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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. 373/233/B/15-RA

Date of Issue 10/08/2018

ORDER NO. 591/2018-CUS (SZ) / ASRA / MUMBAI/ DATED 30.07.2018 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 Arul Gunasekaran

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-I No. 72/2015 dated 27.02.2015 passed by the Commissioner of Customs (Appeals), Chennai.



ORDER

This revision application has been filed by Shri Arul Gunasekaran (herein referred to as Applicant) against the Order in Appeal C. Cus No. 72/2015 dated 27.02.2015 passed by the Commissioner of Customs (Appeals), Chennai.

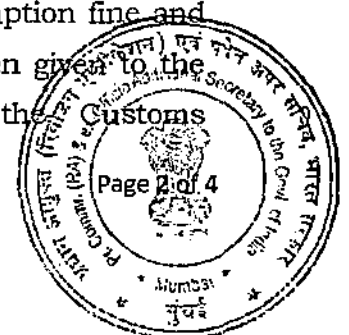
2. Briefly stated the facts of the case are that the applicant, arrived at the Chennai Airport on 12.01.2015. He was intercepted and examination of his baggage resulted in the recovery of one gold chain weighing 99 gms valued at Rs. 2,47,595/- (Rupees Two lakhs Forty seven thousand Five hundred and Ninety Five) wound and taped over a perfume bottle.

3. After due process of the law vide Order-In-Original No. 22/2015 Batch B dated 12.01.2015 the Original Adjudicating Authority ordered absolute confiscation of the gold under Section 111 (d) and e, (l), (m) of the Customs Act read with Section 3 (3) of Foreign Trade (Development & Regulation) Act and imposed penalty of Rs. 25,000/- under Section 112 (a) of the Customs Act,1962.

4. Aggrieved by the said order, the applicant filed appeal before the Commissioner (Appeals) who vide Order-In-Appeal C. Cus No. 72/2015 dated 27.02.2015 rejected the appeal of the applicant.

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

4.1 The order of the authorities is wholly unfair, unreasonable, unjust, biased, arbitrary and contrary to legal principles; The gold was brought by Applicant, a construction worker for his own use, from his hard earned money abroad ; The Applicant was intercepted at the metal detector and not while trying to pass through the green channel as alleged; The passport entries reveal that the applicant had stayed abroad for 252 days and was eligible for concessional rate of duty as per Customs Notification No. 12/2012; Failure to declare the gold should not result in absolute confiscation; There was no deliberate deep concealment; The adjudicating authority should have considered that the metals in baggage are detected metal detector/scanning machine; The import of gold is restricted but not prohibited therefore it should have been allowed on redemption fine and penalty; The option to redeem the gold ought to have been given to the Applicant as it is mandatory under the section 125 of the



Act, 1962; The gold brought in reasonable quantities was not a prohibited item; The Appellate authority should have considered that there are a plethora of decisions permitting clearance of gold brought by genuine bonafide passengers; It is a well settled principle that the quantum of penalty should also be proportionate to the role played by the individual.

4.2 The Revision Applicant cited case laws in his defense and prayed for passing such orders as deem fit in the interest of justice.

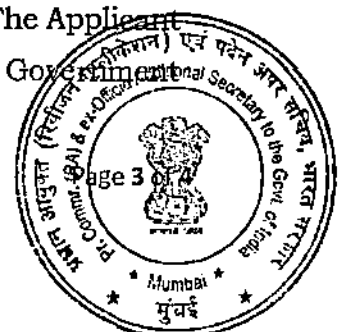
5. A personal hearing in the case was scheduled to be held on 18.07.2018, the Advocate for the respondent Shri B. Kumar attended the hearing, he reiterated the submissions filed in Revision Application and cited the decisions of GOI/Tribunals where option for re-export of gold was allowed and requested for a lenient view to be taken in the matter. Nobody from the department attended the personal hearing.

6. The Government has gone through the facts of the case. A written declaration of goods was not made by the Applicant as required under Section 77 of the Customs Act, 1962 and under the circumstances confiscation of the gold is justified.

7. However, the facts of the case state that the Applicant had not cleared the Green Channel. The impugned gold was concealed around a perfume bottle in his baggage and it does not appear to have been indigenously concealed. Import of gold is restricted not prohibited. 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.

8. 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 absolute confiscation of the gold is harsh and unjustified and therefore a lenient view can be taken in the matter. The Applicant has pleaded for redemption of the gold on fine and penalty and the Government

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is inclined to accept the plea. The impugned Order in Appeal therefore needs to be modified.

9. The Government sets aside the absolute confiscation of the gold. The impugned gold weighing 99 gms valued at Rs. 2,47,595/- (Rupees Two lakhs Forty seven thousand Five hundred and Ninety Five) is allowed to be redeemed for re-export on payment of redemption fine of Rs. 1,00,000/- ( Rupees One lakh thousand) 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. 25,000/- ( Rupees Twenty Five thousand ) to Rs. 20,000/- ( Rupees Twenty thousand ) under section 112(a) of the Customs Act,1962.

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

11. So, ordered.

*(Handwritten Signature)*

30/7/18

(ASHOK KUMAR MEHTA)

Principal Commissioner & ex-officio  
Additional Secretary to Government of India

ORDER No. 591/2018-CUS (SZ) /ASRA/MUMBAI.

DATED 30.07.2018

To,

Shri Arul Gunasekaran  
c/o M/s L. K. Associates  
"Time Tower" Room No. 5, II Floor,  
169/84, Gengu Reddy Road,  
Egmore, Chennai- 600 008.

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**

*(Handwritten Signature)*  
10/8/18

**S.R. HIRULKAR**  
Assistant Commissioner (R.A.)

