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\* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

*Date of decision: 11<sup>th</sup> September, 2025*

+ **W.P.(C) 13995/2025 & CM APPL. 57278/2025**

MS. PUJA JAYANT & ORS. ....Petitioners

Through: Mr. Harsh Trikha, Adv.

versus

COMMISSIONER OF CUSTOMS, IGI AIRPORT .....Respondent

Through: Mr. Gibran Naushad, SSC with Mr.  
Harsh Singhal and Mr. Suraj Shekhar  
Singh, Advs.

**CORAM:**

**JUSTICE PRATHIBA M. SINGH**

**JUSTICE SHAIL JAIN**

**Prathiba M. Singh, J. (Oral)**

1. This hearing has been done through hybrid mode.

**CM APPL. 57278/2025 (for exemption)**

2. Allowed, subject to all just exceptions. Application is disposed of.

**W.P.(C) 13995/2025**

3. The present petition reveals a concerning situation with respect to the functioning of the Customs Department at I.G.I. Airport.

4. The petition has been filed by the Petitioners under Articles 226 and 227 of the Constitution of India, *inter alia*, seeking release of their gold jewellery seized by the Customs Department, I.G.I. Airport.

5. The details of the detained jewellery which were detained *vide* detention receipts dated 6th September, 2022, are as under:

- One gold chain weighing 100gms
- One gold chain weighing 51gms



- One gold chain weighing 250gms  
(hereinafter 'gold jewellery')

6. A brief background of the Petitioner's case is that, Petitioners i.e Petitioner No.1 - Ms. Puja Jayant who is the wife of Petitioner No.3 - Mr. Jayant Shastri, along with Petitioner No.2-Ms. Manisha Shastri, who is the sister of Petitioner No. 3, were travelling to India from Dubai to attend a family wedding. Upon their arrival, they were intercepted by the Customs department on 6th September, 2022 and the gold jewellery worn by them was detained vide three separate detention receipts dated 6th September 2022.

7. On 21<sup>st</sup> March, 2023, a representation is stated to have been filed by the Petitioners' Counsel (hereinafter 'first representation'), requesting the Customs Department not to dispose of their gold jewellery.

8. Additionally, a personal hearing was also given to the Petitioner on 28th March 2023, wherein the Petitioners emphasised that the gold jewellery was their personal use effects and requested the same to be released for re-export.

9. Thereafter, the Order-in-Original was passed on 28<sup>th</sup> April, 2023, by the Commissioner of Customs (Delhi Airport) (hereinafter 'OIO'). In terms of the OIO, the gold jewellery was permitted to be released with payment of a fine of Rs.2 lakhs for re-export to UAE. The operative portion of the said order reads as under:

***"ORDER***

*i) I deny the free allowance as admissible to the to the Pax(s) on account of various omission and commission, as discussed hereinabove;*

*ii) I order confiscation of the above Gold chains total weighing 401 gms, having tariff value of Rs.17,96,907/- (Rupees Seventeen Lakh Ninety Six Thousand Nine*



**Hundred Seven Only)** and seized from possession of Pax-1, Pax-2 & Pax-3 under Section 111(d), 111(i), 111(j), 111(l), 111(m)& 111 (o) of the Customs Act, 1962;

iii) I give an option to redeem the goods confiscated above **to the Pax- 1&3 i.e. Ms. Puja jayant & Mr. Jayant Shastri** on payment of Redemption Fine of **Rs.2,00,000/-**( Rupees Two Lakh only ) to be paid jointly or severally, under Section 125 of Customs Act, 1962 and allowed the same for **re -export to UAE only**. The redemption is to be allowed after the completion of legal formalities in this regard and also fulfillment of any regulatory' clearances / approvals required. The offer of redemption, if accepted, shall be subject to condition that the Pax(s) shall not dispute the identity' and valuation of the seized goods. The offer of redemption shall cease after 120 days from date of the receipt of this order;

iv) I give an option to redeem the goods confiscated above **to the Pax-2, Ms. Mnaisha Shastri**, on payment of Redemption Fine of **Rs.75,000/-** ( Rupees Seventy Five Thousand only) under Section 125 of Customs Act , 1962. The redemption is to be allowed after the completion of legal formalities in this regard and also fulfillment of any regulatory clearances / approvals required. The offer of redemption , if accepted, shall be subject to condition that the Pax shall not dispute the identity and valuation of the seized goods. The offer of redemption shall cease after 120 days from date of the receipt of this order;

v) I impose a **penalty of Rs. 1,00,000 / -** (Rupees One Lakh only) **upon the Pax-1** for her act of ommissions & commissions in respect of **Gold 250gms valued at Rs.11,20,266/ -** under Section 112(a), Section 112( b) and 114AA of the Customs Act, 1962 .

vi) I impose a **penalty of Rs.40,000/-**( Rupees Forty Thousand only) **upon the Pax-2**, for her acts of ommissions &



*commissions in respect of Gold 100 gms valued at Rs.4,48,107 / - under Section 112(a), Section 112 (b) and 114AA of the Customs Act , 1962.*

*vii) I impose a penalty of Rs.20,000/- ( Rupees Twenty Thousand only) upon the Pax-3, for his act of ommissions & commissions in respect of Gold 51 gms valued at Rs.2,28,534/ - under Section 112(a), Section 112( b) and 114AA of the Customs Act , 1962.”*

10. On 19th July 2023, another representation is stated to have been filed by the Petitioners’ Counsel, requesting the redemption of the gold jewellery of the Petitioners (hereinafter ‘second representation’).

11. Additionally, along with the second representation, the cancelled cheques were also submitted by the Petitioners. However, thereafter, the Petitioners were informed that the gold jewellery had been disposed of. Surprisingly, the OIO neither recorded that the gold jewellery had been disposed of.

12. The Petitioners then sought a refund of the amount, which was also rejected by the Customs Department, on the ground of limitation *vide* the refund order dated 26th March 2025, passed by the Assistant Commissioner (Refund) (hereinafter ‘refund order’). The discussion and findings in the refund order is as under:

### ***“Discussion & Findings***

*9. I have carefully gone through the case and documents available on record in case of Ms. Puja Jayant(D.O.B 04.03.1992), Ms Manisha Shastri (D.O.B 22.08.1994) and Mr. Jayant Shastri (D.O.B 10.03.1991). I have also perused the OIO passed by the Additional Commissioner of Customs, Terminal-3, IGI Airport, New Delhi.*



Therefore, the Pax-wise refund calculation is reflected in the table below: -

**Refund calculation in respect of Pax-1, Ms. Puja Jayant (D.O.B 04.03.1992): -**

A	Value of gold total weighing 249 grams seized from Pax-1	Rs. 13,36,881/-
B	Videography/Photography charges	Rs. 4,788/-
C	Applicable duty payable (41.25% of A)	Rs. 5,51,463/-
D	Redemption fine and Personal Penalty imposed on the passenger	Rs. 3,00,000/-
E	Refundable Amount	Rs. 4,80,630/-

**Refund calculation in respect of Pax-2, Ms Manisha Shastri (D.O.B 22.08.1994): -**

A	Value of gold total weighing 100 grams seized from Pax-2	Rs. 5,36,900/-
B	Videography/Photography charges	Rs. 4,787/-
C	Applicable duty payable (41.25% of A)	Rs. 2,21,471/-
D	Redemption fine and Personal Penalty imposed on the passenger	Rs. 1,15,000/-
E	Refundable Amount	Rs. 1,95,642/-

**Refund calculation in respect of Pax-3, Mr. Jayant Shastri (D.O.B 10.03.1991): -**

A	Value of gold total weighing 50 grams seized from Pax-3	Rs. 2,68,450/-
B	Videography/Photography charges	Rs. 4,787/-
C	Applicable duty payable (41.25% of A)	Rs. 1,10,736/-
D	Redemption fine and Personal Penalty imposed on the passenger	Rs. 20,000/-
E	Refundable Amount	Rs. 1,32,927/-

10. I find that the applicant has claimed refund of the sale proceeds under the Customs Act, 1962, after deducting Redemption Fine and Penalty. On going through the records, I find that though the redemption fine and penalty has not been paid by the applicant within a period of one hundred and twenty days from the date of passing of Order- in Original No. 93/Adj/2023 dated 01.05.2023 as required under Section 125 of



*the Customs Act, 1962. The applicant had made an application dated 08.11.2024 for re- export of the goods in terms of the Order -in Original No. 93/Adj/2023 dated 01.05.2023. I find that the request for re-export was made by the Pax(s) after lapse of 120 days from the date of OIO. The Paxs had claimed refund under Section 150. However, Section 150 applies to goods which are not confiscated. For goods which are confiscated, redemption is as per Section 125, which gives a time of 120 days in which the Pax ( s) has to accept the offer of redemption. If offer of redemption is not acceptable within this period, the offer becomes void, and the confiscation becomes absolute. In such cases, the goods vest with the Central Government, and upon their disposal, the sale proceeds also vest with the Central Government. The present case squarely falls in this category, hence refund is liable to rejected.*

*102. I therefore hold that the offer of redemption granted by the Adjudicating Authority u/s 125 had lapsed and the goods had become vested with the Government.*

*Accordingly, I pass the following order:*

### **ORDER**

*In view of the above, the claimant has not paid the redemption fine and penalty within the stipulated time provided vide Order-in-Original No.93/Adj/2023 dated 01.05.2023. I therefore, reject the refund claim filed by the the applicants.”*

13. The total weight of the gold items, which were seized, was to the tune of more than 400 grams. The refund order does not mention as to what was the amount recovered from the disposal of the gold jewellery. It is pertinent to note that only the appraised value is discussed in the refund order. Additionally, the OIO also did not record that the goods were disposed of and redemption was permitted.



14. Under these circumstances, despite repeated representations, it is inexplicable as to why the seized gold jewellery was disposed of in this manner.

15. In effect, the Petitioners' goods have been disposed of and even the amounts recovered from such disposal, which the Petitioners are entitled to as per the OIO, has not been paid to the Petitioner, despite repeated follow ups and representations.

16. The Customs Department has, in fact, seized the gold jewellery, and disposed of the same, and refused to pay any amounts to the Petitioners, despite the OIO having attained finality. Such conduct on behalf of the Customs Department reveals an extremely disturbing situation where passengers are being deprived of their property without authority of law.

17. Accordingly, it is directed that Mr. Birendra Singh Khati, Assistant Commissioner of Customs (Refund) shall remain present in Court on the next date of hearing.

18. Additionally, this order shall also be brought to the notice of the Secretary, Department of Revenue, Ministry of Finance, as also the Chairman, Central Board of Indirect Taxes and Customs, by Id. Counsel for the Respondent. The same shall also be communicated through email to the said authorities on the following email addresses:

- **Email address of Secretary, Ministry of Finance:** [rsecy@nic.in](mailto:rsecy@nic.in)
- **Email address of Chairman, CBIC:** [chmn-cbic@gov.in](mailto:chmn-cbic@gov.in)

The said authorities shall accordingly hold a meeting with the Customs authorities and take appropriate measures so that such incidents do not recur in future.



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19. List on 22<sup>nd</sup> September 2025 in *Supplementary List*.

**PRATHIBA M. SINGH**  
**JUDGE**

**SHAIL JAIN**  
**JUDGE**

**SEPTEMBER 11, 2025/dk/sm**