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SPEED POST



GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
(DEPARTMENT OF REVENUE)

8<sup>th</sup> Floor, World Trade Centre, Centre – I, Cuffe Parade,  
Mumbai-400 005

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**F.No. 371/274/B/WZ/2021-RA** / 7004 : Date of Issue : 26.09.2023

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ORDER NO. 682/2023-CUS (WZ)/ASRA/MUMBAI DATED 25.09.2023  
OF THE GOVERNMENT OF INDIA PASSED BY SHRI SHRAWAN KUMAR,  
PRINCIPAL COMMISSIONER & EX-OFFICIO ADDITIONAL SECRETARY TO  
THE GOVERNMENT OF INDIA, UNDER SECTION 129DD OF THE CUSTOMS  
ACT, 1962.

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**(i). F.No. 371/274/B/WZ/2021-RA**

Applicant : Ms. Gawahir Seed Ahmed Mahgoub.

Respondent : Principal Commissioner of Customs, CSMI Airport,  
Sahar, Andheri East, Mumbai – 400 099.

Subject : Revision Application filed, under Section 129DD of the  
Customs Act, 1962 against the Order-in-Appeal No.  
MUM-CUSTOM-PAX-APP-1776/2020-21 dated  
25.02.2021 issued on 08.03.2021 through F.No. S/49-  
1133/2019 passed by the Commissioner of Customs  
(Appeals), Mumbai – III, Marol, Mumbai – 400 059.

**ORDER**

This revision application has been filed by Ms. Gawahir Seed Ahmed Mahgoub (hereinafter referred to as the Applicant) against the Order-in-Appeal No. MUM-CUSTOM-PAX-APP-1776/2020-21 dated 25.02.2021 issued on 08.03.2021 through F.No. S/49-1133/2019 passed by the Commissioner of Customs (Appeals), Mumbai – III, Marol, Mumbai – 400 059.

2. Brief facts of the case are that on 25.11.2019, Customs Officers at the CSMI Airport, Mumbai had intercepted the applicant, who is a Sudanese national and had arrived from abroad onboard Air Arabia Flight no. G9-401. The applicant had opted for the green channel. Applicant was found in possession of two crude gold bangles, totally weighing 37 grams and valued at ₹ 1,27,050/- which she had failed to declare to Customs.

3. The Original Adjudicating Authority (OAA), viz, Dy. Commissioner of Customs, CSMI Airport, Mumbai who vide his Order-In-Original no. F.No. AirCus/T2/49/1381/2019-UNI-C dated 25.11.2019, ordered for the absolute confiscation of the assorted gold jewellery i.e. two crude gold bangles, totally weighing 37 grams and valued at ₹ 1,27,050/- under Section 111(d), (l) and (m) of the Customs Act, 1962. Personal penalty of ₹ 10,000/- was imposed on the applicant under Section 112 of the Customs Act, 1962.

4. Aggrieved by the said order, the applicant preferred an appeal before the appellate authority (AA) viz, Commissioner of Customs (Appeals), Mumbai – III who vide Order-In-Appeal No. MUM-CUSTOM-PAX-APP-1776/2020-21 dated 25.02.2021 issued on 08.03.2021 through F.No. S/49-1133/2019 did not find any reason to interfere in the impugned OIO and upheld the order passed by OAA.

5. Aggrieved with the above order of the appellate authority, the Applicant has filed this revision application on the following grounds of revision, that;

- 5.01. the lower authorities had failed to appreciate that the applicant being a Sudanese national did not know the law of the country i.e. India and did not know English and hence, she could not state her intentions to Customs.
- 5.02. the lower authorities had failed to appreciate that the two crude gold bangles, totally weighing 37 grams and valued at ₹ 1,27,050/- which she was wearing were old and was her regular jewellery; it did not have any foreign markings or Indian markings. She had worn the jewellery and intended to take it back to Sudan.
- 5.03. the lower authorities had failed to appreciate that Applicant was also holding foreign currency to pay duty and she was ready and willing to pay the duty.
- 5.04. the lower authorities had failed to appreciate that gold was not in commercial quantity and the quantity of the gold itself showed that it is meant for personal use; that the gold was not in primary form.
- 5.06. the Appellate Authority had given the conclusion and findings which were contrary and inconsistent with the findings of Adjudicating Authority.
- 5.08. the lower authorities have decided the case on the basis of presumptions and assumptions only and not on the real and true facts put by the Applicant.
- 5.09. the orders of the lower authorities are illegal and bad in law and the same requires to be quashed and set aside.

The applicant has prayed to the revisionary authority to quash and set aside the order passed by both the lower authorities and to allow the two crude gold bangles, totally weighing 37 grams and valued at ₹ 1,27,050/-, to be re-shipped on nominal reshipment fine and to grant any other reliefs as deemed fit.

6. The applicant has filed an application for condonation of delay of 73 days. This delay has been attributed by the applicant was due to Covid condition and the prevalent lockdown in India.

7. Personal hearing was scheduled for 29.08.2023. Smt. Shivangi Kherajani, Advocate for the applicant appeared for personal hearing on the appointed day i.e. 29.08.2023. Smt. Shivangi Kherajani, Advocate submitted that applicant is a foreign national, and has brought small quantity of gold for personal use. She requested to allow redemption of gold on nominal fine and penalty for re-export.

8. On the issue of condonation of delay, Government notes that the OIA dated 25.02.2021 was issued on 08.03.2021. The applicant in the FORM CA-8 has claimed that the OIA dated 25.02.2021 was received by her 20.03.2021. Government notes that during the appealable period of 3 months, the restrictions due to Covid condition had been imposed in the country. Due to the prevalent Covid conditions, Government observes that the Apex Court had granted a moratorium for filing appeals etc from 15.03.2020 to 28.02.2022 [Misc. Appln. No. 21/2022]. The applicant has filed the Revision Application on 02.09.2021. Considering the said moratorium period granted by the Apex Court, it is seen that the applicant had filed the revision application within time.

9. The Government has gone through the facts of the case and notes that the applicant had failed to declare the goods in her possession as required under Section 77 of the Customs Act, 1962. The applicant had not disclosed that she was carrying dutiable goods and had she not been intercepted, she would have walked away with the impugned two gold bangles together weighing 37 grams and valued at ₹ 1,27,050/-, without declaring the same to Customs. By her actions, it was clear that the applicant had no intention to declare the impugned gold to Customs and pay duty on it. The Government finds that the confiscation of the gold was therefore, justified.

10. The Hon'ble High Court Of Madras, in the case of Commissioner Of Customs (Air), Chennai-I V/s P. Sinnasamy reported in 2016 (344) E.L.T. 1154 (Mad.), relying on the judgment of the Apex Court in the case of Om Prakash Bhatia v. Commissioner of Customs, Delhi reported in 2003 (155) E.L.T. 423 (S.C.), has held that “ *if there is any prohibition of import or export of goods under the Act or any other law for the 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 goods are not complied with, it would be considered to be prohibited goods. .... Hence, prohibition of importation or exportation could be subject to certain prescribed conditions to be fulfilled before or after clearance of goods. If conditions are not fulfilled, it may amount to prohibited goods.*” It is thus clear that gold, may not be one of the enumerated goods, as prohibited goods, still, if the conditions for such import are not complied with, then import of gold, would squarely fall under the definition, “prohibited goods”.

11. Further, in para 47 of the said case the Hon'ble High Court has observed “*Smuggling in relation to any goods is forbidden and totally prohibited. Failure to check the goods on the arrival at the customs station and payment of duty at the rate prescribed, would fall under the second limb of section 112(a) of the Act, which states omission to do any act, which act or omission, would render such goods liable for confiscation.....*”. Thus, failure to declare the goods and failure to comply with the prescribed conditions has made the impugned gold “prohibited” and therefore liable for confiscation and the ‘applicant’ thus, liable for penalty.

12. Hon'ble Supreme Court in case of M/s. Raj Grow Impex [CIVIL APPEAL NO(s). 2217-2218 of 2021 Arising out of SLP(C) Nos. 14633-14634 of 2020 – Order dated 17.06.2021] has laid down the conditions and circumstances under which such discretion can be used. The same are reproduced below.

*71. Thus, when it comes to discretion, the exercise thereof has to be guided by law; has to be according to the rules of reason and justice; and has to be based on the relevant considerations. The exercise of discretion is essentially the discernment of what is right and proper; and such discernment is the critical and cautious judgment of what is correct and proper by differentiating between shadow and substance as also between equity and pretence. A holder of public office, when exercising discretion conferred by the statute, has to ensure that such exercise is in furtherance of accomplishment of the purpose underlying conferment of such power. The requirements of reasonableness, rationality, impartiality, fairness and equity are inherent in any exercise of discretion; such an exercise can never be according to the private opinion.*

*71.1. It is hardly of any debate that discretion has to be exercised judiciously and, for that matter, all the facts and all the relevant surrounding factors as also the implication of exercise of discretion either way have to be properly weighed and a balanced decision is required to be taken.*

13. The Government notes that the quantity of gold was small; the applicant has claimed ownership of the gold, that she was wearing it and now desires to take it back on her return trip. There are no allegations that the Applicant is a habitual offender and was involved in similar offences earlier. The facts of the case indicate that it is a case of non-declaration of gold rather than a case of smuggling for commercial considerations. Under the circumstances, the seriousness of the misdemeanor is required to be kept in mind when using discretion under Section 125 of Customs Act, 1962 and while imposing quantum of penalty. Government notes that the applicant who is a foreign

national has prayed that the absolute confiscation be set aside and she be allowed to re-export the gold.

14. In a recent judgement passed by the Hon'ble High Court, Madras on 08.06.2022 in WP no. 20249 of 2021 and WMP No. 21510 of 2021 in r/o. Shri. Chandrasegaram Vijayasundarm + 5 others in a similar matter of Sri. Lankans wearing 1594 gms of gold jewellery (i.e. around 300 gms worn by each person) upheld the Order no. 165 - 169/2021-Cus (SZ) ASRA, Mumbai dated 14.07.2021 in F.No. 380/59-63/B/SZ/2018-RA/3716, wherein Revisionary Authority had ordered for restoration of OIO wherein adjudicating authority had ordered for the confiscation of the gold jewellery but had allowed the same to be released for re-export on payment of appropriate redemption fine and penalty.

15. In view of the foregoing paras, the Government finds that as the applicant had not declared the two crude gold bangles, totally weighing 37 grams and valued at ₹ 1,27,050/-, at the time of arrival, the confiscation of the same was justified. However, considering the quantity of gold jewellery, no past history, the same having been worn as claimed by her and not being concealed in an ingenious manner, applicant being a foreign national, the absolute confiscation of the same was harsh and not justified. In view of the aforesaid facts and considering that the applicant is a foreign national, option to re-export the impugned gold on payment of redemption fine should have been allowed. Considering the above facts, Government is inclined to modify the absolute confiscation upheld by the AA and allow the impugned two crude gold bangles, totally weighing 37 grams and valued at ₹ 1,27,050/- to be re-exported on payment of a redemption fine.

16. Government finds that the penalty of ₹ 10,000/- imposed on the applicant under Section 112 of the Customs Act, 1962 is commensurate with the omissions and commissions committed and is not inclined to interfere in the same.

17. In view of the above, the Government modifies the order passed by the appellate authority and allows the applicant to redeem the impugned two crude gold bangles, totally weighing 37 grams and valued at ₹ 1,27,050/- for re-export on payment of a redemption fine of ₹ 25,000/- (Rupees Twenty Five thousand only). The penalty of ₹ 10,000/- imposed on applicant under Section 112 of the Customs Act, 1962 by the OAA and upheld by the AA is sustained.

18. Revision Application is disposed of on the above terms.

*Shrawan*  
25/9/23  
( SHRAWAN KUMAR )

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

**ORDER NO. 682/2023-CUS (WZ)/ASRA/MUMBAI DATED 25.09.2023.**

To,

1. Ms. Gawahir Seed Ahmed Mahgoub, Sudan. Address not available on the records (Service through noticeboard and Advocate on record).
2. Pr. Commissioner of Customs, Adjudication Cell, Chhatrapati Shivaji Maharaj International Airport, Sahar, Andheri East, Mumbai - 400 099.

**Copy to:**

3. Smt. Shivangi Kherajani, Advocate, 501, Savitri Navbahar CHS, 19<sup>th</sup> Road, Khar West, Mumbai - 400 052.
4. Smt. Kiran Kanal, Advocate, Satyam 2/5, R.C Marg, Opp. Vijaya Bank, Chembur, Mumbai - 400 071.
5. Sr. P.S. to AS (RA), Mumbai.
6. File Copy.
7. Notice Board.