

SPEED POST



F. No. 373/257/B/SZ/2018-RA
GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)

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

Date of Issue... 25/5/23

Order No. 202/23-Cus dated 25-5-2023 of the Government of India passed by Sh. Sandeep Prakash, Additional Secretary to the Government of India, under Section 129DD of the Customs Act, 1962.

Subject : Revision Application, filed under Section 129 DD of the Customs Act 1962 against the Order-in-Appeal No. TCP-CUS-000-APP-160-18 dated 08.08.2018, passed by the Commissioner of GST, Service Tax & Central Excise (Appeals), Tiruchirappalli.

Applicant : Smt. Badurnisa, Pudukottai

Respondent : The Commissioner of Customs (P), Tiruchirappalli

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ORDER

A Revision Application, bearing No. 373/257/B/SZ/2018-RA dated 26.09.2018, has been filed by Smt. Badurnisa, Pudukottai (hereinafter referred to as the Applicant), against the Order-in-Appeal No. TCP-CUS-000-APP-160-18 dated 08.08.2018, passed by the Commissioner of GST, Service Tax & Central Excise (Appeals), Tiruchirappalli, whereby the Commissioner (Appeals) has upheld the Order-in-Original No. TCP-CUS-PRV-JTC-011-18 dated 13.02.2018, passed by the Joint Commissioner of Customs (Airport), Tiruchirappalli. Vide the aforementioned Order-in-Original, 06 nos. of gold bangles and 02 nos. of gold chains of 22 carat purity, totally weighing 373.000 grams and collectively valued at Rs. 10,11,949/-, recovered from the Applicant, had been absolutely confiscated under Section 111(d), 111(i), 111(l) & 111(m) of the Customs Act, 1962. Besides, penalty of Rs. 50,000/- was also imposed on the Applicant, under Section 112(a) & 112 (b) of the Act, *ibid*.

2. Brief facts of the case are that the Customs Officers intercepted the Applicant upon her arrival at Tiruchirappalli Airport, from Kuala Lumpur, on 03.08.2017. On verification, it was found that she had not filed the Customs Declaration Form. Further, on being asked whether she had brought gold in any form with her either in person or in her baggage, she replied in negative. Thereafter, she was made to pass through the Door Frame Metal Detector (DFMD) which sounded the alarm bell indicating the presence of gold items with her. She was again asked whether she had brought gold to which she replied that she was having gold in her possession and removed 06 gold bangles from her hand and 02 gold chains from her neck covered by her burka. The Government approved gold assayer assayed the gold items and certified them to be of 22 carat purity, totally weighing 373.000 grams and collectively valued at Rs. 10,11,949/-. The Applicant, in her statement dated 03.08.2017, recorded under Section 108 of the Customs Act, 1962, *inter-alia*, stated that her husband works in a shop in Kuala Lumpur; that she went to Kuala Lumpur on 05.05.2017; that the above said gold items were given to her by an unknown person, whom she met at Kuala Lumpur airport, that person had taken a photo of her and passed it to another person, through Whatsapp, who was standing outside the Trichy airport to hand over the same for a monetary commission of Rs. 3,000/-; that she was wearing and

concealing the above said gold items around her neck and in hand, covered with clothes by her burka; that she intended to clear the gold items without payment of customs duty; that she did not possess any license/permit to import gold into India; that the said gold items do not belong to her; and that she had no money to pay the customs duty for the said gold. The matter was adjudicated by the original authority, as above, vide aforesaid Order-in-Original dated 13.02.2018. Aggrieved, the Applicant filed an appeal before the Commissioner (Appeals), which has been rejected.

3. The revision application has been filed, mainly, on the grounds that the statement of the Applicant was not voluntary and was retracted; that oral declaration was made; that import of gold is not prohibited but dutiable; and that the order of Commissioner (Appeals) be set aside, and the gold be released to the Applicant for re-export on payment of fine under Section 80 of the Customs Act, 1962.

4. Personal hearing in the matter was fixed on 17.05.2023 & 24.05.2023. In the hearing held on 24.05.2023, Sh. A. Selvaraj, Consultant appeared for the Applicant physically and filed additional submissions, which are taken on record. He requested that redemption for re-export may be granted. Sh. Arvind Kumar, Superintendent, appeared for the department in virtual mode, supported the Orders of lower authorities.

5. The Government has carefully examined the matter. It is observed that the Applicant was intercepted while crossing Customs Green Channel without making any declaration in respect of gold carried by her. She declined the possession of gold even when inquired orally. In her statement also, the Applicant had admitted the recovery of 06 nos. of gold bangles and 02 nos. of gold chains and that she intended to clear these goods without payment of Customs duty. Further, the entire proceedings have been covered under Mahazar dated 03.08.2017, in the presence of two independent witnesses. Mahazar proceedings have not been disputed with any evidence. Therefore, the sequence of events recorded in the Mahazar has to be relied upon. Therefore, the contention of the Applicant that she had declared the goods orally is nothing but an afterthought. Further, the admission made by the Applicant in her statement are corroborated by the Mahazar proceedings. Therefore, there is no doubt that the statement made is voluntary and the

retraction filed is also an afterthought. Further, Hon'ble Supreme Court has, in the case of Surjeet Singh Chhabra vs. UOI {1997 (89) ELT 646 (SC)}, held that confession statement before Customs officer, though retracted within six days, is an admission and binding.

6. As per Section 123 of the Customs Act, 1962, in respect of gold and manufactures thereof, the burden of proof that such goods are not smuggled is on the person, from whom goods are recovered. The Applicant did not declare the gold items, as stipulated under Section 77 of the Act, *ibid*. No documents evidencing ownership and licit purchase were produced at the time of interception. It is an admitted fact that the Applicant was carrying the contraband for a monetary remuneration. The Applicant has, thus, failed to discharge the burden placed on her, in terms of Section 123, *ibid*. In the facts and circumstances of the case and as the Applicant has failed to discharge the onus placed on her in terms of Section 123, the Government agrees with the lower authorities that the seized gold items were liable to confiscation under Section 111 *ibid* and, consequently, penalty was imposable on the Applicant.

7. The Government observes that import of gold and articles thereof in baggage is allowed subject to fulfillment of certain conditions. In the present case, these conditions have not been fulfilled by the Applicant. It is settled by several judgments of Hon'ble Supreme Court that goods, in respect of which conditions subject to which their import/export is allowed are not fulfilled, are to be treated as 'prohibited goods'. [Ref: Sheikh Mohd. Omer {1983 (13) ELT 1439 (SC); Om Prakash Bhatia {2003 (155) ELT 423 (SC)} & Raj Grow Impex LLP {2021 (377) ELT 145 (SC)}]. Further, the Hon'ble Madras High Court (i.e. the Hon'ble jurisdictional High Court) has, in the cases of Malabar Diamond Gallery P. Ltd. {2016 (341) ELT 465 (Mad.)} and P. Sinnasamy {2016 (344) ELT 1154 (Mad.)}, taken this view specifically in respect of import of gold in baggage. Hence, there is no doubt that the goods seized in the present case are to be held to be 'prohibited goods', in terms of Section 2(33) of the Customs Act, 1962.

8. The original authority had denied the release of seized gold items on payment of redemption fine under Section 125 of Customs Act, 1962. It is settled by the judgment of the Hon'ble Supreme Court in the case of Garg Woollen Mills (P) Ltd vs. Additional

Collector of Customs, New Delhi [1998 (104) E.L.T. 306 (S.C.)], that option to release 'prohibited goods' on redemption fine is discretionary. In the case of Raj Grow Impex (supra), the Hon'ble Supreme Court has held "*that 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; has to be based on relevant considerations.*" Further, in the case of P. Sinnasamy (supra), the Hon'ble Madras High Court has held that "*when discretion is exercised under Section 125 of the Customs Act, 1962, ----- the twin test to be satisfied is "relevance and reason".*" Hon'ble Delhi High Court has, in the case of Raju Sharma [2020 (372) ELT 249 (Del)], held that "*Exercise of discretion by judicial, or quasi-judicial authorities, merits interference only where the exercise is perverse or tainted by patent illegality, or is tainted by oblique motive.*" In the present case, the original authority has, for appropriate reasons recorded in paras 34 to 41 of his Order, ordered for absolute confiscation. Therefore, the Commissioner (Appeals) has correctly refused to interfere with the discretion exercised by the original authority.

9.1 A request for allowing re-export of offending goods has been made. The Government observes that a specific provision regarding re-export of baggage articles has been made under Section 80 of the Customs Act, 1962, which reads as follows:

"Temporary detention of baggage.- Where the baggage of a passenger contains any article which is dutiable or the import of which is prohibited and in respect of which a true declaration has been made under Section 77, the proper officer may, at the request of the passenger, detain such article for the purpose of being returned to him on his leaving India and if for any reason, the passenger is not able to collect the article at the time of his leaving India, the article may be returned to him through any other passenger authorized by him and leaving India or as cargo consigned in his name."

9.2 From a plain reading of Section 80, it is apparent that a declaration under Section 77 is a pre-requisite for allowing re-export. Hon'ble Allahabad High Court has, in the case of Deepak Bajaj {2019 (365) ELT 695 (All.)}, held that a declaration under Section 77 is a *sine qua non* for allowing re-export under Section 80 of the Act, *ibid*. In this case, the

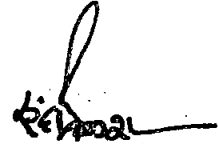
Applicant had not made the requisite declaration, under Section 77. Further, the Hon'ble Delhi High Court has, in the case of Jasvir Kaur vs. UOI {2019 (241) ELT 521 (Del.)}, held that re-export "cannot be asked for as of right-----". The passenger cannot be given a chance to try his luck and smuggle Gold into the country and if caught he should be given permission to re-export."

9.3 Hence, the request for allowing re-export of the offending goods cannot be accepted.

10. The Government observes that the quantum of penalty imposed in the instant case is less than 5% of the value of offending goods. Hence no further relief is merited.

11. The case laws relied upon by the Applicant, in support of her various contentions, are not applicable in view of the dictum of Hon'ble Supreme Court and Hon'ble High Courts, as above.

12. In view of the above, the revision application is rejected.



(Sandeep Prakash)

Additional Secretary to the Government of India

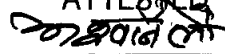
Smt. Badurnisa,
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Tamil Nadu.

Order No. 202/23-Cus dated 25-5-2023

Copy to:

1. The Commissioner of GST, Service Tax & Central Excise (Appeals), No.1, Williams Road, Cantonment, Tiruchirapalli-620001.
2. The Commissioner of Customs (P), No. 1, Williams Road, Cantonment, Tiruchirapalli-620001.
3. Sh. A. Selvaraj, Superintendent of Customs (Retd.), 68, Krishnamurthynagar, Tiruchirappalli-620021.
4. PPS to AS(RA)
5. Guard File
6. Spare Copy
7. Notice Board

ATTESTED



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