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SPEED POST



F.No. 375/43/B/16-RA.Cx  
GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
(DEPARTMENT OF REVENUE)

14, HUDCO VISHALA BLDG., B WING  
6<sup>th</sup> FLOOR, BHIKAJI CAMA PLACE,  
NEW DELHI-110 066

Date of Issue. 8/8/18

Order No. 113/18-Cus dated 7-8-2018 of the Government of India, passed by Shri R.P.Sharma, Principal Commissioner & Additional Secretary to the Government of India, under section 129DD of the Custom Act, 1962.

Subject : Revision Application filed under section 129 DD of the Customs Act 1962 against the Order-in-Appeal No. CC(A)Cus/D-1/Air/148/2016 dated 17.03.2016, passed by the Commissioner of Customs, (Appeals), New Delhi.

Applicant : Mr. Mohd. Kashif

Respondent : Commissioner of Customs, New Delhi

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**ORDER**

A Revision Application No. 375/43/B/16-RA dated 16.06.2016 is filed by Shri Mohd. Kashif, (hereinafter referred to as the applicant) against the Order-in-Appeal No. CC(A)Cus/D-1/Air/148/2016 dated 17.03.2016, issued by the Commissioner of Customs (Appeals), New Delhi, whereby the Order-in-Original No. 140-Adj/2015 dated 14.10.2015 of the Additional Commissioner of Customs, confiscating the gold strips valued at Rs. 18,31,716/- and imposing Penalty of Rs. 3,50,000/- on the applicant, was upheld.

2. The revision application is filed mainly on the grounds that the applicant had verbally declared the gold strips to Customs authorities, gold is not prohibited goods and, therefore, upholding of absolute confiscation of gold and imposition of heavy penalty is not warranted in this case.

3. Personal hearing was held on 04.07.2018 and it was availed by Smt. Sangita Bhayana, Advocate, who reiterated the above stated grounds of revision.

4. From the revision application it is evident that the applicant does not dispute the Commissioner (Appeals)'s order regarding confiscation of the goods which were brought by him illegally from Dubai in violation of Customs Act and the Foreign Trade (Development and Regulation) Act 1992 and his request is limited to a point that the confiscated gold may be released on payment of redemption fine and penalty.

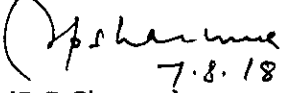
5. As regards redemption of the confiscated goods, there is no dispute that the applicant had violated Section 77 of Customs Act, 1962 by not declaring gold strips to the Custom authorities on his arrival at the airport from Dubai and consequently this case is squarely covered under section 111(d) of the customs Act. Accordingly, Commissioner (Appeals) has rightly upheld the Order-In-Original to the extent of confiscating the gold strips which were brought from Dubai with the intention to evade custom duty. However, the Commissioner (Appeals) has upheld Additional Commissioner's order of absolute confiscation of gold on the premise that the gold had become prohibited when it was sought to be smuggled in. But, he has not cited

any legal provision under which the import of gold is expressly prohibited and has merely stated that goods had become prohibited due to the methods adopted by him for smuggling the goods. While the Government is fully convinced that unusual method of smuggling is a relevant factor for determining the quantum of fine and penalty, it does not agree with the Commissioner (Appeals) that the gold had become prohibited goods just because of the method of smuggling adopted by the applicant even when the gold is not notified as prohibited goods under section 11 of the Customs Act or any other law such as Foreign Trade (Development and Regulation) Act, 1992. Prohibited goods is a distinct class of goods which can be notified by the Central Government only and the goods cannot be and do not become prohibited goods simply because it was brought by any person in violation of any legal provision or without payment of custom duty. Any goods imported without payment of duty and in violation of any provision of the Customs Act is certainly liable for confiscation under Section 111 of the Customs Act, but confiscated goods are not necessarily to be always prohibited goods. While there is no dispute in this case that the gold brought by the applicant from Dubai is liable for confiscation because he did not follow the proper procedure for import thereof in India and attempted to smuggle it without payment of custom duties, it is beyond any doubt that the gold is not a prohibited item under Customs Act. The Hon'ble Madras High Court, in its decision in the case of T. Elavarasan Vs CC(Airport), Chennai, 2011(266)E.L.T.167(Mad.), has held that gold is not a prohibited goods and a mandatory option is available to the owner of the goods to redeem the confiscated gold on payment of fine under section 125 of Customs Act, 1962. Even the Hon'ble High Court of Andhra Pradesh in the case of Shaikh Jamal Basha Vs GOI, 1997(91)E.L.T.277(A.P), has also held that as per Rule 9 of Baggage, Rules, 1979 read with Appendix-B, gold in any form other than ornament could be imported on payment of customs duty only and if the same was imported unauthorisedly the option to owner of the gold is to be given for redemption of the confiscated gold on payment of fine. In fact, the Commissioner (Appeals), Delhi, and the Government of India have consistently held the same view in a large number of cases that gold is not prohibited goods as it is not specifically notified by the Government. Therefore, the Commissioner (Appeals) has taken a totally different

stand by upholding absolute confiscation of gold in this case. Accordingly, the Commissioner (Appeals) should have provided an option to the applicant under section 125 of the Customs Act, 1962 to redeem the confiscated goods on payment of custom duties, redemption fine and penalty and because it was not done so earlier the Government now allows the applicant to redeem the confiscated gold/on payment of customs duty, fine of Rs. 9,00,000/- and penalty of Rs. 3,50,000/.

days of  
this  
order

6. Accordingly, the revision application is disposed of and the Commissioner (Appeals)'s order is modified in above terms.

  
7.8.18  
(R.P.Sharma)

Additional Secretary to the Government of India

Mr. Mohd. Kashif,  
7974, Sthamsuddin Mohalla,  
Shahkan Bara Hindu Rao, Delhi-110006

Order No. 113/18-Cus dated 7-8 2018

Copy to:

1. The Commissioner of Customs (Appeals), New Customs House, near IGI Airport, Terminal-3, New Delhi-110037.
2. The Commissioner of Customs (Appeals), New Custom House, Near IGI Airport, Terminal-3, New Delhi.
3. The Additional Commissioner of Customs, IGI Airport, T-3, New Delhi.
4. Mrs. Sangeeta Bhayana, Advocate, Chamber No. 707, LCB-3, Delhi High Court, New Delhi-110001.

5. PA to AS(RA)
6. Guard File.
7. Spare Copy

ATTESTED

(Debjit Banerjee)

STO (REVISION APPLICATION)