.2025 of Shri Pankaj Amarnani, recorded under section 108 of Customs Act, 1962 and stated that the statement of Shri Pankaj Amarnani is true and correct except the fact that Shri Pankaj Amarnani stated that one person Shri Harish had given foreign origin gold paste to him; that he confirmed that Shri Satish Amarnani had given the gold in paste form duly concealed in the jeans pant weighing 446.460 gms (999/24 Kt).

- He state that he had visited Dubai three times including the present instance; that during his first visit to Dubai, he went to Dubai to meet his relative (cousin brother) staying at Dubai; that during the second visit, he went to Dubai along with Shri Pankaj Amarnani and the second trip was arranged by Shri Pankaj Amarnani; that Shri Pankaj Amarnani had asked him to wear a jeans pant in which gold in paste form was concealed into it at Dubai; that Shri Pankaj Amarnani told that the jeans pant was concealed with the gold of 100 gms being trial to bring into India through Ahmedabad International Airport; that during the second trip Shri Pankaj Amarnani accompanied him in both from and to trip and after reaching Ahmedabad, he handed over the jeans pant concealed with gold paste and then he went to Ajmer on his own; that third time, he was went to Dubai along with Shri Satish Amarnani; that Shri Satish Amarnani had given him a jeans pant concealed with gold at Dubai and asked him to wear it at Dubai; that Shri Satish Amarnani had told him to hand over to jeans pant concealed with Gold paste to Shri Pankaj Amarnani, who will come to receive him at Ahmedabad International Airport, Ahmedabad; that he was lured and offered by Shri Pankaj Amarnani to give Rupees 10,000 to 12,000 for bringing gold into India illegally.
- He stated that the gold paste weighing at 446.460 gms with purity of 999.0/24Kt, which he brought from Dubai via Flight No. FZ437 on 26.09.2025 was given to him by Shri Satish Amarnani as per the directions of Shri Pankaj Amarnani; that the said jeans pant with gold paste of 446.460 gms was to handed over to Shri Pankaj Amarnani on reaching at Ahmedabad SVPI Airport; that Shri Pankaj Amarnani was to receive him at SVPI Airport and he was to handed over the jeans pant concealed with gold paste to him at Ahmedabad and to go to Ajmer, however, he had been intercepted by the DRI officers at SVPI Airport Ahmedabad.
- He stated that he wore the jeans pant concealed with the gold paste weight at 446.460 gms at Dubai and on reaching Ahmedabad he proceeded through Green Channel to exit the Airport and he was

intercepted by the DRI Officers and asked him whether he possessed any item which required to be declared before the Customs Authorities for which he denied, thereafter, the officers had checked his belongings and recovered gold paste concealed at his jeans pant weighing 446.460 gms, which he was attempted to smuggle into India without declaring before the Customs Authorities; that the attempt to bring gold without declaring before Customs Authorities makes the goods liable for confiscation and also penalty under the provisions of Customs Act 1962.

6.1 Further statement of Shri Pankaj Kumar Amarnani S/o Late Shri Manohar Lal Amarnani was recorded on 06.02.2026, under Section 108 of the Customs Act, 1962, wherein he interalia stated that -

- He perused the Panchnama dated 26.09.2025 drawn at SPVI Airport, Ahmedabad and he stated and confirmed that the details and the contents of the Panchnama are true and correct.
- He perused his statement dated 26.09.2025, recorded under section 108 of Customs Act, 1962 and stated that his statement dated 26.09.2025 was recorded as per his version and he fully agreed with the statement except the fact that he had informed the name of Shri Harish instead of Shri Satish Amarnani while giving his statement dated 26.09.2025, which he requested to be corrected.
- He pursed the statements dated 26.09.2025 and 06.02.2026, recorded under section 108 of Customs Act, 1962 and stated and confirmed that the details as stated by Shri Manish Madnani is true and correct and I fully agreed with the contents of the statements.
- He stated that he had come to SVPI Airport, Ahmedabad at 3.00 AM on 26.09.2025 to receive Shri Manish Madnani who was arriving at SVPI Airport, Ahmedabad through Flight FZ437 from Dubai; that Shri Manish Madnani was brought 446.46 grams (999.K/24Kt) grams of foreign origin gold in Paste form concealed in his jeans pant which was given by Shri Satish Amarnani at Dubai to deliver the same to

him; that the gold in paste form weighing at 446.46 gms (999 K/24 Kt) was brought by Shri Manish Madnani on his direction and he went to SVPI Airport to get the gold in paste form brought by Shri Manish Madnani.

- He agreed with the fact that he came to Ahmedabad International Airport to receive 446.46 grams (999.K/24Kt) gms of foreign origin gold from Manish Madnani; that he had been intercepted by the DRI Officer at the SVPI Airport while waiting for Manish Madnani outside the arrival area.
- He stated and confirmed that he had offered Shri Manish Madnani Rs. 10,000/- to Rs. 12,000/- to bring gold illegally into India; that in trial basis on his direction, Shri Manish Madnani had brought 100 gms of gold from Dubai to Ahmedabad via Flight during our visit to Dubai and during that visit I was accompanied with Shri Manish Madnani in entire journey; that the whole expenses towards the trip to Dubai of Shri Manish Madnani were borne by him.
- He stated that he frequently went to Dubai for 4 years; that he may have visited Dubai around 20 times.
- He stated that during his visit to Dubai, he brought 100 gms. of gold from Dubai and reached to Ahmedabad Airport and he did not declare the said gold before the Customs Authorities.
- He stated and confirmed that Shri Manish Madnani brought gold as per his directions from Dubai previously once and on reaching at Ahmedabad Airport, he handed over the gold to him and he sold the goods at Manek Chowk.
- He stated that he was aware that bringing gold into India without declaring it before the Customs Authorities is punishable under the provisions of Customs Act, 1962.

6.2 Statement of Shri Mehul Amulakhbhai Thakkar residing at 15, Pushpak Bungalow, Near KFC Restaurant, Prahalad Nagar, Ahmedabad was recorded on 20.02.2026 under section 108 of Customs Act, 1962, wherein he interalia stated that –

- Perused the Panchnama dated 26.09.2025 drawn at his business premises M/s Shree Mehul Bullion, Manek Chowk, Ahmedabad and agreed and confirmed the contents of the Panchnama.
- He agreed that as recorded in the said Panchnama, during the search proceedings conducted at his premises, three gold bars of 100 grams each bearing import markings, namely:

  "SAM" (UAE) bearing Serial No. 6842020725

  "VALCAMBI" (Switzerland) bearing Serial No. AM238579

  "VALCAMBI" (Switzerland) bearing Serial No. AM238580

  were found in the vault.
- He did not know Shri Pankaj Kumar Amarnani personally, however, as per his memory, Shri Pankaj Kumar Amarnani had visited their firm for inquiry for purchase of gold bars of 10 gms to 50 gms of gold and discussed about sale of gold bars at Manek Chowk Market and thereafter, he never met Shri Pankaj Kumar Amarnani.
- He agreed that the said three gold bars belong to their firm M/s. Shree Mehul Bullion. They were kept in his vault as part of his regular trading stock; that they do bullion trading; that they purchases majority of foreign origin gold bars of 100 gms gold from renowned companies viz. 1. M/s. Amarapali Industries Private Limited, 2. M/s. Balaji Bullion, 3. M/s. Ambuja Bullion, 4 M/s. Jewellery House etc. and thereafter they sale the purchased gold bars retail customers and manufacturers of small-scale jewellers at Manek Chowk and others.
- Shri Amulakhbhai Thakkar is the proprietor of M/s. Shree Mehul Bullion and Shri Amulakhbhai Thakkar is his father and due to old age of his father, he look after the entire business activity of M/s. Shree Mehul Bullion.
- He produced purchase details along with invoices for purchase of two 100 gms gold bars bearing the mark "VALCAMBI" were purchased by M/s. Shree Mehul Bullion from M/s. Balaji Bullion.

- He stated that the third gold bar bearing the mark "SAM" was also purchased by their firm M/s. Shree Mehul Bullion under proper invoices, however, the seller of the gold bars usually don't mention the details of gold bars purchased from them viz. make and sr. No. in the purchase invoices, therefore he could not produce the exact details of the said foreign gold bar with mark "SAM".

6.3 Statement of Shri Satish Amarnani resident of 353/20, Swami Bodhraj Mohalla, Khari Kui, Ajmer, Rajasthan – 305001, recorded on 11.03.2026 under Section 108 of the Customs Act, 1962, wherein he interalia stated that –

- Perused the statements of Shri Manish Madnani dated 26.09.2025 and 06.02.2026 and he agreed with the facts mentioned therein.
- Perused the statements of Shri Pankaj Kumar Amarnani dated 26.09.2025 and dated 06.02.2026
- He had travelled to Dubai twice, once earlier in April or May 2025 and again in September 2025 and during his visit at September 2025 visit, Shri Pankaj Kumar Amarnani asked him to take Shri Manish Madnani along with me to Dubai, and accordingly Shri Manish Madnani travelled along with him to Dubai.
- He travelled to Dubai along with Shri Manish Madnani as Shri Pankaj Kumar Amarnani (my cousin) has told him to take Shri Manish Madnani to Dubai.
- Before their travel, Shri Pankaj Kumar Amarnani informed him that he should go to market at Dubai and to bring the gold and handed over to Shri Manish Madnani and Shri Manish Madnani would bring the gold into India without declaring before the Customs Authorities and without payment of Customs duty; that Shri Pankaj Amarnani also provided him with the address of a shop (Venus Gold, Dehra, Dubai) in Dubai from where specially tailored clothes could be obtained in which gold could be concealed and carried; that Shri

Pankaj Amarnani lured both Shri Manish Madnani and myself as intermediaries in his gold smuggling operations into India.

- After reaching Dubai, as instructed by Shri Pankaj Kumar Amarnani, he went to the shop and brought the jeans concealed with gold in paste form and handed over to Shri Manish Madnani and asked him to wear the pant which was specially tailored and concealed with gold in paste form and accordingly, Shri Manish Madnani had worn the pant and got ready towards Dubai Airport for his journey to Ahmedabad Airport.
- The jeans pant was specially prepared with a concealed pocket inside it so that gold paste could be hidden inside the garment and carried into India; that he was aware that the pant handed over by me to Shri Manish Madnani was concealed with the gold paste.
- Shri Manish Madnani was instructed to wear the said jeans pant and travel from Dubai to Ahmedabad, so that the concealed gold in paste form could be brought into India.
- He stated that as per the discussions among them, the gold brought into India was intended to be disposed of in the local bullion market at Manek Chowk, Ahmedabad.
- Shri Pankaj Kumar Amarnani had earlier introduced him to Shri Mehul Amulakhbhai Thakkar, Proprietor of M/s Shree Mehul Bullion, Manek Chowk, Ahmedabad; that during that meeting, discussion took place with Shri Mehul Thakkar regarding whether Shri Mehul Thakkar would purchase gold that could be brought from Dubai. During the discussion, Shri Mehul Thakkar had indicated that he could purchase such gold; that after the said discussion, it was understood that the gold brought from Dubai would be sold to Shri Mehul Thakkar of M/s Shree Mehul Bullion, Manek Chowk, Ahmedabad after it smuggled into India.
- He was never associated with Shri Pankaj Amarnani in smuggling the gold into India before this incident.

- He was informed by Shri Pankaj Amarnani that prior to this incident, Shri Pankaj Kumar Amarnani and Shri Manish Madnani were brought approximately 100 grams of gold each from Dubai as a trial.
- He was aware that bringing gold into India without declaring the same before Customs authorities and without payment of duty is an offence under the Customs Act, 1962.

7. LEGAL PROVISIONS:

7.1 According to the Customs Baggage Declaration (Amendment) Regulations, 2016 issued vide Notification 31/2016 (NT) dated 01.03.2016, all passengers who come to India and have anything to declare or are carrying dutiable or prohibited goods shall declare their accompanied baggage under Section 77 of the Customs Act, 1962.

7.2. All the dutiable articles imported into India by a passenger in his baggage are classified under CTH 9803. As per Section 77 of the Customs Act, 1962, the owner of any baggage shall for the purpose of clearing it, make a declaration of its contents to the proper officer of Customs. 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 Foreign Trade (Development and Regulation) Act, 1992, the Rules and Orders made there under and the Foreign Trade Policy for the time being in force.

7.3. In terms of Para 2.26 (a) of the Foreign Trade Policy 2015-2020, 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. The Gold can be imported by the banks (authorized by RBI) and the agencies nominated for the said purpose under Para 4.41 of Chapter-4 of Foreign Trade Policy or by “Eligible Passenger” as per the provision of Notification No. 50/2017- Customs dated 30.06.2017 (Sr. No. 356). As per Notification No. 50/2017- Customs dated 30.06.2017, the ‘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.

The above said legal provisions are reproduced below:

Para 2.26 (a) of the Foreign Trade Policy 2015-2020:

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 the Ministry of Finance.

Para 4.41 of the Foreign Trade Policy 2015-2020:

Nominated Agencies: -

(i) Exporters may obtain gold / silver / platinum from Nominated Agency. Exporter in EOU and units in SEZ would be governed by the respective provisions of Chapter-6 of FTP / SEZ Rules, respectively.

(ii) Nominated Agencies are MMTC Ltd, The Handicraft and Handlooms Exports Corporation of India Ltd, The State Trading Corporation of India Ltd, PEC Ltd, STCL Ltd, MSTC Ltd, and Diamond India Limited.

(iii) Notwithstanding any provision relating to import of gold by Nominated Agencies under Foreign Trade Policy (2015-2020), the import of gold by Four Star and Five Star Houses with Nominated Agency Certificate is subjected to actual user condition and are permitted to import gold as input only for the purpose of manufacture and export by themselves during the remaining validity period of the Nominated Agency certificate.

(iv) Reserve Bank of India can authorize any bank as Nominated Agency.

(v) Procedure for import of precious metal by Nominated Agency (other than those authorized by Reserve Bank of India and the Gems &Jewellery units operating under EOU and SEZ schemes) and the monitoring mechanism thereof shall be as per the provisions laid down in Hand Book of Procedures.

(vi) A bank authorized by Reserve Bank of India is allowed export of gold scrap for refining and import standard gold strips as per Reserve Bank of India guidelines.

7.4. Condition 41 of Sl. No. 356 of CBIC Customs Notification No. 50/2017 dated 30.06.2017 where the condition regarding import of gold by passenger is regulated in the following manner:

> *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.*

7.5. **Baggage Rules, 2016 –**

7.5.1. 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 bona fide baggage of Jewellery up to a weight, of twenty grams with a value cap of fifty thousand rupees if brought by a gentleman passenger, or forty grams with a value cap of one lakh rupees, if brought by a lady passenger".

7.5.2. A combined reading of the above-mentioned legal provisions under Foreign Trade Regulations, the Customs Act, 1962 and the notifications issued therein - clearly indicate that import of gold including gold Jewellery through Baggage is Restricted and conditions have been imposed on the said imports 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 those mandatory conditions can import gold as a part of their bona fide personal baggage and the same has to be declared to the Customs at the time of their arrival and applicable duty paid. These conditions are nothing but restrictions imposed on the import of gold through passenger baggage. Further, from the foregoing legal provisions of Foreign Trade Policy, 2015-2020 read with Reserve Bank of India circulars issued under Foreign Exchange Management Act (FEMA), Notifications issued by the Government of India and Circular issued by CBIC, it is evident that no one can import gold in any other manner as not explicitly stated/permitted above.

7.6. In exercise of powers conferred by Section 3 read with Section 5 of FT (D&R) Act, 1962, read with paragraph 1.02 and 2.01 of the Foreign Trade Policy, 2015-2020, as amended from time to time, the Central Government vide DGFT's Notification No. 49/2015-2020 dated 5th January, 2022 made amendment in import policy conditions of gold in any form Chapter 71 of ITC (HS), 2017, Schedule-1 (Import Policy) as under:

ITC(HS) Code	Item Description	Policy	Existing Policy Condition	Revised Policy Condition
71061000	Powder	Restricted	Import is allowed only through nominated agencies as notified by RBI (in case of banks) and DGFT (for other agencies).	No change in existing Policy Condition
71069110	Unwrought: Grains	Restricted	Import is allowed only through nominated agencies as notified by RBI (in case of banks) and DGFT (for other agencies). Silver dore can be imported by refineries against a license with AU condition.	No change in existing Policy Condition
71069190	Unwrought: Others			
71069210	Sheets, plates, strips, tubes and pipes	Restricted	Import is allowed only through nominated agencies as notified by RBI (in case of banks) and DGFT(for other agencies).	No change in existing Policy Condition
71069290	Other	Restricted	Import is allowed only through nominated agencies as notified by RBI (in case of banks) and DGFT(for other agencies).	No change in existing Policy Condition
71081100	Powder	Restricted	Import is allowed only through nominated agencies as notified by RBI (in case of banks) and DGFT (for other agencies).	No change in existing Policy Condition
71081200	Other unwrought forms	Restricted	Import is allowed only through nominated agencies as notified by RBI (in case of banks) and DGFT (for other agencies). Gold dore can be imported by refineries against a license with AU condition.	Import is allowed only through nominated agencies as notified by RBI (in case of banks), DGFT (for other agencies) and IFSCA(for qualified jewellers through India International Bullion Exchange) Gold Dore can be imported by refineries against an import license with AU condition.
71081300	Other semi-manufactured forms	Restricted	Import is allowed only through nominated agencies as notified by RBI (in case of banks) and DGFT (for other agencies).	No change in existing Policy Condition
71189000	Other	Restricted	Import is allowed only through nominated agencies as notified by RBI (in case of banks) and DGFT (for other agencies).	Import is allowed only through nominated agencies as notified by RBI (in case of banks), DGFT (for other agencies) and IFSCA(for qualified jewellers through India International Bullion Exchange).

7.6.1. As per the said Notification, the expression "Gold in any form" includes gold in any form above 22 Kts under Chapter 71 of ITC (HS), 2017, Schedule-I (Import Policy).

7.7. Further, as per Section 2(33) of the 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 but does not include any goods in respect of which the conditions subject to

which the goods are permitted to be imported or exported have been complied with, implying that any goods imported in violation of the conditions subject to which the goods are permitted to be imported are nothing but prohibited goods. Hence, the smuggling of 446.46 gms of gold in paste form having purity of 999.00/24 Kt. recovered from Shri Manish Madnani are in contravention of the Foreign Trade Policy 2015-20 read with the relevant notification issued under the Customs Act, 1962 & rules made thereunder, shall have to be treated as prohibited, by virtue of not being in conformity with the conditions imposed in the said Regulations. It is pertinent to note that any prohibition applies to every type of prohibition which may be complete or partial and even a restriction on import or export is to an extent a prohibition. Hence the restrictions imposed on the said imports are to an extent a prohibition and any violation of the said conditions/restrictions would make the impugned goods liable for confiscation under Section 111 of Customs Act, 1962.

7.8. Therefore, it appears that import of gold in contravention of the Foreign Trade Policy 2015-20 read with the Customs Act, 1962 and RBI circulars, as well as the Rules and regulations mentioned supra, shall have to be treated as prohibited, by virtue of not being in conformity with the conditions imposed in said Regulations.

> ***Section 2(33) of the 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 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.*

> ***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.

7.9. Further, in terms of provisions under Section 123 of the Customs Act, 1962, it is the responsibility of the person who is in possession of the said gold / silver or the person claiming ownership of the same, to prove that the same were not smuggled gold. Relevant provisions of Section 123 of the Customs Act, 1962 are as under:

Section 123: Burden of proof in certain cases. –

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

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

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

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

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

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

7.10. Section 111 of the Customs Act, 1962 provides for the confiscation of the goods which are imported improperly.

Section 111. Confiscation of improperly imported goods, etc. -

The following goods brought from a place outside India shall be 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;

(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;]

7.11. Section 112 of the Customs Act, 1962 provides the penalty on the persons for the improper import of the goods.

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, harbouring, keeping, concealing, selling or purchasing, or in any other manner dealing with any goods which he knows or has reason to believe are liable to confiscation under section 111,

7.12. Section 119: Confiscation of goods used for concealing smuggled goods:

"Any goods used for concealing smuggled goods shall also be liable to confiscation".

7.13. From all 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. It clearly appears that import of goods whereof 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. Gold is not allowed to be imported freely in baggage and it is permitted to be imported subject to fulfilment of certain conditions.

8. VIOLATIONS & CONTRAVENTION OF VARIOUS PROVISIONS:

8.1 The seized goods viz. gold in paste form having purity of 999.0/24 Kt. and concealed at the blue coloured Jeans Pant and converted into one gold bar weighing 446.460 grams and having a market value of ₹52,69,344/-, have been attempted to be illegally imported / smuggled into India by Shri Manish Madnani without making any declaration before the Customs authorities, in violation of the provisions of the Customs Act, 1962, Foreign

Trade Policy (FTP) and the Customs Baggage Rules. The said gold does not appear to be permitted to be imported by Shri Manish Madnani in the manner adopted by him, keeping in view the restrictions imposed on import of gold under the provisions of the FTP and the Customs Act, 1962. Hence, it appears that the said gold bar weighing 446.46 gms. having purity 999.0/24 Kt (extracted from gold paste concealed in blue coloured jeans) was brought into India with an intent to smuggle the same by fraudulently circumventing the restrictions and prohibitions imposed under the Customs Act, 1962 and other allied Acts, Rules and Regulations. Therefore, the said gold, being prohibited goods, appears to have been illegally imported into India and is liable to confiscation under the provisions of Section 111(d) and 111(l) of the Customs Act, 1962.

8.2 Further, the blue coloured jeans pant, used for concealment of the above said gold paste from which the gold in paste form of purity 999.0/24 Kt. and weight 446.460 grams was extracted, being an article used for concealment of smuggled goods, is also liable for confiscation under Section 119 of the Customs Act, 1962.

8.3 Shri Manish Madnani has acquired possession of, carried, concealed and attempted to clear the said gold through the Green Channel without declaration, knowing or having reason to believe that the same was liable to confiscation. However, he has failed to discharge the burden of proof cast upon him in terms of the provisions of Section 123 of the Customs Act, 1962. Therefore, it appears that the said gold is smuggled into India and liable for confiscation, and the above acts and omissions render Shri Manish Madnani liable for penal action under the provisions of the Customs Act, 1962.

8.4 Accordingly, it appears that Shri Manish Madnani, by his acts and omissions, has rendered himself liable for penal action under the provisions of Section 112(a), 112(b) and Section 117 of the Customs Act, 1962, for having concerned himself in dealing with smuggled goods.

8.5 Further, from the facts and circumstances of the case and from the statements recorded under Section 108 of the Customs Act, 1962, it appears that Shri Pankaj Amarnani had come to Sardar Vallabhbhai Patel International Airport, Ahmedabad, to receive the gold brought by Shri Manish Madnani on his arrival from Dubai on 26.09.2025. Shri Pankaj Amarnani agreed and was aware and arranged of the international travel of Shri Manish Madnani and was present at the airport at the relevant time, had knowledge or reason to believe that the goods brought by Shri Manish Madnani were liable for confiscation under Customs Act, 1962 By arriving at the airport to receive the smuggled gold, Shri Pankaj Amarnani appears to have concerned himself in dealing with the seized smuggled goods at the post-import stage, knowing or having reason to believe that the said goods were liable to confiscation under the Customs Act, 1962, thereby rendering himself liable for penalty under the provisions of Customs Act, 1962.

8.6 The above acts and conduct of Shri Pankaj Kumar Amarnani, viewed in conjunction with the facts and circumstances of the case, clearly indicate that he had knowledge or reason to believe that the goods brought by Shri Manish Madnani were liable to confiscation under the Customs Act, 1962. Accordingly, Shri Pankaj Kumar Amarnani appears to have concerned himself in dealing with smuggled goods, thereby rendering himself liable for penal action under the provisions of the Customs Act, 1962.

8.7 Accordingly, it appears that Shri Pankaj Kumar Amarnani has failed to discharge the burden of proof cast upon him under section 123 of Customs Act, 1962 and thereby his acts and omissions, has rendered himself liable for penal action under the provisions of Section 112(a), 112(b) and Section 117 of the Customs Act, 1962, for having concerned himself in dealing with smuggled goods, though he was not the actual carrier of the same

8.8 The act of concealment of gold paste inside the blue coloured jeans pant, denial of possession of any dutiable goods at the time of interception, and attempt to pass through the Green Channel without declaration, clearly

establishes the mens-rea on the part of Shri Manish Madnani and his co-conspirator Shri Pankaj Kumar Amarnani, with a deliberate intent to evade payment of applicable Customs duty. The method adopted by them was not accidental or inadvertent, but was a planned and conscious act, intended to defeat the provisions of the Customs Act, 1962.

8.9 It therefore appears that Shri Manish Madnani was not inclined to declare the gold before the Customs authorities and had deliberately attempted to circumvent the Customs control mechanism. Thus, the gold bar weighing 446.460 grams, purity 999.0/24 Kt and having market value of ₹52,69,344/-, extracted from the concealed gold paste in his jeans, was illegally attempted to be smuggled into India by Shri Manish Madnani without declaration and without payment of appropriate Customs duties.

8.10 By the above acts and omissions, Shri Manish Madnani has concerned himself in carrying, concealing, attempting to clear and dealing with smuggled goods, which he knew or had reason to believe were liable to confiscation under the Customs Act, 1962. Similarly, Shri Pankaj Kumar Amarnani, by his conduct, has concerned himself in dealing with smuggled goods, knowing or having reason to believe that the same were liable to confiscation.

8.11 The above acts rendered the seized gold bar weighing 446.460 grams liable to confiscation under Section 111(d) and 111(l) of the Customs Act, 1962, and the blue coloured jeans pant used for concealment liable to confiscation under Section 119 of the Customs Act, 1962.

8.12 Further, Shri Manish Madnani and Shri Pankaj Kumar Amarnani in oral evidence in the form of statement recorded under section 108 of Customs Act, 1962 had admitted that they had also smuggled gold of 100 grams each during their earlier trip and return to India at Ahmedabad Airport during 14.02.2025 and July, 2025 respectively. Accordingly, these 200 gms of gold smuggled by them, though not physically available, are liable for confiscation under Section 111 (d) and 111(l) of Customs Act,

1962, as the said gold were improperly imported into India without declaration before the Customs Authorities and circumventing the restriction thereon. The market of value of the smuggled 100 grams of gold smuggled by Shri Manish Madnani during his return on 14.02.2025 has been arrived at Rs. 8,57,480/- (Tariff Value Rs. 8,29,192/-). Shri Pankaj Kumar Amarnani has admitted in his statement that he had brought 100 grams of gold bullion during July, 2025, however, on verification, it was found that Shri Panjak Kumar Amarnani has arrived at Ahmedabad International Airport from Dubai on 08.08.2025, and accordingly, the market value of 100 grams of gold bullion smuggled by Shri Pankaj Kumar Amarnani during 08.08.2025 has been arrived at Rs. 10,09,420/- (Tariff Value 9,41,818/-).

8.13 Further, Shri Manish Madnani and Shri Pankaj Kumar Amarnani, thereby their acts and omissions, has rendered themselves liable for penal action under the provisions of Section 112(a), 112(b) and Section 117 of the Customs Act, 1962.

8.14 Shri Satish Amarnani by providing gold-concealed denim to a carrier, he involved himself in abetting the illegal import of gold. This act renders the goods liable for confiscation under Section 111 and makes him liable for a personal penalty. Accordingly, Shri Satish Amarnani is considered a person "concerned in... concealing... or in any other manner dealing with" goods he knew were liable for confiscation. The above acts and conduct of Shri Satish Amarnani, viewed in conjunction with the facts and circumstances of the case, clearly indicate that he had knowledge or reason to believe that the goods brought by Shri Manish Madnani were liable to confiscation under the Customs Act, 1962. Accordingly, Shri Satish Amarnani appears to have concerned himself in dealing with smuggled goods, thereby rendering himself liable for penal action under Section 112(a) & (b) and 117 of the Customs Act, 1962.

8.15 Shri Pankaj Kumar Amarnani in his statement dated 26.09.2025, had stated that he was about to meet Shri Mehul who runs the business at

Manek Chowk and his shop name is M/s. Shree Mehul Bullion situated at Manek Chowk, Ahmedabad and he was about to sale the smuggled imported foreign origin gold in paste form, and Shri Mehul would melt it and give him money after deduction Rs. 700 to 1000 per gms from the prevalent market rate and thereafter, he would be return back to Ajmer with the sale proceeds and finding 100 gms of gold bar at the premises of M/s. Shree Mehul Bullion cannot be coincidence. Shri Mehul Thakkar appears to be directly indulged in purchasing smuggled gold from Shri Pankaj Kumar Amarnani. Further, in spite of lapse of considerable time, Shri Mehul Thakkar and/or M/s. Shree Mehul Bullion could not submit evidence towards legitimacy of the one 100 gms of foreign origin gold bar of "SAM" bearing Serial No. 6842020725 found/detected during search operation at their premises, which apparently indicate that the said foreign origin gold bar was brought into India illegally and Shri Mehul Thakkar has bought it from a person who had smuggled the said gold bar into India. Hence, it appears that the said gold had been brought/smuggled illegally into India by way of fraudulently, circumventing the restrictions and prohibitions imposed under the Customs Act 1962 and other allied Acts, Rules and Regulations. The tariff value and market value of the goods at the relevant period of search has been worked out to Rs. 10,43,988/- and Rs. 11,80,250/- respectively. Therefore, the said prohibited goods may be treated as imported illegally into India and liable to confiscation under the provisions of Section 111(d) and (l) of the Customs Act, 1962. Further, M/s. Shree Mehul Bullion through Shri Mehul A Thakkar had directly indulged into the activity of purchasing such smuggled gold from the person who illegally brings into India without payment of appropriate Customs duty and circumventing the restrictions imposed on import/bring of gold into India, hence, they are held liable for penal action under section 112(a), 112(b) and 117 of Customs Act, 1962.

9. ROLE PLAYED BY THE CONCERNED PERSONS

9.1 Role of Shri Manish Madnani

The evidences available on record in the form of Panchnama dated 26.09.2025, statements of Shri Manish Madnani recorded under Section 108 of the Customs Act, 1962, and other contemporaneous records, it appears that:

- Shri Manish Madnani acted as a carrier of foreign origin gold and played a crucial and active role in physically bringing the gold into India from Dubai to Ahmedabad by utilising his international air travel.
- Shri Manish Madnani arrived at Sardar Vallabhbhai Patel International Airport (SVPI), Ahmedabad on 26.09.2025 by Flydubai Flight No. FZ-437, and attempted to clear the Customs area through the Green Channel, thereby indicating his intention not to declare the goods carried by him.
- Shri Manish Madnani was found to have concealed brown coloured paste-like substance, later confirmed to be gold paste, inside the layers of fabric of his blue coloured jeans pant, below the knee portion, in a deliberate and clandestine manner.
- Shri Manish Madnani consciously adopted the method of concealment inside clothing, which clearly indicates that the gold was not meant for declaration, but was intended to be smuggled into India by avoiding detection by Customs authorities.
- During the course of interception, Shri Manish Madnani was specifically enquired by the officers whether he was carrying any dutiable, restricted or prohibited goods and whether he had anything to declare before the Customs authorities, to which he categorically denied.
- Shri Manish Madnani was fully aware that the gold carried by him was required to be declared before Customs and that the manner adopted by him for import of gold was not permissible under the

Customs Act, 1962, Customs Baggage Rules, 2016 and the Foreign Trade Policy.

- Further, Shri Manish Madnani has also accepted that in his previous trip, he had brought 100 gms. of gold in paste form in the same manner as he brought in the instant case, accordingly, it appears that Shri Manish Madnani has directly involved in smuggling of gold without declaring before the Customs authorities and bringing it against the restriction imposed by FTP, which he aware that the said goods are liable for confiscation under section 111 of Customs Act, 1962.

9.2 Role of Shri Pankaj Kumar Amarnani

The evidences available on record in the form of statements of Shri Manish Madnani and Shri Pankaj Kumar Amarnani recorded under Section 108 of the Customs Act, 1962, and other contemporaneous records, it appears that:

- Shri Pankaj Kumar Amarnani is known to Shri Manish Madnani and had lured Shri Manish Madnani with monetary benefits to smuggle the gold from Dubai in collusion with his cousin Shri Satish Amarnani and has arranged trips of Shri Manish Madnani and on his directions Shri Satish Amarnani has given blue coloured jeans pant concealed with gold paste at Dubai and has directed Shri Manish Madnani to smuggle it into India without declaration before the Customs authorities with clear intent to evade payment of customs duty and to circumvent the policy restriction imposed by the DGFT for import of gold, in any form.
- Shri Pankaj Kumar Amarnani was aware of his travel from Dubai to Ahmedabad on 26.09.2025 by Flydubai Flight No. FZ-437.
- Shri Pankaj Kumar Amarnani had come to Sardar Vallabhbhai Patel International Airport, Ahmedabad, on the said date to receive Shri Manish Madnani and to receive the smuggled gold on his arrival at Ahmedabad Airport from Dubai.

- Shri Pankaj Kumar Amarnani admitted his presence at the airport at the relevant time, thereby establishing his direct association with the arrival of the carrier of the smuggled gold.
- By arriving at the airport to receive Shri Manish Madnani, who was carrying concealed foreign origin gold, Shri Pankaj Kumar Amarnani appears to have concerned himself in dealing with the seized smuggled goods at the post-import stage.
- The conduct of Shri Pankaj Kumar Amarnani in coming to receive the carrier and the smuggled gold immediately upon arrival, coupled with his admitted presence at the airport during the interception proceedings, indicates his direct and active involvement in the handling of the smuggled gold after its attempted import into India.

- Further, Shri Pankaj Kumar Amarnani has also indulged directly in smuggling of 100 grams of gold bullion on his return journey from Dubai to Ahmedabad and therefore, Shri Pankaj Kumar Amarnani was also carried gold without declaring before Customs and that the manner adopted by him for import of gold was not permissible under the Customs Act, 1962, Customs Baggage Rules, 2016 and the Foreign Trade Policy, further, he aware that the said goods are liable for confiscation under section 111 of Customs Act, 1962.

9.3 Role played by Shri Satish Amarnani

The evidences available on record in the form of Panchnama dated 26.09.2025, statements of Shri Manish Madnani, Shri Pankaj Kumar Amarnani and Shri Satish Amarnani recorded under Section 108 of the Customs Act, 1962, and other contemporaneous records, it appears that:

- Shri Satish Amarnani has accompanied with Shri Manish Madani during his outward journey from Ahmedabad to Dubai and has acted as the main supplier in Dubai, he was the person who physically handed over the blue jeans—specially prepared with gold paste hidden inside the fabric—to the passenger, Shri Manish Madnani.

- Shri Satish Amarnani role is specific and he was to prepare and hide the gold so it could be smuggled into India without being caught by Customs, as per the directions of Shri Pankaj Kumar Amarnani and they both are cousins. He also acted as the international link between the gold in Dubai and the intended receiver in Ahmedabad, and Shri Pankaj Kumar Amarnani.
- He had directly involved himself in the act of handing over the blue coloured pant concealed with gold to Shri Manish Madnani, the carrier with his full knowledge that the said blue colour pant is concealed with gold paste and the same is being attempted to be smuggled into India by Shri Manish Madnani.
- By providing the concealed gold and accompanying the carrier, he is considered an accomplice who helped evade customs duties, making him liable for legal action under the Customs Act, 1962.

9.4 Role of M/s. Shree Mehul Bullion and Shri Mehul A Thakkar

The evidences available on record in the form of Panchnama dated 26.09.2025 drawn at the premises of M/s. Shree Mehul Bullion, statements of Shri Pankaj Kumar Amarnani, Shri Satish Amarnani and Shri Mehul Thakkar recorded under Section 108 of the Customs Act, 1962, and other contemporaneous records, it appears that:

- Shri Mehul Thakkar is engaged in the business of bullion trading through his firm M/s. Shree Mehul Bullion situated at Manek Chowk, Ahmedabad, and is actively involved in the purchase and sale of gold bars in the local market.
- As per the statement of Shri Pankaj Kumar Amarnani, he intended to approach Shri Mehul Thakkar for the sale of smuggled foreign-origin gold brought into India in paste form, which was to be melted and purchased by Shri Mehul Thakkar after deducting certain margins from the prevailing market rate. This indicates that Shri Mehul Thakkar was known in the bullion market for dealing in such transactions.

- Further, Shri Pankaj Kumar Amarnani had stated that he got in touch with Shri Mehul Thakkar based on references from the Dubai market, where the firm M/s. Shree Mehul Bullion had a reputation for melting and purchasing gold, including gold brought through unauthorized channels, thereby indicating prior knowledge and market perception regarding such activities.
- During the search conducted at the premises of M/s. Shree Mehul Bullion, three foreign-origin gold bars of 100 grams each bearing international markings were found at the vault. Although Shri Mehul Thakkar claimed that these were part of legitimate trading stock, he failed to provide complete and verifiable documentary evidence with respect to one such gold bar bearing the marking “SAM” (UAE) and specific serial number details.
- The inability of Shri Mehul Thakkar to establish the licit origin of the said foreign-origin gold bar, coupled with the statements of co-noticees indicating that smuggled gold was intended to be sold to him, gives rise to a reasonable belief that he has knowingly or otherwise dealt with gold liable for confiscation under the Customs Act, 1962.
- Shri Mehul Thakkar, by virtue of his business and experience in bullion trading, cannot plead ignorance regarding the legal requirements governing import and purchase of gold, and is reasonably expected to exercise due diligence in verifying the source and legitimacy of gold being purchased.
- By allegedly engaging or being willing to engage in the purchase, melting, and disposal of smuggled gold for monetary consideration, Shri Mehul Thakkar appears to have concerned himself in dealing with goods which he knew or had reason to believe were liable for confiscation under Section 111 of the Customs Act, 1962.
- Thus, the acts and conduct of Shri Mehul Thakkar, viewed in light of the available evidence and statements on record, indicate his involvement in the downstream handling and disposal of smuggled gold, thereby rendering him liable for penal action under the

provisions of Section 112(a), 112(b) and Section 117 of the Customs Act, 1962.

10. Accordingly, a Show Cause Notice was issued jointly and severally to **(i) Shri Manish Madnani**, resident of Khari Kui, Swami Bodhraj Mohalla, Ajmer, Rajasthan – 305001, and **(ii) Shri Pankaj Kumar Amarnani**, resident of 353/17, Swami Bodhraj Gali, Khari Kut, Ajmer, Rajasthan - 305001, as to why:-

i. One gold bar weighing 446.460 grams, having purity of 999.0/24 Kt (exacted from gold paste concealed in blue coloured jeans) and market value of ₹52,69,344/-, seized under Section 110 of the Customs Act, 1962, should not be confiscated under Section 111(d) and 111(l) of the Customs Act, 1962 and also read with Section 123 of the Customs Act, 1962;

ii. The blue coloured jeans pant (remnants) appears to have been used for concealment of the above said gold, should not be confiscated under Section 119 of the Customs Act, 1962;

iii. 200 gms of foreign origin gold brought by Shri Manish Madnani and Shri Pankaj Kumar Amarnani during their earlier trip (100 grams of gold in bullion (999.0) brought by Shri Pankaj Kumar Amarnani and 100 grams of gold in paste form brought by Shri Manish Madnani, as admitted by them in their statements), having market value of Rs. 18,66,900/- (as discussed above), notwithstanding their present unavailability, as they were smuggled in violation of the various provisions of Customs Act, 1962 should not be liable to confiscation under Section 111 (d) and (l) of the Customs Act, 1962.

iii. Penalty should not be imposed upon Shri Manish Madnani under Section 112(a) & (b) and Section 117 of the Customs Act, 1962;

iv. Penalty should not be imposed upon Shri Pankaj Kumar Amarnani under Section 112(a) & 112(b) and Section 117 of the Customs Act, 1962.

Also Show Cause Notice was issued to Shri Satish Amarnani resident of 353/20, Swami Bodhraj Mohalla, Khari Kui, Ajmer, Rajasthan – 305001 for imposing penalty upon him under Section 112(a), 112(b) and 117 of the Customs Act, 1962, towards his involvement in smuggling of One gold bar weighing 446.460 grams, having purity of 999.0/24 Kt (exacted from gold paste concealed in blue coloured jeans) and market value of ₹52,69,344/-.

Also, Show Cause Notice was issued to M/s. Shree Mehul Bullion situated at 1163, Near Bank of India, Opposite Soni Ni Khadki, Manewk Chowk, Ahmedabad as to why:-

(i) One foreign-origin gold bar weighing 100 grams bearing marking "SAM" (UAE) and Serial No. 6842020725 having market value of Rs. 11,80,250/- found/detected at the premises of M/s. Shree Mehul Bullion, notwithstanding their present unavailability, should not be liable for confiscation under the provisions of Section 111(d) and 111(l) of the Customs Act, 1962.

(ii) Penalty should not be imposed under section 112(a) & (b) and Section 117 of Customs Act, 1962.

11. Defense reply and record of personal hearing:

11.1 Defense Reply of Noticee No. 1 i.e Shri Manish Madnani: - The noticee Shri Manish Madnani through his advocate/authorized representative submitted his defense reply against the allegation made against him in SCN. He submitted that the allegations are baseless and therefore, denied all allegation. He submitted that his client had arrived at SVPIA, Ahmedabad by flight no. FZ-437 dated 26.09.2025 on 26.06.2025 from Dubai and was looking for red channel counter for declaring the gold in paste form brought by him. He further submitted that the said gold was purchased by his client

for his sister's marriage. He further submitted that on being enquired by the DRI officers about the content of his baggage, he told them about carrying gold in paste form which is cheap as compared to the gold in biscuit form. The said gold paste was for making jewellery and DRI officers instead of guiding, took his client to the x-ray scanning of the baggage.; that he has repeatedly stated that he possesses gold in paste form, which he wishes to declare and pay customs duty on, however the officers made out the wrong case against him. He further submitted that he was asked to pass through the DFMD machine and consequently the gold in form of paste form was recovered from his client. He mentioned that total gold retrieved from the paste was 446.460 grams having value of Rs. 46,60,987/-. Further he submitted that the allegation of bringing gold on earlier occasion is also baseless as the same was not seized by the Customs officers. He referred the circular dated 27.08.2020 issued by CBIC wherein at Clause 8(ii) of the said circular it is stated that customs duty will be charged @ 11% from the eligible passenger and same is also mentioned by the Delhi Customs Department. Further, he referred the public notice issued by Principle Commissioner of Customs, Chhatrapati Shivaji Maharaj International Airport, Mumbai.

He further submitted that the gold is not a prohibited item and relied on the following cases in his defense which are as under:-

i. Yakub Ibrahim Yusuf Vs. Commissioner of Customs, Mumbai 2011(263) E.L.T 685 (Tri. Mumbai)
ii. Order No. 38/18-Cus dated 13.03.2018 in case of Mohammed Tanveer;
iii. Commissioner of Cus. and C.Ex Nagpur-I Vs. Mohd. Ashraf Armar 2019 (369) E.L.T 1654 (Tri. Mumbai)
iv. Hargovind Das K. Joshi Vs. Collector of Customs reported in 1992 (61) ELT 172(SC) wherein the apex court has pronounced that a quasi-judicial authority must exercise discretionary power in judicial and not arbitrary manner and had remanded the case back for consideration under Section 125 of the Customs Act, 1962.

Further, he mentioned that as per Section 125 of Customs Act, 1962, it is obligatory on the part of the adjudicating authority to give the owner of goods an option to pay in lieu of confiscation such fine as the said officer think fit

and proper. Although the same cannot be imported in terms of Notification No. 50/2017-Cus dated 30.06.2017 at concessional rate of Customs Duty.
He submitted that his client is ready to pay customs duty at the baggage rate, redemption fine and penalty on the gold in terms of Section 125 of Customs Act, 1962 and prayed that the gold may be released/redeem on payment of redemption fine.

11.2 Defense Reply of Noticee No. 2 i.e Shri Pankaj Kumar Amarnani:- The noticee through his advocate/authorized representative submitted his written defense reply against the allegation made against him in SCN wherein he denies all the allegation made against him in the SCN. He submitted that on 26.09.2025 Mr. Manish Madnani arrived at SVPIA Airport terminal Ahmedabad via Flight No. FZ-437 dated 25.09.2025 from Dubai and was kept under close observation by the DRI officer and he was duly searched by the DRI officer resulted into recovery of gold in form of paste. In his statement Shri Manish Madnani claimed that the said gold paste was given to him by Shri Satish Amarnani and asked him to hand over the said gold paste to Shri Pankaj Amarnani at SVPIA, Airport Ahmedabad. He submitted that he was apprehended by DRI officer while he was waiting for Mr. Manish Madnani at outside the SVPIA, Airport, Ahmedabad. He further submitted Mr. Manish Madnani was owner of gold under seizure, however he was failed to declare the same as required under Section 77 of Customs Act, 1962. He submitted that he is not at all concerned with the gold seized from Mr. Manish Madnani.

He further submitted that he never received the gold from Mr. Manish Madnani nor dealt with the gold brought by Mr. Manish Madnani. He further submitted that he has not done any act or omission which resulting in confiscation of the said gold and therefore, Section 112(a) is not applicable in this case. He further stated that Section 112(b) is also not applicable as there is no material on record to show that the seized gold was acquired, possessed by him or he was in any way concerned in carrying/removing/depositing/concealing/selling or purchasing/dealing with seized gold and accordingly, prayed to exonerate him from all allegations made against him in the Show Cause Notice.

11.3 Defense Reply of Noticee No. 3 i.e Shri Satish Amarnani:- The noticee through his advocate/authorized representative submitted his written defense reply against the allegation made against him in SCN wherein he denies all the allegation made against him in the SCN. He submitted that on 26.09.2025 Mr. Manish Madnani arrived at SVPIA Airport terminal Ahmedabad via Flight No. FZ-437 dated 25.09.2025 from Dubai and was kept under close observation by the DRI officer and subsequently he was duly searched by the DRI officer resulted into recovery of gold in form of paste. In his statement Shri Manish Madnani claimed that the said gold paste was given to him by Shri Satish Amarnani and asked him to hand over the said gold paste to Shri Pankaj Amarnani at SVPIA, Airport Ahmedabad. He submitted that Shri Pankaj Amarnani was apprehended by DRI officer while he was waiting for Mr. Manish Madnani at outside the SVPIA, Airport, Ahmedabad. He claimed that at the time of seizure he was in Dubai. He further submitted Mr. Manish Madnani was owner of gold under seizure, however he was failed to declare the same as required under Section 77 of Customs Act, 1962. There is allegation made against Mr. Manish Madnani regarding consideration of seized gold as "smuggled gold" in terms of Section 2(39) of the Customs act, 1962 and therefore, contravened the baggage rules by bringing the non-bonafide goods in India. He submitted that he is not at all concerned with the gold seized from the possession of Mr. Manish Madnani.

He further submitted that he never received the gold from Mr. Manish Madnani nor dealt with the gold brought by Mr. Manish Madnani. He further submitted that he has not done any act or omission which resulting in confiscation of the said gold and therefore, Section 112(a) is not applicable in this case. He further stated that Section 112(b) is also not applicable as there is no material on record to show that the seized gold was acquired, possessed by him or he was in any way concerned in carrying/removing/depositing/concealing/selling or purchasing/dealing with seized gold and accordingly, prayed to exonerate him from all allegations made against him in the Show Cause Notice.

11.4 Defense Reply of Noticee No. 4 i.e M/s. Shree Mehul Bullion:

The noticee has not submitted any defense reply in the matter.

Personal Hearing:-

12. Adequate opportunities of personal hearing were given to all noticees in the Show Cause, which is summarized as under:-

Noticee No. 1: i.e Shri Manish Madnani:-

The noticee was given opportunity for personal hearing on 04.05.2026, 13.05.2026. Shri S.S Arora, Advocate and Authorized representative on behalf of noticee Shri Manish Madnani was appeared for personal hearing on 14.05.2026. He submitted that his client came from Dubai to India and brought the said gold in paste form. He submitted that the gold is not prohibited goods and requested to take lenient view in the matter and release the gold on payment of duty, fine and penalty and nothing more to add.

Noticee No. 2 and Noticee No. 3: Shri Pankaj Amarnani and Shri Satish Amarnani: The noticees were given opportunity for personal hearing on 04.05.2026, 13.05.2026 & 26.05.2026. Mrs. Harsimran Kaur, Advocate and Authorized representative on behalf of both noticees named Shri Pankaj Amarnani and Shri Satish Amarnani was appeared for personal hearing on 26.05.2026. She submitted that Shri Pankaj Amarnani came to SVPI, Airport at 3:00 AM on 26.09.2025 to receive Shri Manish Madnani who was arriving from Dubai to Ahmedabad. She mentioned that her client have no idea about the seized gold. The gold was brought to India by Shri Manish Madnani in paste form and the said gold not belong to Shri Pankaj Amarnani. She further stated that her client Shri Pankaj Amarnani was neither the carrier nor the owner of the seized foreign origin gold and accordingly requested to take lenient view in the matter and not impose fine and penalty.

She mentioned that her client Shri Satish Amarnani has no relation between her client and noticee Shri Manish Madnani and her client was not aware about the seized gold. She further mentioned that the gold was brought by Shri Manish Madnani in paste form and the said gold does not belong to

Shri Satish Amarnani. She further stated that her client Shri Satish Amarnani was neither the carrier nor the owner of the seized foreign origin gold and accordingly requested to take lenient view in the matter and not impose fine and penalty.

Noticee No. 4: M/s. Shree Mehul Bullion:

The noticee was given opportunity for personal hearing on 04.05.2026, 13.05.2026. Shri Mehul Amulakhbhai Thakkar appeared for personal hearing on 13.05.2026. He requested for 15 day's time for submission document/written submission in his defense.

Discussion and Findings:

13. I have carefully gone through the case records, Show Cause Notice, relied upon documents to Show Cause Notice and Statements of the Noticees alongwith the submission made by the noticees or their representative at the time of personal hearing scheduled on various dates. Further, sufficient opportunities to be heard were extended to all the noticees of the SCN following the Principles of Natural Justice. I note that Noticee No. 4 i.e Shri Mehul Bullion during his personal hearing requested for 15 day's time to submit his defense reply. However, the noticee has failed to comply within the given time period and the noticee has not submitted any documents in their defense even after lapse of more than 30 days from the dated of personal hearing date and accordingly, vide mail dated 24.06.2026, he noticee was again requested to submit their defense reply in the matter till 29.06.2026, however the noticee has not failed to submit any defense reply even after given so many opportunity.

13.1. Before discussing the allegations levelled in the impugned SCN in light of submissions made by some of the noticees, it is imperative to mention that none of them have retracted from their voluntarily statements tendered by them before DRI officers under Section 108 of Customs Act, 1962. I find that the said noticees have admitted in their respective statements that they have given statements voluntarily and without any inducement, threat and

coercion or by any improper means. I find that the statements recorded under Section 108 of the Customs Act, 1962 have evidentiary value under the provisions of law. The Judgment relied upon in this matter as follows:-

(i) Hon'ble Supreme Court in case of Surjeet Singh Chhabra Vs. U.O.I [reported in 1997 (89) E.L.T 646 (S.C)] held that evidence- confession statement made before Customs officer, though retracted within six days, in admission and binding, since Customs Officers are not police officers under Section 108 of the Customs Act and FERA.

(ii) 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 a valid evidences"

(iii) 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"

(iv) 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.

(v) 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."

(vi) The Hon'ble Supreme Court in another case of Gulam Hussain Shaik Chougule Vs. S.Reynolds, Supdt of Customs, Marmgoa reported in 2001 (134) ELT 3 (SC) categorially held that "Statement recorded by the Customs officer under Section 108 of the Customs Act, is admissible in evidence. The Court has to test whether the inculpating

portions were made voluntarily or whether it is vitiated on account of any of premises envisaged in Section 24 of the Evidence Act……."

(vii) The Hon'ble Apex Court in the case of Badaku Joti Svant Vs. State of Mysore reported at 1978 (2) ELT J 323(SC) held as "ln this view of the matter the statement made by the appellant to the Deputy Superintendent of Customs and Excise would not be hit by Section 25 of the Evidence Act and would be admissible in evidence unless the appellant can take advantage of Section 24 of the Evidence Act. As to that it was urged on behalf of the appellant in the High Court that the confessional statement was obtained by threats. This was not accepted by the High Court and therefore, Section 24 of the Evidence Act has no application in the present case. it is not disputed that if this statement is admissible, the conviction of the appellant is correct. As we have held that a Central Excise Officer is not a Police officer within the meaning of those words in Section 25 of the Evidence Act, the appellant's statement is admissible. It is not ruled out by anything in Section 24 of the Evidence Act and so the appellant's conviction is correct and the appeal must be dismissed. "

14. I perused the facts presented before me. The question that need to be addressed in the instant case are within the jurisdiction of Customs Act, 1962 and allied laws as under:-

i. Whether the goods seized are falls under "prohibited goods" as defined under Section 2(33) of the Customs Act, 1962;

ii. Whether, seized derived Gold bar weighing i.e 446.460 Grams found concealed in his pant in form of paste having a market value of Rs. 52,69,344/- recovered from the possession of Shri Manish Madnani (herein after mentioned as Noticee No. 1) is liable for confiscation under Section 111 (d), and (l) of the Customs Act, 1962.

iii. Whether, blue colored jeans pant (remnant) used to conceal the gold in form of paste and recovered from Shri Manish Madnani, having no value seized under Section 110 of the Customs Act, 1962 is liable for confiscation under Section 119 of the Customs Act, 1962.

iv. Whether 200 grams of foreign origin gold brough by Shri Manish Madnani and Shri Pankaj Amarnani during their earlier trip (100 grams of gold in bullion (999.0) brought by Shri Pankaj Kumar Amarnani and 100 grams of gold in paste form brought by Shri Manish Madnani, as admitted by them in their statements) having market value of Rs. 18,66,900/- is liable for confiscation under Section 111 of Customs Act, 1962;

v. Whether the act of the Noticee No. 1 (i.e Shri Manish Madnani) and Noticee No. 2(i.e. Shri Pankaj Kumar Amarnani) renders them to be penalized discretionarily under Section 112 & Section 117 of the Customs Act, 1962;

vi. Whether Shri Satish Amarnani (Noticee No. 3) is liable for penal action under Section 112 and Section 117 for his involvement in smuggling of gold bar weighing 446.460 grams having market value of Rs. 52,69,344/-.

vii. Whether, one foreign origin Gold bar weighing 100 Grams bearing marking “SAM” (UAE) and Serial No. 6842020725 having market value of Rs. 11,80,250/- found/detected at premises of M/s. Shree Mehul Bullion (herein after mentioned as Noticee No. 4) is liable for confiscation under Section 111 (d) and (l) of the Customs Act, 1962.

viii. Whether the act of the Noticee No. 4 (i.e M/s. Shree Mehul Bullion) renders them to be penalized discretionarily under Section 112 & Section 117 of the Customs Act, 1962;

15. 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 the Noticee No. 1 i.e Shri Manish Madnani and Noticee No. 2 i.e Shri Pankaj Kumar Amarnani in the instant occasion as well as at the earlier instances, are "Prohibited Goods" under the definition of Section 2(33) of the Customs Act, 1962.

16. I will now examine the submission made by the noticees one by one as per the relevant law and as per the provisions: -

16.1 I find that, based on specific intelligence, officers of the Directorate of Revenue Intelligence, Ahmedabad Zonal Unit (hereinafter referred to as 'DRI'), intercepted a passenger, namely Shri Manish Madnani, upon his arrival from Dubai via Flight No. FZ-437. The interception was carried out on suspicion that the noticee was carrying contraband or dutiable goods, as he was attempting to exit through the Green Channel without making any declaration. In the presence of independent *panchas*, the officers queried the Noticee whether he was carrying any dutiable, restricted, or prohibited goods that required declaration. The Noticee categorically denied possession of any such goods. The officers then directed the Noticee to pass his entire baggage comprising two black-coloured luggage bags, through the X-Ray Baggage Scanning Machine; however, no suspicious images were observed during the scan.

Thereafter, the officer asked the passenger to walk through the DFMD machine after removing all metallic objects from the body. While walking through the DFMD machine no beep sound heard. Thereafter, a thorough frisking of the noticee was carried out. During this physical examination, the officers detected a suspicious material concealed between the layers of fabric below the knee portion of his blue jeans. Upon being questioned regarding the nature of the substance, the Noticee, Shri Manish Madnani, admitted that the paste-like material was gold. I find that he further admitted that the said blue jeans containing the gold paste were handed to him by Shri Satish Amarnani in Dubai, with instructions to deliver the same to Shri Pankaj Amarnani at the Ahmedabad Airport.

It is on the record that the net weight of the gold recovered from Shri Manish Madnani was 446.460 grams with 999.0/24kt purity and having market value of Rs. 52,69,344/- and same is evident from the certificate no. 640/2025-26 dated 26.09.2025 issued by Government Approved Valuer. It is uncontested fact that the said derived gold bar was not declared to the Customs Under Section 77 of the Customs Act, 1962 and the noticee was attempting to exit through green channel without declaring the same. As per the facts of case available on record and as discussed above, no such declaration of the impugned gold bar derived from the paste, which was found concealed and recovered in manner as described above, was made by Shri Manish Madnani in prescribed declaration form.

Furthermore, the noticee was not eligible to import gold and that too undeclared in substantial quantity and hence the same cannot be treated as "bonafide baggage" in terms of section 79 of the Customs Act, 1962 and the same appropriately constitute prohibited goods which are liable to confiscation under Section 111 of the Customs Act, 1962.

16.2 I find that during the personal hearing, the learned Authorized Representative appearing on behalf of Noticee No. 1 (Shri Manish Madnani) submitted that the Noticee had brought the gold paste while traveling from Dubai. He argued that gold does not fall under the category of "prohibited goods" and requested the release of the seized item upon payment of the applicable redemption fine and customs duty. I further observe from the written submissions, as well as the arguments advanced during the personal hearing, that the Noticee claimed the gold paste was brought from Dubai for the purpose of his sister's marriage. The Noticee contended that he intended to declare the gold to the Customs Authorities and clear it upon payment of the applicable duty; however, instead of guiding him on the proper procedure, the officers proceeded to register a case against him.

I find that these subsequent claims are completely belied by the record. According to the statements voluntarily tendered by the Noticee under Section 108 of the Customs Act, 1962, the gold paste was found concealed

between the layers of fabric below the knee portion of his blue jeans. The Noticee explicitly admitted in his deposition that the said gold was handed to him by Shri Satish Amarnani in Dubai for transport, and was ultimately meant to be delivered to Shri Pankaj Amarnani at the Ahmedabad Airport. Crucially, the Noticee admitted that the gold paste was neither purchased by him nor did it belong to him. I observe that the Noticee has failed to produce any documentation whatsoever such as purchase invoices, bank statements, or legitimate documents to support the legal acquisition or lawful importation of the said gold. Consequently, his subsequent claim of ownership over the gold is a clear afterthought, entirely unsupported by any tangible evidence. Merely claiming ownership of a seized commodity without corroborative documentary proof does not confer legal title or ownership. At this juncture, it is imperative to examine the statutory provisions governing the burden of proof. Section 123 of the Customs Act, 1962, stipulates as under:

Section 123. Burden of proof in certain cases. *-*

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

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

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

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

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

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

Gold is a notified commodity under Section 123 of the Act. When gold is seized under a reasonable belief that it is smuggled, the statutory onus of proving that the goods are not smuggled shifts entirely onto the person from whose possession they were recovered, or any person claiming ownership. In

the instant case, the gold bar derived from the paste was recovered and seized from the physical possession of Shri Manish Madnani on 26.09.2025. Therefore, the legal onus to prove that the 446.460 grams of foreign-origin gold was legally imported and is not smuggled in nature lies squarely on Shri Manish Madnani.

16.3 Further, regarding the Noticee's allegation that he was willing to declare the gold but was not guided by the officers, I find no merit in this contention. The contemporaneous evidence on record, including the *panchnama* and the recorded statements, conclusively demonstrates that the Noticee was intercepted *after* he had crossed the Green Channel which is explicitly reserved for passengers who have no dutiable or prohibited goods to declare. Further, statements on record reveal that this was not his first trip to abroad; he had already travelled to Dubai on two separate occasions prior to this incident. As an experienced international traveller, his claim of having no knowledge of the mandatory arrival declaration process is factually unsustainable, legally untenable, and rejected as an afterthought.

Furthermore, when explicitly questioned by the intercepting officers whether he had any items to declare, the Noticee gave a categorical negative reply. It was only after passing through the Door Frame Metal Detector (DFMD) and during subsequent, sustained interrogation that the Noticee confessed of carrying gold paste concealed within the fabric layers of his jeans. Therefore, the allegation that he was denied an opportunity to declare the goods is legally unsustainable and contradicted by the facts on record.

16.4 The test report also revealed that the derived gold bar was of purity of 999.0/24Kt. *I find that during the personal hearing, his authorized representative mentioned that Shri Manish Madnani had brought the gold from Dubai in paste form for his sister's marriage, however the noticee has failed to produce any purchase invoices/bank statement regarding purchase or other legitimate documents which establish his ownership, therefore, I hold that merely claiming the ownership on the gold, without any documentary evidences does not make him the owner of the gold.* Thus, Shri Manish Madnani and his

representative failed to discharge their 'burden of proof that the Gold was legally imported/possessed and also, he had not declared the same to the Customs in the prescribed Indian Customs Declaration Form. Applying the ratio of the judgments of the Hon'ble Supreme Court in the matter of Om Prakash Bhatia Vs Commissioner of Customs [2003 (6) SCC 161] and the Hon'ble High Court, Madras in the case of Samynathan Murugesan Vs. Commissioner of Customs 2010 (254) ELT A0151, I find that the said smuggled derived Gold Bar weighing 446.460 grams of foreign origin are liable to absolute confiscation under Section 111 (d) and (l) of the Customs Act, 1962 and accordingly, the claim of ownership on gold does not hold ground as he failed to produce any legitimate documents which establish his ownership.

Also, I find that the instant case is a clear case of smuggling in terms of Section 2(39) of the Customs Act, 1962, where Gold Bar weighing 446.460 grams of foreign origin was seized under Section 110 of the Customs Act, 1962 on reasonable belief that it was smuggled in to India from Dubai, UAE. I find from the statements of the noticee Shri Manish Madnani which was recorded under Section 108 of Customs Act, 1962, that the said gold in form of paste concealed between layers/fabric of blue colored jeans pant was given to him by a person named Shri Satish Amarnani at Dubai. The said gold paste was ultimately intended for delivery to Shri Pankaj Amarnani at Ahmedabad Airport.

I find that the noticee was failed to produce any valid legal documents for procuring or transporting or possessing such gold of foreign origin at the time of interception as well as during his written submission or at the time of personal hearing. In his statements recorded on 26.09.2025 & 06.02.2026 under Section 108 of Customs Act, 1962, he clearly admitted that he was aware that the gold in paste form was given to him by Shri Satish Amarnani and he was knowingly carrying the gold from Dubai to Ahmedabad for monetary benefits as he was getting Rs. 10000/- to 12000/- for smuggling the gold from Dubai to India. It shows that knowingly and consciously he was involved in carrying and handling the foreign origin gold which he had

reasons to believe or know, was liable for confiscation under Section 111 of said Act and intentionally not made any declaration in Customs Declaration Form, which is required as per Section 77 of Customs Act, 1962 read with the Customs Baggage Declaration Regulation, 2013 as amended.

16.5 I also find that the noticee Shri Manish Madnani had neither questioned the manner of the panchnama proceedings at the material time nor controverted the facts detailed in the panchnama during the course of recording of his statement. Every procedure conducted during the panchnama by the Officers, was well documented and made in the presence of the panchas as well as the noticees. In fact, in his statements dated 25.09.2025 and 06.02.2026, he had clearly admitted that he had travelled from Dubai, UAE to Ahmedabad carrying gold in form of paste concealed in layers/fabric of his blue colored jeans pant, to smuggle the same and conceal in the manner that the same was not noticed by the Customs Authority. He mentioned that he was aware that smuggling of gold without payment of customs duty is an offence under the Customs law and thereby, violated provisions of Customs Act and the Baggage Rules, 2016. By using the modus of concealing the gold in form of paste concealed in fabric/layers of his blue colored jeans pant without declaring to the Customs on arrival in India, 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 and failed to declare the same to the Customs on arrival at the 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 was liable to confiscation under the Act. It, is therefore, proved beyond doubt that the noticee have committed an offence of the nature described in Section 112 of Customs Act, 1962 making him liable for penalty under Section 112 of the Customs Act, 1962.

16.6 Moreover, for the purpose of customs clearance of arriving international passengers, a strict two-channel system is in operation: the Green Channel, earmarked exclusively for passengers carrying non-dutiable

goods, and the Red Channel, mandatory for passengers carrying dutiable or prohibited goods. Under this statutory framework, an absolute obligation is cast upon every passenger to file a true and correct declaration of their baggage. In the instant case, I find that the Noticee failed to file the mandatory baggage declaration form and deliberately suppressed the possession of the impugned gold. Section 77 of the Customs Act, 1962, read alongside the Baggage Rules and Regulation 3 of the Customs Baggage Declaration Regulations, 2013, legally mandates such a disclosure. By attempting to exit through the Green Channel without declaration, the Noticee's actions manifest a clear intent to smuggle the goods into the country and evade the payment of applicable customs duty. Furthermore, regarding the legal entitlement to import gold, the definition of an "eligible passenger" is explicitly codified under Notification No. 50/2017-Customs, dated 30th June, 2017. As per the said Notification, an *"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*. Therefore, the foundational precondition to import gold into India is a minimum stay of six months abroad. However, the travel metrics on record reveal that the Noticee, Shri Manish Madnani, departed for Dubai on 21.09.2025 and returned to India on 26.09.2025. This brief duration of five days represents an extremely short span of time. Consequently, I hold that the Noticee fundamentally fails to satisfy the statutory criteria of an "eligible passenger," rendering him legally ineligible to import the gold in question. Accordingly, the plea advanced by the Noticee—contending that he fulfilled the conditions of an "eligible passenger" to import gold in terms of the Circular dated 27.08.2020, read with the Indian Customs Baggage Rules and the Guide for Travelers 2021, and similar instructions issued by Mumbai Customs—is entirely devoid of merit and legally unsustainable. A bare reading of all the referred instructions, guides, and circulars underscores the unambiguous caveat that

only those passengers returning to India after a continuous stay of at least six months abroad qualify as "eligible passengers" entitled to import gold upon payment of the concessional rate of duty. Since the Noticee's stay abroad was a mere five days, his reliance on these legal instruments is misplaced, misconstrued, and hereby rejected. I find that the noticees have not declared the gold before customs authority. It is also observed that the imports were also for non-bonafide purposes. Furthermore, it is a settled legal prerequisite under the applicable customs notifications that an eligible passenger intending to import gold must possess valid, convertible foreign exchange at the time of arrival to discharge the applicable customs duty. In the present case, the record indicates that the Noticee was not in possession of any such foreign convertible currency at the time of his interception. Consequently, having failed to meet this mandatory financial condition, the Noticee's claim of an intent to legally import and clear the gold stands entirely unsubstantiated and legally untenable. Therefore, the said improperly imported derived gold bar having total net weight of 446.460 Grams recovered from the possession of Shri Manish Madnani having market value of Rs. 52,69,344/-, without declaring to the Customs on arrival in India cannot be treated as bonafide household goods or personal effects and accordingly, the noticee have not fulfilled the conditions of eligible passenger to brought the gold. The noticees have 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.

16.7 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 fulfillment of Condition No. 41 of the Subject Notification.

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

If,-

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

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

2. the gold or silver is,-

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

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

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

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

Explanation.- For the purposes of this notification, "eligible passenger" means a passenger of Indian origin or a passenger holding a valid passport, issued

under the Passports Act, 1967 (15 of 1967), who is coming to India after a period of not less than six months of stay abroad; and short visits, if any, made by the eligible passenger during the aforesaid period of six months shall be ignored if the total duration of stay on such visits does not exceed thirty days and such passenger has not availed of the exemption under this notification or under the notification being superseded at any time of such short visits

From the facts of the case available on record, it is clearly established that conditions stipulated above were not fulfilled by the noticee. As per the statements of Shri Manish Madnani recorded under Section 108 of the Customs Act, 1962, he went to Dubai on 21.09.2025 alongwith Shri Satish Amarnani and returned on 26.09.2025 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 conditions were 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 bars in this case, liable for confiscation under Section 111(d) of the Customs Act, 1962.

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

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

I find that the said derived gold bar was not declared by Shri Manish Madnani 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 derived gold bar which was found concealed and recovered in manner as described above, was made by the Noticee Shri Manish Madnani, in the prescribed declaration form. Also, I find that he was not eligible to import gold and that too undeclared in substantial quantity and hence the same constitute prohibited goods, which are liable to confiscation under Section 111 (l) of the Customs Act, 1962.

17. Further, I find that in a matter 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]

18. 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.

19. 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).

20. 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.

21. 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".

22. 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****."*

23. I find that during the PH, the authorized representative on behalf of noticee Shri Manish Madnani submitted that his client was brought the gold

in paste form while coming to India from Dubai and mentioned that Gold is not a prohibited goods and requested to release the gold on payment of duty and fine.

I find that the Noticee Shri Manish Madnani has quoted and relied on various case laws/judgments as mentioned in defense submission as importation of gold is not prohibited in nature. I am of the view that conclusions in those cases may be correct, but they cannot be applied universally without considering the hard realities and specific facts of each case. Those decisions were made in different contexts, with different facts and circumstances and the ratio cannot apply here directly. Therefore, I find that while applying the ratio of one case to that of the other, the decisions of the Hon'ble Supreme Court are always required to be borne in mind. The Hon'ble Supreme Court in the case of *CCE, Calcutta Vs Alnoori Tobacco Products [2004 (170) ELT 135(SC)* has stressed the need to discuss, how the facts of decision relied upon fit factual situation of a given case and to exercise caution while applying the ratio of one case to another. This has been reiterated by the Hon'ble Supreme Court in its judgement in the case of *Escorts Ltd. Vs CCE, Delhi [2004(173) ELT 113(SC)]* wherein it has been observed that one additional or different fact may make huge difference between conclusion in two cases, and so, disposal of cases by blindly placing reliance on a decision is not proper. Again in the case of *CC(Port), Chennai Vs Toyota Kirloskar [2007(2013) ELT4(SC)],* it has been observed by the Hon'ble Supreme Court that, the ratio of a decision has to be understood in factual matrix involved therein and that the ratio of a decision has to be culled from facts of given case, further, the decision is an authority for what it decides and not what can be logically deduced there from. Hence, *I find that judgments relied upon by the noticee, is not squarely applicable in the instant case.* In view of the above discussions, I find that the manner of concealment, in this case clearly shows that the noticee had attempted to smuggle the seized gold to avoid detection by the Customs Authorities. Further, no evidence has been produced to prove licit import of the seized gold at the time of interception.

In this regard, I find that in his respective statements he has admitted that the gold in form of paste concealed in lower part of pant was handed over to him by Shri Satish Amarnani and directed to handover the same to Shri Pankaj Amarnani at Ahmedabad Airport. He further confirmed that Shri Satish Amarnani has booked his to and fro tickets and arranged accommodation at Dubai. Further, in his statement he confirmed that this was not his first instance of bringing gold into India as carrier but also on previous occasions he had brought the gold as carried for monetary gain as he received Rs. 10000/- to Rs. 12000/- for each trip apart from the expenses. Regarding prohibition of gold in the instant case is discussed in length in the foregoing para herein above. Therefore, I desist from repeating the same.

23.1 Further, during the PH, the authorized representative requested to release the gold on payment of duty and fine. In this regard, before proceeding further, I would like to reproduce section 125 of Customs Act, 1962 wherein it is stated 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.

In the instant case, I find that the manner of concealment, clearly shows that the noticee had attempted to smuggle the seized gold to avoid detection by the Customs Authorities. Further, no evidence has been produced to prove licit import of the seized gold bar. Thus, the noticee have failed to discharge the burden placed on him in terms of Section 123. Further, from the SCN, Panchnama and Statement, I find that the manner of concealment of the gold is ingenious in nature, as the noticee concealed the gold in paste form concealed between the layers of fabric in the blue-coloured jeans pant worn by Shri Manish Madnani, with intention to smuggle the same into India and evade payment of customs duty. Further, I note that to bypass the restriction imposed for importation of gold, the smugglers generally converted the gold in paste form by some chemical method for concealing the same by changing the physical appearance of the gold which was generally a solid metal. Conversion of the metal into paste makes the detection difficult by metal detector or scanner. Further, he put this paste in between the layers of fabric in the blue coloured jeans pant worn by him below the knee portion in a way so that the customs officer could have never suspected that he was carrying something with him. It appears that the noticee willfully did this to hoodwink the Customs Authority with the intention to evade payment of Customs Duty. The nature of concealment reveals the mindset of the noticee to not only evade duty but smuggle the gold. It also reveals that the act committed by the noticees was conscious and pre-meditated. Moreover, he has not declared the same before Customs Authority which shows malafide intention to remove the gold clandestinely without declaring the same. Thus, it is evident that the gold paste recovered from the possession of the noticee was "prohibited goods" within the meaning of Section 2(33) of the Act ibid and the same is liable for confiscation under Section 111 ibid. For the same reason, it is clear that their act of attempting to bring the seized goods into India in a

concealed manner without payment of duty, tantamount to "smuggling" within the meaning of Section 2(39) of the Customs Act, 1962 as it rendered the said goods liable to confiscation under Section 111 of the Act, ibid. The said passengers willfully accepted the gold paste from Shri Satish Amarnani with the sole intent to smuggle it. In the instant case, without any documents viz. purchase invoice, Bank Statement and other documents, it established that the gold was not purchased by the noticee in a legitimate way and was carried by the Noticee for getting monetary benefit and that too by concealment of the said gold. On the basis of above discussion in light of the referred judgments and nature of concealment of the gold to smuggle the same, ***I am therefore, not inclined to use my discretion to give an option to redeem the gold weighing 446.460 grams on payment of redemption fine, as envisaged under Section 125 of the Act.***

23.2 Given the facts of the present case before me and the judgements and rulings cited above, the said gold bar weighing 446.460 grams, carried by noticee Shri Manish Madnani on direction of Shri Satish Amarnani is therefore liable to be confiscated absolutely. **I therefore hold in unequivocal terms that the said gold bar total net weighing 446.460 grams, placed under seizure would be liable to absolute confiscation under Section 111(d) & 111(l) of the Customs Act, 1962. I also hold in unequivocal terms that blue coloured jeans pant (remnants) which was used to conceal the gold in paste form worn by Shri Manish Madnani, having Nil value would be liable for absolute confiscation under Section 119 of the Customs Act, 1962.**

24. As regard, of imposition of penalty under Section 112 of Customs, Act, 1962 in respect of Noticee Shri Manish Madnani, *I find that in the instant case, the principle of mens-rea on behalf of noticee is established as the noticee has failed to follow the procedure and intentionally involved in smuggling of the gold*. I find from the records available and voluntary statements tendered that the gold in form of paste concealed between the layers of fabric of blue colored jeans pant was given by Shri Satish Amarnani to conceal and to

smuggle the gold in India. 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 Shri Manish Madnani was attempting to smuggle the gold in form of paste and attempting to evade the Customs Duty by not declaring the same having net weight 446.460 grams having purity of 999.0 and 24K. 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 derived gold bar weighing 446.460 carried by him. I find from the statement of Shri Manish Madnani that the gold in form of paste was given by Shri Satish Amarnani to carry the same in India by way of concealment. Shri Satish Amarnani also confirmed in his statement that the said gold in form of paste concealed in pant was handed over to Shri Manish Madnani for smuggling to India. Despite their 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 of 446.460 grams, having purity 999.0/24kt by concealment. Thus, it is clear that the noticee Shri Manish Madnani have concerned themselves in **carrying, removing, depositing, harbouring, keeping, concealing, selling or purchasing or in any other manner dealing with gold** in a manner which they knew or had reasons to believe that the same were liable to confiscation under the Act. Accordingly, I find that the noticee Shri Manish Madnani is liable for the penalty under Section 112(b) of the Customs Act,1962 and I hold accordingly.

24.1 Regarding imposition of penalty under Section 117 of Customs Act, 1962, I find that Section 117 of Customs Act, 1962 provide for imposition of penalty on any person who contravenes any provision of the said Act or abets any such contravention or who fails to comply with any provision of this Act with which it was his duty to comply, where no express penalty is elsewhere provided for such contravention or failure, to be liable to a penalty not exceeding four lakhs rupees. The maximum amount of penalty prescribed under Section 117 initially at Rs. One lakh was revised upwards to Rs. Four lakhs, with effect from 01.08.2019. The detailed discussions in the preceding paragraphs clearly prove that the noticee not only failed to fulfill the conditions but also failed to abide by the responsibilities reposed on him as per the provision of Customs Act. Hence, there are clear violations of the Section 77 & Section 79 of the Customs Act, 1962. In the instant case, the noticee accepted to carry the gold in form of paste for monetary benefit and involved himself in the smuggling of gold. Hence, it is, fit case for imposing penalty under Section 117 of Customs Act, 1962 on the noticees Shri Manish Madnani.

25. Now, I came to allegation that as to whether the gold of 200 grams (100 gram carried by Shri Manish Madnani and 100 gram was carried by Shri Pankaj Amarnani) brought by them during their earlier trip is liable for confiscation or not under Section 111 of Customs Act, 1962 and penalty should be imposed upon Shri Pankaj Amarnani and Shri Manish Madnani under Section 112 of Customs Act, 1962 and Section 117 of Customs Act, 1962.

25.1 I find from the content of panchnama dated 26.09.2025 that a passenger named Shri Manish Madnani who was coming from Dubai to India was intercepted at Ahmedabad Airport by the officers of DRI, Ahmedabad Zonal Unit on suspicion of carrying some dutiable/prohibited/restricted goods and upon examination of his baggage as well as his personal search, 446.460 gram of gold (net weight) was recovered from his possession which was concealed in paste form in fabric layers of his blue colored jeans pant which was worn by him. Accordingly, the said gold was placed under Seizure

vide Seizure memo dated 26.09.2025 on a reasonable belief the said the gold was meant for smuggling.

In his statement, Shri Manish Madnani confirmed that the gold paste concealed within the fabric of the jeans he was wearing had been handed over to him by Shri Satish Amarnani. He further stated that he was instructed to deliver the said gold paste to Shri Pankaj Amarnani, who had arrived at the Ahmedabad Airport to receive him.

25.2 It is on record that Shri Kartikey Vasantrai Soni, the Government Approved Valuer, weighed the said gold paste and after completion of extraction, the Government Approved Valuer informed that 01gold bar weighing **446.460** Grams having purity 999.0/24KT is derived from paste of gold concealed between the fabric of jeans pant worn by Shri Manish Madnani which was given to him by Shri Satish Amarnani. Further, the Govt. Approved Valuer informed that the total Tariff Value of the said gold bar was **Rs.52,69,344/-** and Market value was **Rs.46,60,987/-**.

25.3 Following the disclosure made by Shri Manish Madnani, DRI officers intercepted Shri Pankaj Amarnani outside the arrival terminal of SVPI Airport. In his statement dated 26.09.2026, Shri Pankaj Amarnani voluntarily admitted that he was at the airport to collect 446.460 grams of foreign-origin gold from Shri Manish Madnani, who arrived from Dubai on Flight No. FZ437. He acknowledged the illicit import of the gold by Shri Madnani and confirmed that the gold paste concealed in the tailored jeans was provided by Shri Harish. The procurement was funded by a contribution of 40,000 Dirhams from his end and 1,30,000 Dirhams from Shri Harish.

Furthermore, in his voluntary statement, Shri Pankaj Amarnani admitted to his past visits to Dubai. He confessed that during his visit in July, he had clandestinely smuggled 100 grams of foreign-origin gold bullion into India without declaring it to the Customs authorities, thereby willfully evading the payment of appropriate customs duty

25.4 I find that in his subsequent statement dated 06.02.2026, he reiterated and confirmed the contents of his earlier statement dated 26.09.2025, with the sole modification that the said gold paste was handed over to Shri Manish Madnani by Shri Satish Amarnani, instead of Shri Harish. Crucially, he reconfirmed that the said gold paste was brought into India at his behest and under his direct instructions.

I find that the passenger/noticee had neither questioned the manner of the panchnama proceedings at the material time nor controverted the facts detailed in the panchnama during the course of recording of his statement. The offence committed was admitted by the noticee in his statement recorded on 26.09.2025 as well as on 06.02.2026 under Section 108 of the Customs Act, 1962. 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. He clearly admitted that he was aware that importation of gold in commercial quantity in baggage is not allowed and same was liable for Confiscation. A scrutiny of both statements reveals that the recordings under Section 108 of the Customs Act, 1962, were made voluntarily and without any elements of coercion or duress. The noticee had full opportunity to object to or decline signing the statements if the facts recorded were untrue. Consequently, the defense plea that the allegations in the Show Cause Notice are baseless cannot be sustained against the material evidence on record, and is clearly an afterthought designed to escape liability

During the personal hearing, the authorized representative reiterated that Shri Pankaj Amarnani had come to the Ahmedabad Airport solely to receive Shri Manish Madnani upon his arrival from Dubai. He further contended that the gold paste was brought exclusively by Shri Manish Madnani and asserted that the said gold did not belong to Shri Pankaj Amarnani. In this context, it is pertinent to mention Section 123 of the Customs Act, 1962, which governs the burden of proof in respect of seized gold. I find that the department has discharged its statutory obligation correctly by establishing a clear nexus and seizure of foreign-origin gold. The onus is now squarely on the noticee Shri Pankaj Amarnani to prove his non-

involvement in the illicit importation of the said gold, a burden which he has completely failed to discharge. To support my view, I rely on the decision of Hon'ble Kerala High Court in the case of Commissioner of Customs, Cochin Vs. Om Prakash Khatri which thereafter was upheld by the Hon'ble Apex Court as reported in 2019 (368) E.L.T. A155 (SC) wherein the following observation is made:

> *"We are in agreement with the view of the High Court. The appellant was unable to explain the source of the gold which was confiscated. In the circumstances, we find no merit in the civil appeals, which are accordingly dismissed."*

Further, to support my view, I place reliance on the judgment of **the Hon'ble Supreme Court in case of CC Vs. D. Bhoormal 10 which clarifies the code of conduct to be followed, as under:-**

2004 (165) ELT 136(SC) 1999 (109) ELT 247 (T) (1997) 90 ELT 241 (SC) (1997) 89 ELT 646 (SC) 1983 (13) ELT 1546 (SC) —The law does not require the prosecution to prove the impossible. All that is required is the establishment of such a degree of probability that a prudent man may, on the basis, believe in the existence of the fact in issue. The Hon'ble Court further observed that _secrecy and stealth being its covering guards, it is impossible for the preventive department to unravel every link of the process.

25.5 Regarding the noticee's contention that no seizure of gold was effected from his personal possession and that there is a lack of corroborative evidence linking him to the offense, I observe that in cases involving organized gold smuggling, a co-accused's involvement frequently extends beyond immediate physical possession. Such involvement encompasses critical roles, including facilitating transport, providing logistical support, or handling financial flows. While physical recovery is substantial evidence, it is not the sole determinant of culpability under the Customs Act, 1962. In the present matter, evaluating the totality of circumstances including the mutual, self-inculpatory statements of both the carrier and the co-accused conclusively establishes the active involvement of the noticee, Shri Pankaj

Amarnani, in the smuggling operation. He explicitly admitted in his voluntary statement that he arrived at the Ahmedabad Airport specifically to collect the contraband from Shri Manish Madnani. This is fully corroborated by the statement of Shri Manish Madnani, who confirmed that the foreign-origin gold was brought from Dubai to India for the express purpose of handing it over to Shri Pankaj Amarnani. It is a settled principle of law that the confessional statement of a co-accused holds significant evidentiary value. In forming this conclusion, I rely upon the judgment of the Hon'ble High Court of Kerala in the case of K.P. Abdul Majeed v. Commissioner [2017 (51) S.T.R. 507 (Ker)], wherein the Hon'ble High Court of Kerala has observed as under:

> *Having regard to the legal implications evolved from the aforesaid factual situation, it is clear that confession statement of co-accused can be treated as evidence, provided sufficient materials are available to corroborate such evidence. As far as retraction statement is concerned, it is for the person who claims that retraction has been made genuinely to prove that the statements were obtained under force, duress, coercion, etc., otherwise, the materials indicate that statements were given voluntarily. When the statute permits such statements to be the basis of finding of guilt even as far as co-accused is concerned, there is no reason to depart from the said view.*

He further confirms in statement that he arranged the money for gold with the help of Shri Satish Amarnani and bought the gold from Dubai in paste form and was concealed in a tailored jeans pant which was arranged by Shri Satish Amarnani. By funding the procurement of the contraband and positioning himself at the terminal to receive it, the culpability of the noticee, Shri Pankaj Amarnani, stands fully established. He was not a mere passive bystander but the principal domestic beneficiary and a core financier of the smuggling network. His financial coordination with Shri Satish Amarnani, coupled with his physical presence at SVPI Airport to collect the gold, proves a deep-seated conspiracy to clear non-duty paid, restricted goods into the domestic market. Consequently, his actions constitute a deliberate and willful

contravention of the provisions of the Customs Act, 1962, making the seized gold liable for confiscation and rendering him liable to stringent penalty under the law.

25.6 In addition to his direct involvement in the current offense, the noticee's voluntary admission regarding his past visit to Dubai in July further unmasks his deep-seated complicity in illicit operations. He openly confessed to having clandestinely brought 100 grams of foreign-origin gold bullion into India during that trip, deliberately bypassing Customs channels to evade duty. I further observe that the gravity of the offenses committed by Shri Manish Madnani and Shri Pankaj Amarnani is heavily compounded by their prior smuggling activities. The deep-seated culpability and systemic nature of this smuggling operation are further unmasked by the corroborative statements of both Shri Manish Madnani and Shri Pankaj Amarnani regarding their past activities. Both individuals admitted that during a previous joint trip to Dubai in July, they had actively engaged in smuggling of foreign-origin gold into India. Specifically, they confessed that on the said trip, they brought 100 grams of gold bullion each and clandestinely removed the same through the arrival terminal without making any declaration before the Customs authorities, thereby willfully evading the payment of appropriate customs duty. Although this combined 200 grams of gold bullion is no longer physically available for seizure and absolute confiscation under Section 111 of the Customs Act, 1962, their mutual admissions serve as vital evidence of a shared, pre-existing modus operandi. This prior instance of successful evasion conclusively proves that both noticees are habitual offenders acting in tandem with a premeditated mens rea to routinely subvert Customs controls.

25.7 I also note that in "Collector of Customs, Madras & others Vs Bhoormull, 1983 (13) ELT 1546 (SC), the Hon'ble Supreme Court in the context of the burden on the Department to prove the factum of smuggled goods, held that, the law does not require the prosecution to prove the impossible. All that it requires is the establishment of such a degree of

probability that prudent man may, on its basis, believe in the existence of the fact in issue". In the present case, I have already discussed various evidances available on record which clearly establish the smuggling of gold of 446.40 grams in the instant occasion as well as 200 Grams of gold in their previous trip in July-2025.

25.8 It needs to be appreciated that in proceedings under tax legislation like the Customs Act, the prosecution is not required to adhere to the principles of burden of proof beyond reasonable doubt. It is a settled principle of law that the department is not required to prove their case with mathematical accuracy but the theory of preponderance of probability holds good in such cases where the assessee/noticee have acted in an unscrupulous manner. My above finding is aptly supported by the following judicial pronouncements:

a) **M.P Goenka reported at 2015 (318) ELT 409 (Del)** which has been affirmed by the Hon'ble Supreme Court as reported at **2015 (324) ELT A81 (SC).** The Hon'ble High Court of Delhi had held as under:

Here, this Court notes that proceedings under tax legislation such as the FCRA or the ***Customs Act do not require the prosecution to discharge the criminal-law burden of proof beyond reasonable doubt****. Under such proceedings, a balance of probabilities is satisfactory. In Radheyshyam Kejriwal v. State of West Bengal, (2011) 3 SCC 581 = 2011 (266) E.L.T. 294 (S.C.) the Supreme Court held:*
"A person held liable to pay penalty in adjudication proceeding can not necessarily be held guilty in criminal trial. ***Adjudication proceedings are decided on the basis of preponderance of evidence*** *of a little higher degree whereas in a criminal case entire burden to prove beyond all reasonable doubt lies on the prosecution... it is trite that standard of proof required in criminal proceedings is higher than that required before adjudicating authority."*

b) **M/s Ramachandra Rexins P Ltd. reported at 2013 (295) ELT 116 (T)** which was upheld by the Hon'ble Supreme Court as reported at **2014 (302) ELT A61 (SC).** The Hon'ble Tribunal had held as under:

In a case of clandestine activity involving suppression of production and clandestine removal, ***it is not expected that such evasion has to be***

> ***established by the Department in a mathematical precision.*** *After all, a person indulging in clandestine activity takes sufficient precaution to hide/destroy the evidence. The evidence available shall be those left in spite of the best care taken by the persons involved in such clandestine activity. In such a situation, the entire facts and circumstances of the case have to be looked into and a* ***decision has to be arrived at on the yardstick of 'preponderance of probability' and not on the yardstick of 'beyond reasonable doubt'****, as the decision is being rendered in quasi-judicial proceedings.*

25.9 In view of the cumulative circumstantial evidences, documentary records, the nature and purity of gold and voluntary statements of the noticees, I held that Shri Manish Madnani was actively engaged as carrier of gold, with the active involvement and assistance of other associates i.e Shri Satish Amarnani and Shri Pankaj Amarnani, was engaged in the organized smuggling of gold into India. I also held that the both noticees namely Shri Pankaj Amarnani and Shri Manish Madnani brought gold of 200 grams (100 grams each) into India on the past occasions. The gold was smuggled into India with the clear intent to evade payment of applicable customs duties. The evidence reveals a repeated pattern of smuggling activity, deliberate concealment, and disposal of gold through cash based sale proceeding through Shri Mehul Bullion as confirmed in their voluntary admissions. Accordingly, I hold that the said smuggled goods weighing 446.460, having a total tariff value of Rs. 46,60,987/-, and gold weighing 200 grams having market value of Rs. 18,66,900/- are liable for confiscation under the provisions of Sections 111(d) and 111(m) of the Customs Act, 1962. Further, the gold weighing 200 grams smuggled by Shri Manish Madnani and Shri Pankaj Amarnani on previous occasions is not physically available for confiscation, and in such cases, redemption fine is imposable in light of the judgment in the case of **M/s. Visteon Automotive Systems India Ltd. reported at 2018 (009) GSTL 0142 (Mad) wherein the Hon'ble High Court of Madras** has observed as under:

> *The penalty directed against the importer under Section 112 and the fine payable under Section 125 operate in two different fields. The fine under Section 125 is in lieu of confiscation of the goods. The payment of fine followed up by payment of duty and other charges leviable, as per sub-section (2) of Section 125, fetches relief for the*

goods from getting confiscated. By subjecting the goods to payment of duty and other charges, the improper and irregular importation is sought to be regularised, whereas, by subjecting the goods to payment of fine under sub-section (1) of Section 125, the goods are saved from getting confiscated. Hence, the availability of the goods is not necessary for imposing the redemption fine. The opening words of Section 125, "Whenever confiscation of any goods is authorised by this Act ....", brings out the point clearly. The power to impose redemption fine springs from the authorisation of confiscation of goods provided for under Section 111 of the Act. When once power of authorisation for confiscation of goods gets traced to the said Section 111 of the Act, we are of the opinion that the physical availability of goods is not so much relevant. ***The redemption fine is in fact to avoid such consequences flowing from Section 111 only. Hence, the payment of redemption fine saves the goods from getting confiscated. Hence, their physical availability does not have any significance for imposition of redemption fine under Section 125 of the Act.*** *We accordingly answer question No. (iii).*

38.12 Hon'ble High Court of Gujarat by relying on this judgment, in the case of **Synergy Fertichem Ltd. Vs. Union of India, reported in 2020 (33) G.S.T.L. 513 (Guj.),** has held interalia as under:-

"

.

.

174. ..... *In the aforesaid context, we may refer to and rely upon a decision of the Madras High Court in the case of M/s. Visteon Automotive Systems v. The Customs, Excise & Service Tax Appellate Tribunal, C.M.A. No. 2857 of 2011, decided on 11th August, 2017 [2018 (9) G.S.T.L. 142 (Mad.)], wherein the following has been observed in Para-23;*

"23. The penalty directed against the importer under Section 112 and the fine payable under Section 125 operate in two different fields. The fine under Section 125 is in lieu of confiscation of the goods. The payment of fine followed up by payment of duty and other charges leviable, as per sub-section (2) of Section 125, fetches relief for the goods from getting confiscated. By subjecting the goods to payment of duty and other charges, the improper and irregular importation is sought to be regularised, whereas, by subjecting the goods to payment of fine under sub-section (1) of Section 125, the goods are saved from getting confiscated. Hence, the availability of the goods is not necessary for imposing the redemption fine. The opening words of Section 125, "Whenever confiscation of any goods is authorised by this Act....", brings out the point clearly. The power to impose redemption fine springs from the authorisation of confiscation of goods provided for under Section 111 of the Act. When once power of authorisation for confiscation of goods gets traced to the said Section 111 of the Act, we are of the opinion that the physical availability of goods is not so much relevant. The redemption fine is in fact to avoid such consequences flowing from Section 111 only. Hence, the payment of

redemption fine saves the goods from getting confiscated. Hence, their physical availability does not have any significance for imposition of redemption fine under Section 125 of the Act. We accordingly answer question No. (iii).“

175. We would like to follow the dictum as laid down by the Madras High Court in Para-23, referred to above.”

25.10 In light of the foregoing findings, the liability of the noticee, Shri Pankaj Amarnani, to personal penalty under Section 112 of the Customs Act, 1962, stands fully established. In the present case, Shri Pankaj Amarnani acted as the financier and designated recipient of 446.460 grams of smuggled foreign-origin gold paste, which is heavily restricted and liable to absolute confiscation under Section 111. Furthermore, his voluntary admission regarding his past joint trip to Dubai in July where he successfully smuggled an additional 100 grams of gold bullion by evading customs channels conclusively establishes his status as a habitual and persistent offender. Despite of his knowledge and belief that bringing gold into India is an offence under the provisions of the Customs Act, 1962 and the Regulations made thereunder, the noticee has actively participated in smuggling of gold. 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”* . Despite his knowledge and belief that the bringing gold into India is an offence under the provisions of the Customs Act, 1962 and the Regulations made under it, the noticee attempted to actively participated in smuggling of gold weighing 446.460 grams, having purity 999.0/24Kt and 200.00 Grams 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 is liable for confiscation under Section 111 of the Customs Act, 1962. Bringing into India goods which contravene the provisions of Customs Act and omitting to declare the same under Section 77 of the Customs Act, 1962 are clearly covered under *"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"* and covered under Section 112(a) of the Customs Act, 1962 and *Carrying/smuggling goods in an ingeniously concealed manner is clearly covered under Section 112(b) of the Customs Act, 1962*. Therefore, I find that the noticee is liable for the penalty under Section 112(b) of the Customs Act,1962 and I hold accordingly.

25.11 Furthermore, I find that the noticee, Shri Pankaj Amarnani, is also liable to a personal penalty under Section 117 of the Customs Act, 1962. Section 117 serves as a residuary penal provision within the Act, dictating that any person who contravenes any provision of this Act or any rule or regulation made thereunder, or who fails to comply with any provision of this Act which it was his duty to comply with, where no express penalty is provided elsewhere in the Act for such contravention or failure, shall be liable to a penalty. While Section 112 specifically penalizes his direct actions concerning the seized 446.460 grams of gold paste, his broader, systemic non-compliance with statutory customs procedures specifically his confessed past operation in July involving the clandestine clearance of 100 grams of gold bullion without any declaration constitutes a distinct, willful violation of the statutory duties cast upon an international passenger. By failing to report and declare foreign-origin goods to the proper officer, he routinely subverted the regulatory framework of the Act. For these contraventions where goods are no longer physically available for confiscation to trigger specific valuation-linked penalties, Section 117 is appropriately attracted. Given his established pattern as a habitual offender who continuously bypasses legal customs

channels, I hold that he is independently liable to a personal penalty under Section 117 of the Customs Act, 1962.

26. Now, I will examine the Role of Shri Satish Amarnani and whether the noticee is liable for penalty under Section 112 and 117 of Customs Act, 1962 :-

26.1 I have carefully gone through the facts of the case, the Show Cause Notice (SCN), the oral and written submissions made by the noticee, Shri Satish Amarnani, and the material evidence available on record.

I find that the role of Shri Satish Amarnani came to light through the voluntary statement of the carrier, Shri Manish Madnani, recorded under Section 108 of the Customs Act, 1962. Shri Manish Madnani categorically stated that the gold paste concealed within the fabric layers of his tailored jeans was handed over to him in Dubai by Shri Satish Amarnani, with explicit instructions to subsequently deliver the same to Shri Pankaj Amarnani outside the arrival area of SVPI Airport, Ahmedabad. This active involvement is seamlessly corroborated by the voluntary statement of Shri Satish Amarnani himself, recorded under Section 108 of the Customs Act, 1962, on **11.03.2026**. In his deposition, Shri Satish Amarnani admitted that:

i He travelled to Dubai along with Shri Manish Madnani, in September 2025 under the direct instructions of Shri Pankaj Amarnani.

ii. Prior to their return to India, Shri Pankaj Amarnani directed him to visit a specific gold market in Dubai to procure the gold paste and hand it over to Shri Manish Madnani, who was tasked with smuggling it into India without declaration or payment of duty.

iii. Shri Pankaj Amarnani provided him with the precise address of a specific shop (**Venus Gold, Dehra, Dubai**) to secure the specially tailored apparel designed explicitly for concealing the gold paste.

iv. He admitted that Shri Pankaj Amarnani had lured both him and Shri Manish Madnani to act as intermediaries in his structured gold smuggling syndicate into India.

26.2 I find from the content of statement that the statement was tendered by him voluntarily and willingly without any threat, coercion or duress and same was explained to him. He clearly admitted that, acting on the instructions of Shri Pankaj Amarnani, he brought the gold from a shop in Dubai, concealed it inside a custom-tailored jeans, and handed it over to Shri Manish Madnani to smuggle into India. In his statement, he also admitted that Shri Pankaj Amarnani had lured him into participating by offering him money. The offence committed is admitted by the noticee in his statement recorded on 21.07.2024 under Section 108 of the Customs Act, 1962. It is on the record the noticee had tendered their 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. The judgments relied upon in this matter as follows:-

- 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."

- Hon'ble Supreme Court in case of Surjeet Singh Chhabra Vs. U.O.I [Reported in 1997 (89) E.L.T 646 (S.C)] held that evidence confession statement made before Customs Officer, though retracted within six days, is an admission and binding, Since Customs officers are not Police Officers under Section 108 of Customs Act and FERA"

26.3 I find that the noticee's plea that he was in Dubai at the time of seizure and did not physically carry or own the gold is entirely irrelevant under the Customs Act, 1962. In organized smuggling networks, culpability is not limited to physical possession. Shri Satish Amarnani acted as the vital overseas logistics coordinator. He personally visited the designated shop (*Venus Gold, Dehra, Dubai*) to secure the tailored jeans, took charge of the gold, and handed the packed smuggled goods over to Shri Manish Madnani. His actions constitute the core execution phase of the smuggling plan. The fact that he remained in Dubai does not absolve him of his role as an active facilitator of the illicit import.

26.4 Further, I find that the noticee Shri Satish Amarnani during the personal hearing stated that he has no relation with Shri Manish Madnani and was not aware about the seized gold. The claim that he had no relation with Shri Manish Madnani and was unaware of the concealment is flatly contradicted by his own detailed, self-inculpatory statement dated 11.03.2026. In that statement, he meticulously detailed the shop name, agreed to the fact that the tailored jeans containing gold in paste form was given by him to Shri Manish Madnani, the travel timelines of September 2025, and the operational blueprint given by Shri Pankaj Amarnani. These hyper-specific facts could only be known to an active participant. The statements under Section 108 are judicial proceedings and hold strong evidentiary value. A blanket denial during the personal hearing, without any evidence of threat or coercion during the initial recording, cannot override his voluntary confessions. Further, the noticee's involvement is cemented by the interlocking confessions of both himself and the carrier, Shri Manish Madnani. The statements match seamlessly regarding how, where, and why the tailored jeans containing the gold paste changed hands in Dubai. It is a

settled position of law that the confession of a co-accused can be safely relied upon when corroborated by surrounding material facts and timelines.

26.5 From the comprehensive matrix of evidence, it is clear that Shri Satish Amarnani's actions directly facilitated the illicit importation of 446.460 grams of foreign-origin gold paste into India. To determine his penal liability, it is necessary to examine the provisions of Section 112 of the Customs Act, 1962:

- Section 112(a) mandates a personal penalty on any person 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 who abets the same.
- Section 112(b) penalizes any person who acquires possession of or is in any way concerned in carrying, removing, depositing, harboring, keeping, concealing, selling, or purchasing, or in any other manner dealing with goods which he knows or has reason to believe are liable to confiscation under Section 111.

By sourcing the specialized concealment clothing from Dehra, UAE packing the gold paste into the fabric, and handing it over to Shri Manish Madnani with delivery instructions, Shri Satish Amarnani directly abetted the offense under Section 112. Furthermore, by handling, preparing, and handing over the gold to Shri Manish Madnani in Dubai knowing fully well that it was meant to be smuggled into India without payment of duty, his conduct directly satisfies the text of Section 112(b). He acted as a key operational intermediary who willfully drove the conspiracy into motion. His actions directly rendered the foreign-origin gold paste liable to absolute confiscation under Section 111 of the Act. Consequently, he is liable to penalty under Section 112(b) of Customs Act, 1962.

26.6 The Show Cause Notice also proposes penalty under Section 117 of the Customs Act, 1962 on Shri Satish Amarnani. I find that Section 117 of Customs Act, 1962 provide ***for imposition of penalty on any person who contravenes any provision of the said Act or abets any such***

contravention or who fails to comply with any provision of this Act with which it was his duty to comply, where no express penalty is elsewhere provided for such contravention or failure, to be liable to a penalty not exceeding four lakhs rupees. The maximum amount of penalty prescribed under Section 117 originally Rs. One lakh was enhanced to Four lakhs, with effect from 01.08.2019. The detailed discussions in the preceding paragraphs clearly establish that the noticee intentionally committed acts that resulted in the violation of multiple provisions of the Customs Act, 1962, leading to evasion of a huge amount of Customs duty, thereby causing loss to the Government Exchequer. In doing so, he failed to fulfil the legal obligations and responsibilities cast on him under the provisions of Customs Act, 1962. Accordingly, I find that this is a fit case for imposition of penalty under Section 117 of the Customs Act, 1962 on Shri Satish Amarnani.

27. Now, I come to allegation in the Show Cause Notice that as to whether one foreign origin gold bar weighing 100 grams bearing mark "SAM" (UAE) and serial no. 6842020725 having market value of Rs. 11,80,250/- is liable for confiscation under Section 111 and penalty should be imposed upon M/s. Shree Mehul Bullion under Section 112 of Customs Act, 1962 and Section 117 of Customs Act, 1962.

From the records available viz. documentary as well as voluntary statements tendered by Shri Pankaj Amarnani and Shri Satish Amarnani under Section 108 of Customs Act, 1962, it is noticed that the gold bar weighing 100 grams was smuggled by Shri Pankaj Amarnani during his trip to Dubai to India in Month of July-2025 and was clandestinely removed without declaring before Customs Authority and subsequently was sold to M/s. Shree Mehul Bullion.

On the basis of the said deposition made by Shri Pankaj Amarnani, a Panchnama dated 26.09.2026 was drawn at the premises of M/s. Shree Mehul Bullion, having address at 1163, Nr. Bank of India, Manek Chowk, Ahmedabad. During the Panchnama proceedings, three 100 grams bullions

bearing import markings of “SAM” of UAE bearing serial number 6842020725 and “VALCAMBI” of Switzerland bearing serial numbers AM238579 & AM238580. On being enquired about the sourcing of the said gold bullion, the authorized person informed that his firm buys imported gold from M/s. Balaji Bullion and submits purchase invoices related to same. He further asserted that he will submit all the relevant purchase within 02 days.

27.1 Thereafter, statement dated 20.02.2026 was recorded of Authorized Representative Shri Mehul Amulakhbhai Thakkar wherein he stated that he was not knew Shri Pankaj Amarnani personally but he visited his firm for inquiry for purchase of gold bars of 10 gms to 50 gms of gold and discussed about sale of gold bar at Manek Chowk Market. He further stated that the allegation of purchasing foreign origin gold from Shri Pankaj Amarnani is baseless and confirmed that they had never involved in any smuggling activity. Regarding three Gold bullion of 100 grams each found during the search proceeding at his premises, he stated that all the three bullion belongs to their firm and were purchased in legitimate way and in token of that they produced purchase invoice of 02 gold bullion of 100 grams each bearing the mark “VALCAMBI”, however regarding the third gold bar bearing mark “SAM” he mentioned that the seller of gold bar never mentioned the details viz. make and Serial Number in purchase invoice and therefore, unable to produce the exact details of the said gold bar.

27.2 The primary basis of the Show Cause Notice issued to M/s. Shree Mehul Bullion rests on two key factors. First, the noticee failed to submit complete purchase documents for a 100-gram gold bullion bar (Serial No. "SAM" 6842020725) found during a search of their premises. Second, it relies on the statement of co-noticee Shri Pankaj Amarnani, recorded under Section 108 of the Customs Act, 1962. In his statement, Shri Amarnani admitted to smuggling the 100-gram gold bullion bar into India during a personal trip in July 2025 and subsequently selling it to M/s. Shree Mehul Bullion.

27.3 On going through the documents available on records viz. Panchnama dated 26.09.2025 drawn at premises of M/s. Shree Mehul Bullion, Statement

of Shri Mehul A Thakkar, Authorized person of M/s. Shree Mehul Bullion and statement of Co-noticees. I find that Shri Pankaj Amarnani in his statement dated 26.09.2025 & 06.02.2026, specifically confirmed that he smuggled a 100 grams gold in form of bullion during his trip in July-2025, however, I find that the said statements completely lack any specific details regarding the form, mint marking, or unique serial number of the gold he supposedly sold. Further, the investigation relies on the mere presumption that the gold bar bearing Serial No. "SAM" 6842020725 found in stock is identical to the one sold by Shri Amarnani. No actual link has been established between the gold sold by Shri Amarnani and the gold recovered during the panchnama proceedings at the premises of M/s. Shree Mehul Bullion. In the absence of substantial evidence, it cannot be concluded that the "SAM" marked gold bullion found at the premises is the exact same gold that Shri Amarnani claimed to have sold to the firm.

27.4 I further find from the statement dated 20.02.2026 tendered by Shri Mehul A Thakkar wherein he produced purchase details along with invoices for two 100-gram gold bars bearing the "VALCAMBI" mark found in his vault. Regarding the gold bar bearing the "SAM" mark, he confirmed that it was also purchased by the firm under a proper invoice, though the seller had omitted the make and serial number on that specific document. He further asserted that their book stock perfectly matched the physical gold bars available on hand. An analysis of these facts reveals that the investigation has failed to discharge the statutory burden of proof placed upon it. Although, I find from the voluntary statement tendered under Section 108 of Customs Act, 1962 of Shri Pankaj Amarnani that he smuggled the gold weighing 100 grams in form of bullion during his past trip made in July-2025 and a voluntary statement has an evidentiary value under the provisions of law. From the foregoing discussion, I hold that the noticee Shri Pankaj Amarnani although smuggled the gold but the investigation has failed to establish that the gold having mark “SAM” and found at the premises of M/s. Shree Mehul Bullion was the same smuggled gold brought by the Shri Pankaj Amarnani. Under Section

123 of the Customs Act, 1962, the department must prove that the suspected gold bar bearing the "SAM" mark is the exact same smuggled gold allegedly sold by Shri Pankaj Amarnani.

27.5 As per the Statement of Shri Mehul A Thakkar and Panchnama dated 26.09.2025 drawn at premises of M/s. Shree Mehul Bullion, I find that the noticee M/s. Shree Mehul Bullion has produced a copy of invoice showing purchase of said 100 grams gold bullion bearing mark “SAM”. I find that despite the omission of serial number and make, the noticee completely discharge their initial burden of proof placed on them under Section 123 of Customs Act, 1962. Conversely, the DRI investigation has failed to adduce any further evidence. The department relies solely on presumption that the 100-gram bullion bar bearing the "SAM" mark which was found in the vault of M/s. Shree Mehul Bullion but notably left unseized is the exact same bar allegedly sold by Shri Pankaj Amarnani. This is insufficient to arrive at any definitive conclusion that the gold was smuggled or that it was the specific item sold by Shri Amarnani.

Furthermore, if the DRI truly possessed a "reasonable belief" that the gold was smuggled, it raises the critical question of why the item was not seized under a proper seizure memo or held under a detention memo. Under the scheme of the Customs Act, 1962, the formation of a valid "reasonable belief" is a jurisdictional prerequisite before any search, seizure, or subsequent confiscation under Section 111 can be initiated. Such a belief cannot be the product of subjective opinion, creative imagination, or a retrospective alignment of facts. Instead, it must be based on objective, tangible, and relevant material available to the proper officer at the exact time of the action. In the present case, the investigating agency claims a "reasonable belief" that the 100-gram gold bullion bar bearing Serial No. "SAM" 6842020725 found on 26.09.2025 is the exact contraband sold by Shri Pankaj Amarnani in July 2025. However, a scrutiny of the case records reveals a fundamental failure by the investigation to establish this mandatory

legal threshold. To support my view, I put reliance on the following judgment as:-

- **Jitendra Bhanuprasad Soni v. Commissioner of Customs, Ahmedabad (CESTAT Ahmedabad**) (378) E.L.T. 687 (CESTAT - Ahmd.):: In an identical matter involving a local dealer in Manek Chowk, the Hon'ble Tribunal held that penalties under Section 112(b) are entirely unsustainable in the absence of absolute proof of mens rea and independent material showing that the gold found in a local shop was indeed smuggled.

27.6 It is a foundational principle of customs jurisprudence that the severe consequence of absolute confiscation under Section 111 cannot be sustained on a mere balance of probabilities or structural leaps. Suspicion, however strong or highly placed, can never take the place of legal proof. Because the identity of the *corpus delicti* remains completely unproven and rests entirely on arbitrary assumptions, the proposed confiscation under Sections 111(d) and 111(l) is legally unsustainable. In view of the detailed factual discrepancies, total failure to build a documentary or physical link, and the settled position of law, I hold that the charges of smuggling and illicit downstream handling brought against M/s. Shree Mehul Bullion under Section 111 of Customs Act, 1962 are completely unsustainable. Consequently, the sequential proposals for penalties under Sections 112(a), 112(b), and 117 lack legal authority and must be set aside and I hold accordingly.

28. Accordingly, I pass the following Order:

O R D E R

i. I order **absolute confiscation** of 01 Gold bar net weighing 446.460 Grams (999.0/24Kt) derived from the paste having a market value of **Rs. 52,69,344/-**(Rupees Fifty Two Lakhs Sixty Nine Thousand Three Hundred Forty Four only) recovered from the possession of Shri Manish Madnani which was concealed between the layers of fabric

below the knee portion in the blue coloured jeans pant worn by him and placed under seizure under panchnama dated 26.09.2025 and seizure memo order dated 26.09.2025 under Section 111(d) & 111(l) of the Customs Act, 1962;

ii. I order **confiscation** of 200 gms of foreign origin gold brought by Shri Manish Madnani and Shri Pankaj Kumar Amarnani during their earlier trip (100 grams of gold in bullion (999.0) brought by Shri Pankaj Kumar Amarnani and 100 grams of gold in paste form brought by Shri Manish Madnani, as admitted by them in their statements), having market value of Rs. 18,66,900/- (as discussed above) under Section 111(d) & 111(l) of the Customs Act, 1962. However, as the said gold is not physically available for confiscation, I impose redemption fine of Rs. 4,00,000/- (Rupees Four Lakh Only) in lieu of confiscation, under Section 125 of Customs Act, 1962 on Shri Manish Madnani and Shri Pankaj Amarnani.

iii. I order absolute confiscation of blue-coloured jeans pant (remnants) used to conceal the gold in paste form and recovered from Shri Manish Madnani, under Section 119 of the Customs Act, 1962.

iv. I impose a penalty of Rs. 10,00,000/- (Rupees Ten lakh Only) on **Shri Manish Madnani** under the provisions of Section 112(b)(i) of the Customs Act 1962.

v. I impose a penalty of Rs. 10,00,000/- (Rupees Ten lakh Only) on **Shri Pankaj Amarnani** under the provisions of Section 112(b)(i) of the Customs Act 1962.

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

vii. I impose a penalty of Rs. 50,000/- (Rupees Fifty Thousand Only) on **Shri Manish Madnani** under the provisions of Section 117 of the Customs Act 1962.

viii. I impose a penalty of Rs. 50,000/- (Rupees Fifty Thousand Only) on **Shri Pankaj Amarnani** under the provisions of Section 117 of the Customs Act 1962.

ix. I impose a penalty of Rs. 50,000/- (Rupees Fifty Thousand Only) on **Shri Satish Amarnani** under the provisions of Section 117 of the Customs Act 1962.

x. The proposal for confiscation of one foreign-origin gold bar weighing 100 grams, bearing marking "SAM" (UAE) and Serial No. 6842020725, valued at Rs. 11,80,250/-, under the provisions of Section 111(d) and Section 111(l) of the Customs Act, 1962 is hereby dropped.

xi. The proposal for the imposition of penalties on M/s. Shree Mehul Bullion, under Section 112(a), Section 112(b), and Section 117 of the Customs Act, 1962 is hereby dropped.

29. Accordingly, the Show Cause Notice No. DRI/AZU/GI-02/ENQ-67/2025 dated 20.03.2026 stands disposed of.

Digitally signed by
SHREE RAM VISHNOI
Date: 24-07-2026
14:41:42

(Shree Ram Vishnoi)
Additional Commissioner
Customs, Ahmedabad

F. No. VIII/10-74/DRI/SVPIA/O&A/HQ/2025-26 Date:24.07.2026
DIN: 20260771MN00007A748D
By SPEED POST A.D.

To,

1. Shri Manish Madnani,
   Swami Bodhraj Mohalla (Gali), Khari Khuhi Chowk,
   Ajmer, Rajasthan – 305001 (madnanimanish4@gmail.com)
2. Shri Pankaj Kumar Amarnani
   353/17, Swami Bodhraj Gali, Khari Khui,
   Ajmer, Rajasthan - 305001
3. Shri Satish Amarnani

353/20, Swami Bodhraj Mohalla, Khari Kui,
Ajmer, Rajasthan - 305001

4. M/s. Shree Mehul Bullion,
1163, Near Bank of India, Opposite Soni Ni Khadki,
Manewk Chowk, Ahmedabad

Copy to :-

1. The Commissioner of Customs, Ahmedabad. (Kind Attn: RRA Section)
2. The Dy./Asstt. Commissioner of Customs (AIU), SVPIA, Ahmedabad.
3. The Dy./Asstt. Commissioner of Customs (TRC), Ahmedabad.
4. The Deputy/Assistant Director, DRI, Ahmedabad Zonal Unit.
5. The System In charge, Customs HQ, Ahmedabad for uploading on official web-site i.e. http://www.ahmedabadcustoms.gov.in
6. Guard File.