



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

F.No. 373/65/B/17-RA

1110

Date of Issue 30/07/2018

ORDER NO. 517/2018-CUS (SZ)/ASRA/MUMBAI DATED 17.07.2018 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 Mohamed Hussain Abdul Naheem

Respondent : Commissioner of Customs, Chennai.

Subject : Revision Application filed, under Section 129DD of the Customs Act, 1962 against the Order-in-Appeal No. C. Cus No. 63/2017 dated 28.03.2017 passed by the Commissioner of Customs (Appeals), Chennai.



ORDER

This revision application has been filed by Shri Mohamed Hussain Abdul Naheem (herein referred to as Applicant) against the order 63/2017 dated 28.03.2017 passed by the Commissioner of Customs (Appeals), Chennai.

2. Briefly stated facts of the case are that the Officers of Customs intercepted the applicant, who was bound for Dubai at the Chennai International Airport on 31.01.2016. Examination of his person resulted in recovery of 70 Euro currency notes of 500 euros each, totally equivalent to Rs. 25,51,500/- (Rupees Twenty Five lakh Fifty one thousand and Five hundred). Ten of these notes were recovered from his ticket pocket and rest of the currency was recovered from specially stitched pockets in the trouser waist of the Applicant.

3. The Original Adjudicating Authority, vide order No. 184 dated 30.12.2016 absolutely confiscated the currency mentioned above under section 113 (d),(e) & (h) of the Customs Act, 1962 read with Section 3(3) of the Foreign Exchange Management Act, 1999. A Personal penalty of Rs. 2,50,000/- was imposed under Section 114 (i) of the Customs Act, 1962.

4. Aggrieved by this order the Applicant filed an appeal with the Commissioner of Customs (Appeals) Chennai, Commissioner of Customs (Appeals) Chennai, vide his order No. 63/2017 dated 28.03.2017, rejected the Appeal of the Applicant.

5. Aggrieved with the above order the Applicant has filed this revision application inter alia on the grounds that;

5.1 The order of the Commissioner (Appeals) is against law, weight of evidence and circumstances and probabilities of the case; The Appellate Authority has not applied his mind and glossed over the judgments and points raised in the Appeal grounds; Goods must be prohibited before import or export, simply because of not declaring goods cannot become prohibited; The Applicant had retracted his statement and claimed the gold, immediately on the next day however it was not considered; The seized currency is not prohibited but restricted; The adjudicating authority has not exercised the option available under section 125 of the Customs Act, 1962; There is no contumacious conduct on part of the Applicant but of a person ignorant of the law; The Applicant was not aware that it was illegal to take monies out of India; The Applicant had orally declared the foreign currency and having seen the same the question of declaration does not arise; Even assuming without admitting the act of the Applicant is violation of RBI rules.

5.2 The Applicant further pleaded that the Apex court in the case of Hargovind Dash vs Collector Of Customs 1992 (61) ELT 172 (SC) and several other cases has



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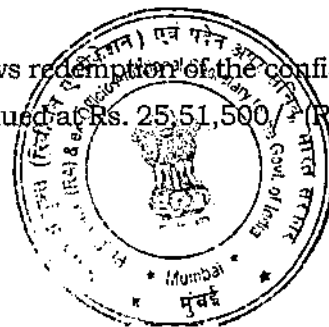
pronounced that the quasi judicial authorities should use the discretionary powers in a judicious and not an arbitrary manner and option to allow redemption is mandatory; In the case of Peringatil Hamza vs Commissioner of Customs , Mumbai 2014 (309) E.L.T. 259( Tri- Mumbai in the seizure of Rs. 24 lakhs of currency the redemption fine of 10% and penalty of Rupees 2 lakhs was found appropriate. The Applicant further pleaded that in a reported judgement 2012 (276) ELT 129 (GOI) in Chellani Mukesh and in the case-of Keetheswari 373/46/B/11 04.05.2012 the hon'ble Revisional Authority has stated absolute confiscation is very harsh and granted the option to redeem the confiscated currency.

5.3 The Revision Applicant cited various assorted judgments and boards policies in support of his case and prayed for release of the impugned currency on the redemption fine and reduce the personal penalty and thus render justice.

6. A personal hearing in the case was held on 19.04.2018, the Advocate for the respondent Shri Palanikumar attended the hearing. He re-iterated the submissions filed in Revision Application and submitted that the revision application be decided on merits. Nobody from the department attended the personal hearing.

7. The Government has gone through the case records it is observed that the Applicant had concealed the currency specially stitched pockets in the trouser waist of the Applicant. Government therefore believes that though concealed, there was no ingenious concealment. Such concealments are usually resorted to during travel, and it is common knowledge that large amounts of currency is usually carried in a concealed manner. There is also no requirement to declare currency above \$10,000, and taking of currency abroad is restricted and not prohibited. Absolute confiscation in such instances appears to be a harsh option, and unjustifiable. 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. 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. The Applicant has pleaded for release of the currency on redemption fine and the Government is inclined to accept the request. The impugned Order in Appeal therefore needs to be modified and the currency is liable to be allowed on payment of redemption fine and penalty.

8. In view of the above, Government allows redemption of the confiscated currency in lieu of fine. The impugned currency totally valued at Rs. 25,51,500 (Rupees Twenty Five



lakh Fifty one thousand and Five hundred) is ordered to be redeemed on payment of redemption fine of Rs.10,00,000/- (Rupees Ten 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. 2,50,000/- (Rupees Two lakhs Fifty thousand ) to Rs. 2,00,000/- ( Rupees Two lakhs ) under section 112(a) of the Customs Act,1962.

9. The impugned Order in Appeal is modified as detailed above. Revision application is partly allowed on above terms.

10. So, ordered.

*Ashok Kumar Mehta*  
17.7.18

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

ORDER No.577/2018-CUS (SZ) /ASRA/MUMBAI

DATED 17.07.2018

To,

Shri Mohamed Hussain Abdul Naheem  
C/o S. Palanikumar, Advocate,  
No. 10, Sunkurama Chetty Street,  
Opp High Court, 2<sup>nd</sup> Floor,  
Chennai - 600 001.

Copy to:

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

**ATTESTED**

*Sankarsan Munda*  
21/8/18  
**SANKARSAN MUNDA**  
Asstt. Commissioner of Custom & C. Ex.

