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GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)
8th Floor, World Trade Centre, Centre – I, Cuffe Parade,
Mumbai-400 005

F.No. 373/173/B/16-RA/980 Date of Issue 18/07/2018

ORDER NO.445/2018-CUS (SZ) / ASRA / MUMBAI/ DATED 25.06.2018 OF THE GOVERNMENT OF INDIA PASSED BY SHRI ASHOK KUMAR MEHTA , PRINCIPAL COMMISSIONER & EX-OFFICIO ADDITIONAL SECRETARY TO THE GOVERNMENT OF INDIA, UNDER SECTION 129DD OF THE CUSTOMS ACT, 1962.

Applicant : Shri Ashwaq Ahmed

Respondent : Commissioner of Customs(Airport), Chennai

Subject : Revision Application filed, under Section 129DD of the Customs Act, 1962 against the Order-in-Appeal C.Cus No. 247/2016 dated 28.06.2016 passed by the Commissioner of Customs (Appeals) Chennai.

Pr. Commr. (Revision Application) & ex-Officio Additional Secretary to the Govt. of India
Mumbai

ORDER

This revision application has been filed by Shri Ashwaq Ahmed (herein after referred to as the Applicant) against the order C. Cus No. 247/2016 dated 28.06.2016 passed by the Commissioner of Customs (Appeals), Chennai.

2. Briefly stated the facts of the case is that the applicant a Malaysian citizen arrived at the Chennai Airport on 10.12.2015. Examination of his person resulted in the recovery of Four gold chains kept in his inner wear totally weighing 492 grams valued at Rs. 12,68,868/- (Rupees Twelve Lakhs Sixty Eight thousand and Eight hundred and Sixty Eight).

3. The Original Adjudicating Authority vide Order-In-Original No. 09/2016-17 Airport dated 23.04.2016 ordered absolute confiscation of the impugned gold under Section 111 d), and (l) of the Customs Act read with Section 3 (3) of Foreign Trade (Development & Regulation) Act, and imposed penalty of Rs. 1,20,000/- under Section 112 (a) of the Customs Act.

4. Aggrieved by the said order, the applicant filed appeal before the Commissioner (Appeals) who vide Order-In-Appeal No. 247/2016 dated 28.06.2016 rejected the appeal of the applicant.

5. The applicant has filed this Revision Application interalia on the following grounds that;

5.1. The order of the Commissioner (Appeals) is against law, weight of evidence and circumstances and probabilities of the case; There is no specific allegation that he has passed of crossed the Green Channel; The Appellate Authority has simply glossed over all the judgements and points raised in the Appeal grounds; His statement were extracted through coercion; He is eligible for concessional rate of Duty fulfilling all requirements, and also had sufficient foreign exchange; He was all along at the Red Channel under the control of the officers; He orally declared the gold and showed it to the officers having seen the gold the question of declaration does not arise;

5.2 The Applicant further pleaded that as per The Applicant further pleaded that In the case of Vigneswaran vs UOI in W.P. 6281of 2014 (l) dated 12.03.2014 has directed the revenue to unconditionally return the gold to the petitioner, observing that only because of not declaring the gold, the absolute confiscation is bad under law, further stating, the only allegation is that she did not declare the gold; The Hon'ble Supreme Court has in the case of Om Prakash vs Union of India

states that the main object of the Customs Authority is to collect the duty and not to punish the person for infringement of its provisions;

5.3 The Revision Applicant cited various assorted judgments in support of his case and prayed for re-export of the gold on redemption fine and personal penalty.

6. A personal hearing in the case was held on 19.04.2018, the Advocate for the respondent Shri Palanikumar re-iterated the submissions filed in Revision Application and cited the decisions of GOI/Tribunals where option for re-export of gold was allowed. Nobody from the department attended the personal hearing.

7. The Government has gone through the facts of the case. The goods were not declared by the passenger as required under Section 77 of the Customs Act, 1962. Under the circumstances confiscation of the goods is justified.

8. However, the Applicant was not intercepted while trying to exit the Green Channel. There is also no allegation of the Applicant trying to pass through the green channel. The ownership of the gold is not disputed. Government, also observes that the gold was kept in his innerwear and not ingeniously concealed. The Applicant is not a frequent traveler, and there are no previous offences registered against him. Further, The CBEC Circular 09/2001 gives specific directions to the Customs officer in case the declaration form is incomplete/not filled up, the proper Customs officer should help the passenger record to the oral declaration on the Disembarkation Card and only thereafter should countersign/stamp the same, after taking the passenger's signature. Thus, mere non-submission of the declaration cannot be held against the Applicant.

9. There are a catena of judgments which align with the view that the discretionary powers vested with the lower authorities under section 125(1) of the Customs Act, 1962 have to be exercised. In view of the above facts, the Government is of the opinion that a lenient view can be taken in the matter. The Applicant has pleaded for re-export on redemption fine and reduced personal penalty and the Government is inclined to accept the plea. The impugned Order in Appeal therefore needs to be modified and the confiscated goods are liable to be allowed for re-export on redemption fine and penalty.

10. In view of the above, Government allows redemption of the confiscated gold bits for re-export in lieu of fine. The gold bits weighing 492 grams valued at Rs. 12,68,868/- (Rupees Twelve Lakhs Sixty Eight thousand and Eight hundred and

Sixty Eight) is ordered to be redeemed for re-export on payment of redemption fine of Rs. 5,00,000/- (Rupees Five Lakhs) under section 125 of the Customs Act, 1962. Government also observes that the facts of the case justify reduction in the penalty imposed. The penalty imposed on the Applicant is therefore reduced from Rs. 1,20,000/- (Rupees One lakh Twenty thousand) to Rs. 1,00,000/- (Rupees One lakh) under section 112(a) of the Customs Act,1962.

11. The impugned Order in Appeal stands modified to that extent. Revision application is partly allowed on above terms.

12. So, ordered.

28.6.2018

(ASHOK KUMAR MEHTA)
Principal Commissioner & ex-officio
Additional Secretary to Government of India

ORDER No.145/2018-CUS (SZ) /ASRA/MUMBAI. DATED 28.06.2018

To,

Shri Ashwaq Ahmed
C/o S. Palanikumar, Advocate,
No. 10, Sunkurama Chetty Street,
Opp High court, 2nd Floor,
Chennai 600 001.

Copy to:

1. The Commissioner of Customs, Anna International Airport, Chennai.
2. The Commissioner of Customs (Appeals), Custom House, Chennai.
3. Sr. P.S. to AS (RA), Mumbai.
4. Guard File.
5. Spare Copy.

Attested

SANKARSAN MUNDA
Asstt. Commissioner of Customs & C. Ex.