

Reserved on :24.08.2026
Pronounced on :28.08.2026



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 28TH DAY OF AUGUST, 2026

BEFORE

THE HON'BLE MR. JUSTICE M.NAGAPRASANNA

CRIMINAL PETITION NO. 9497 OF 2026

BETWEEN:

MR.NANDEESHA N.,
S/O SHRI NARAYANA MURTHY
AGED ABOUT 33 YEARS
RESIDENT OF VISHWANATH POST
DEVANAHALLI TALUK
BENGALURU RURAL
KARNATAKA - 562 110.

...PETITIONER

(BY SRI AVINASH P., ADVOCATE FOR
SRI. PRABHUGOUDA V.B., ADVOCATE)

AND:

UNION OF INDIA
SUPERINTENDENT OF CUSTOMS
AIR INTELLIGENCE UNIT
KEMPEGOWDA INTERNATIONAL AIRPORT
DEVANAHALLI, BENGALURU - 560 300
REPRESENTED BY
SPECIAL PUBLIC PROSECUTOR,
HIGH COURT OF KARNATAKA

Digitally
signed by
CHETAN B C
Location: High
Court of
Karnataka

BENGALURU - 560 001.

...RESPONDENT

(BY SRI MADHU N.RAO, SENIOR STANDING COUNSEL)

THIS CRL.P IS FILED U/S 528 OF BNNS, PRAYING TO QUASH THE COMPLAINT AND ENTIRE PROCEEDINGS IN CR.NO.28/2025 REGISTERED ON THE COMPLAINT OF C.NO.VIII/48/39/2025-26 REGISTERED BY THE RESPONDENT/SUPERINTENDENT OF CUSTOMS, AGAINST THE PETITIONER FOR THE OFFENCES P/U/S 135(1)(i) OF THE CUSTOMS ACT, 1962, PENDING ON THE FILE OF THE HON'BLE SPECIAL COURT FOR ECONOMIC OFFENCES, BANGALORE CITY.

THIS CRIMINAL PETITION HAVING BEEN HEARD AND RESERVED FOR ORDERS ON 24.08.2026, COMING ON FOR PRONOUNCEMENT THIS DAY, THE COURT MADE THE FOLLOWING:-

CORAM: **HON'BLE MR. JUSTICE M.NAGAPRASANNA**

CAV ORDER

The petitioner/accused is before the Court calling in question entire proceedings in Crime No.28 of 2025 registered for offence punishable under Section 135(1)(i) of the Customs Act, 1962 ('the Act' for short).

2. Heard Sri Avinash, P. learned counsel appearing for the petitioner and Sri Madhu N. Rao, learned Senior Standing Counsel appearing for the respondent.

3. Facts, in brief, germane are as follows: -

3.1. The petitioner was employed as a cleaning staff with AI SATS. What brings him to the doors of this Court is an episode of alleged gold smuggling; the *modus operandi* of which, if the allegations are ultimately established, reveals a carefully woven mechanism designed to carry contraband across the customs barrier by exploiting the access available to airline cleaning personnel.

3.2. On receipt of credible information that certain cleaning staff of AI SATS were involved in smuggling prohibited contraband, surveillance appears to have been mounted. On 29-06-2025, the petitioner, who was then working as a cabin cleaner, boarded Saudi Airlines Flight No.SV-866 in the course of his official duties. According to the averments in the petition itself, the petitioner came in contact, through his cabin phone, with another cleaning

staff by name Mohan. Mohan is alleged to have directed the petitioner to Seat No.39A. Concealed beneath the said seat were gold bars which had travelled all the way from Jeddah to Bengaluru, allegedly carried by an unknown passenger and secreted beneath the seat before the passenger disembarked, evidently with a design to bypass the customs barrier.

3.3. The gold bars, wrapped in grey-coloured adhesive tape, were then allegedly retrieved by the petitioner from beneath Seat No.39A. What followed is the alleged execution of the next limb of the plan. The petitioner is said to have placed the packet containing the gold in a garbage bag and thereafter, kept the garbage bag inside the backpack of one Anil Kumar G., another cabin-cleaning staff, allegedly without the knowledge of Anil Kumar G., in an attempt to carry the contraband beyond the tarmac area.

3.4. The movement, however, did not go unnoticed. One Hafijuddin intercepted the petitioner and made enquiries. It is alleged that the petitioner thereafter attempted to conceal the gold bars behind a vehicle, while Hafijuddin was occupying its driver's seat. The conduct of the petitioner aroused suspicion. The matter

was immediately reported to the superior officers. What began as suspicion soon led to recovery. Gold weighing **2 kilograms of 24 karat purity, valued at ₹1,92,50,370/-**, came to be recovered.

3.5. The flight operation team thereafter handed over the packet wrapped in grey-coloured adhesive tape, as also the persons allegedly involved in the episode, to the officers of the Customs. Proceedings followed for violation of Section 135(1) of the Act. Pursuant to a remand application, the petitioner was taken into custody and was later enlarged on bail. For continuation of the proceedings, a show-cause notice comes to be issued in Crime No.28 of 2025. It is the issuance of the said show-cause notice that drives the petitioner to this Court, calling in question the entire proceedings.

SUBMISSIONS:

PETITIONER:

4.1. The learned counsel appearing for the petitioner would vehemently contend that the petitioner is completely innocent of the alleged episode of gold smuggling. The fulcrum of the

submission is that, **not a gram of gold was recovered from the person of the petitioner.** The recovery, according to the learned counsel, was from a jeep stationed outside the Airport. The elaborate *modus operandi* now projected by the respondent - Customs Department, it is contended, surfaces for the first time in the arrest memo and the remand application and finds no independent corroboration.

4.2. The learned counsel would submit that the petitioner, a humble cabin cleaner earning his livelihood by performing cleaning duties in aircraft, has now been caught in the web of an alleged international gold-smuggling operation of which he had neither knowledge nor participation. In the absence of recovery from the petitioner, continuation of penal proceedings against him is contended to be wholly untenable. He would, therefore, seek obliteration of the proceedings in their entirety.

RESPONDENT:

5.1. *Per contra*, Sri Madhu N. Rao, learned Senior Standing Counsel appearing for the respondent - Customs Department,

would vehemently refute the submissions. His contention is that, the Court is not confronted with an isolated act of a solitary cabin cleaner, but with the possible operations of a **syndicate**, whose tentacles may extend to several persons occupying different links in the chain. The Customs Department and the Directorate of Revenue Intelligence are endeavouring to unearth the entire *modus operandi* by which gold is clandestinely brought into the country by circumventing the customs barrier.

5.2. The *modus*, as projected by the Department, is as ingenious as it is disturbing. Gold is carried aboard by an international flight and, before the passenger disembarks, is concealed beneath a pre-determined seat - in the case at hand, Seat No.39A. The passenger walks out without carrying the contraband on his person and thereby avoids the obvious risk of interception at Customs. Thereafter, enters the next link in the chain - the cleaning staff. Armed with legitimate access to the aircraft after passengers have disembarked, the cleaning personnel retrieve the concealed packet, camouflage it amongst garbage or cleaning material and carry it beyond the aircraft and the tarmac

area, under the innocuous cloak of routine cleaning operations. The contraband is then deposited at a pre-arranged location from where another hand in the chain takes over.

5.3. The learned Senior Standing Counsel would submit that the petitioner was intercepted precisely while one such operation was allegedly underway. The suspicious movements ultimately resulted in recovery of 2 kilograms of gold. Whether the petitioner is the beginning of the chain, its middle, or merely one link in a larger syndicate is precisely what the investigation is required to unearth. The identity of the persons operating from behind the curtain, the source of the gold, the passenger who carried it, the persons who communicated its location, the cleaning personnel who retrieved it and the persons who were eventually to receive it are all matters which, according to the respondent - Customs Department, require a deeper probe.

5.4. It is further contended that a show-cause notice is only the commencement of the proceedings in accordance with law. Instead of answering the notice and placing his defence before the competent authority, the petitioner has rushed to this Court seeking

annihilation of the proceedings at their very inception. The learned Senior Standing Counsel would submit that such *modus operandi* in smuggling gold has become rampant and that interdiction of proceedings at this nascent stage would place a premium upon activities designed to defeat the customs regime. He would consequently seek dismissal of the petition.

6. I have given my anxious consideration to the submissions made by the respective learned counsel and have perused the material on record.

CONSIDERATION:

7. The afore-narrated facts are largely matters of record and, significantly, several of them emerge from the averments in the petition itself. The petitioner is a cleaning staff of AI SATS. Gold allegedly travels from Jeddah, Saudi Arabia, to Bengaluru, aboard Saudi Airlines Flight No.SV-866. The packet is wrapped in grey-coloured adhesive tape and is allegedly concealed beneath a pre-determined seat. After the episode comes to light, the flight operation team hands over the packet and the persons allegedly

involved to the Customs authorities. The statement of the petitioner is thereafter recorded under Section 108 of the Act. A remand application is filed and the petitioner is remanded to judicial custody. The remand application narrates in detail the alleged *modus operandi*. It reads as follows:

"BEFORE THE HON'BLE PRESIDING OFFICER, SPECIAL COURT FOR ECONOMIC OFFENCES, AT BANGALORE.

C.NO.VIII/48/39/2025-26 AIU 'D' Cus
Date: 30.06.2025

BETWEEN

THE SUPERINTENDENT OF CUSTOMS,
AIR INTELLIGENCE UNIT,
KEMPEGOWDA INTERNATIONAL AIRPORT,
TERMINAL-2, DEVANAHALLI, BENGALURU-560 300.

...COMPLAINANT

AND

SHRI NANDEESHA N,
S/O NARAYANAMURTHY,
SOLUR, BENGALURU RURAL,
KARNATAKA-562 110.

...ACCUSED

APPLICATION FOR REMAND OF ARRESTED ACCUSED UNDER
SECTION 187 OF B.N.S. READ WITH SECTION 135 OF CUSTOMS
ACT, 1962

01. The Complainant respectfully submits the following:

02. The AIU officers along with Mahazar Witnesses on specific input intercepted Shri NANDEESHA N (AADHAR NO. 821266017969) who is working as Cabin Care Assistant, for Air India Sats and was suspected of attempting to smuggle some restricted/contraband items in his body/baggage, in contravention of Customs Act, 1962. Further, the AIU officers also intercepted Anil Kumar G S/O Gopalappa who is working as a RAMP SER Assistant for Air India Sats on 29.06.2025.

03. At around 09:46 Hours, flight SV-866 Landed. Shri Nandeesh N, Cabin Cleaning staff (specifically for the interior part of the aircraft near the passenger seats) aforesaid will be mentioned as accused further. Today he was in the morning shift and was send for cleaning the aircraft SV 866. Just two day before i.e. 27.06.2025 he was called on whatsapp by Shri Mohan H K (ex- Air India cleaning staff. fired one month ago) now will be referred to as mastermind asking about his whereabouts. The accused gave confirmation to Shri. Mohan HK that on 29.06.2025 he will be on duty and will be send for Air India flights cleaning. **The mastermind asked the accused to go near set 39A (details of the passenger on the seat has been attached alongwith the travel history) and take out the item placed there and bring it out of airport handover the same to the mastermind as on as possible the accused asked about the content of the item to which mastermind replied that it contains gold. Present day, i.e. 29.06.2025 the accused went for cleaning aircraft near the passenger seating area. On getting chance the accused took out the 02 gold bars packed with grey coloured adhesive tape from the seat and placed in the garbage to avoid detection during general frisking done by the security hired by Air India while exiting the aircraft.**

04. One material supply vehicle no. KA 05 AH7735 was waiting to supply material at bay 53 where the light SV 866 landed. There the accused met Shri Anil Kumar G., assisting in material supply. The accused asked Shri. Anil kumar to provide his bag to him (bags are often carried by the staffer with lunch box and other essentials with them to the bay area). Shri. Anil Kumar, without asking about the reason handed over the bag to the accused. The accused placed the 02 nos. of gold bars inside Anil's bag

and the contents were unknown to Shri Anil. While Shri Anil and driver of the vehicle no. KA 05 AH7735 Shri Hafijuddin Ansari was busy supplying materials for the airlines the accused crossed path of them at bay no.53 where flight Mh.104 was parked. I made false excuse to my supervisor Shri. Nagesh that my relative has come to airport and I want to go and see them once. To which Shri. Nagesh agreed on the condition that he has to arrive early as their flights are scheduled to arrive in line. The accused took the content i.e. 02 bars from Anil's bag and placed it inside his pocket. From there he proceeded towards CISF checking exit. The driver got suspicious that the movements of the accused are fishy and accused was hiding something in the bag which he was carrying now. The driver continuously honked but the accused did not pay heed. Upon called by the nearby staffer that somebody was calling, the accused went near material supply vehicle on seeing back door of the vehicle open he threw grey coloured tape 02 nos. of gold bar inside the vehicle that was full of material to be supplied and then confronted the driver. When driver asked what the accused took from Anil's bag in his pocket the accused lost his control and offer to be checked by him or any other staff. Nothing was found when checked. But the driver was sure of something that the accused was hiding. The driver threatened him of the dire consequences by informing the supervisors, if not confessed.

06. The driver asked Shri. Anil if he is involved in anything illegal to which he replied in negative. Shri. Anil informed the driver that the accused only asked for his bag and he is not aware what he was hiding in the bag but while the bag was with him in the vehicle he did feel something heavy thing inside. Based on this the driver convinced Shri. Anil to inform supervisor Shri. Nagesh that something suspicious moment is being noticed and they doubt Shri. Nandeesh N. of keeping some contraband in their vehicle. To which Shri. Anil agreed and called Shri. Nagesh and informed him that Shri. Nandeesh N. had kept something in his bag and they are unaware of the content but it was not recovered from him and they doubt it is kept somewhere inside the vehicle

now. Shri. Nagesh informed them to come near the bay 39 and meanwhile informed senior supervisor Shri. Manjunath to come at the same bay. On reaching at bay 39 driver, in the presence of Shri. Nagesh Shri Manjunath and the driver - Anil started searching for anything if kept hidden inside the vehicle by the accused. On finding a grey coloured tape bars Anil handed over the same to Shri. Nagesh. Upon close examination through the slight torn part yellow colour item could be ascertained.

07. Then immediately Shri. Ashok Kamath. Senior manager at Air India Stats was informed by Shri. Nagesh that the item recovered could be gold based upon the first instance i.e. yellow coloured bars and are very heavy in weight. Shri. Ashok Kamath instructed them to seize the item and also the phones of Shri. Naandesha N. and Shri. Anil and bring them to the arrival entry/exit gate for staff. As Shri. Ashok Kamath was on leave upon knowing about the seriousness event he rushed towards airport. After completing the formality at internal level customs staff was informed about interception of one airline staffer involvement in smuggling activity.

08. Thereafter, Shri. Amit Sharma, AIU Supdt. through phone called upon Shri Arun Kumar, Government Approved Gold Appraiser/Valuer, authorised by the Jewellers Association and Customs Department, for appraisal and valuation of the said yellow coloured bar recovered from the accused named Shri Nandeesh N packed in grey coloured adhesive tape. The said Gold Appraiser took the said yellow coloured rectangular shaped bars and through such stone & 10x eye loop testing method certified that it is 02 nos. of Suisse gold bars (Foreign Origin) which is found to be made of gold with 24 kt. 99.99% purity weighing 1999 gm. He further informed that the Indian market price of 24 kt. 99.99% purity fold as on 29.06.2025 is Rs.9,630/- per gram and accordingly, assessed the value of the said 02 nos. of Suisse Gold bars to be Rs. 1.92.50.370/- (Rupees One crore ninety-two lakh fifty thousand three hundred gram and seventy Only). The assayer issued Computerized Gold Testing Certificate dated 29.06.2025.

09. Therefore, the officers then came to the conclusion that the accused attempt to smuggle gold by way of concealment, in

contravention of Customs Act, 1962. He also accepted that he knew what the item he was trying to clear from the customs and it was to avoid detection by the Customs authorities and to evade payment of Customs duty and Rs. 70,000/- he would have got if he had delivery the 02 nos. of gold bars.

10. The entire proceedings completed at about 18:34 hrs of 30.06.2025 without causing any harm to any person, without causing any damage to any property and without hurting any religious sentiments.

11. Thereafter, the Superintendent informed us that the said 02 nos of gold bars the accused tried to clear, without declaring to the Customs, which is in violation of the provisions of the Baggage Rules, 2016, read with Customs Act. 1962 and therefore, it amounts to smuggling and accordingly, is liable for confiscation. As the said 02 nos. of gold bar is liable for confiscation, the Superintendent seized the said 02 nos, of gold bar, under the relevant provisions 1962. Thereafter, the seized 02 nos. of gold bar, were placed in a metal box affixed with Form-9, which was further wrapped with metallic wire sealed with one-time plastic seal bearing Sl. No. C-BLR-3850 and marked as "P1". The Gross Weight of P1' was found to be 2326 grams and net weight 1999 grams. And also packing material marked as 'P2', bag which was used to hide the 02 nos. of gold bars was marked as P3' and the mobile phone of Mr. Nandeesh N. marked as 'P4'.

12. From the above facts it is clear that Mr. Nandeesh N. has involved himself into the activity of smuggling as defined under Section 2(39) of Customs act, 1962. The passenger has violated the Customs Baggage Declaration Regulations, 2013 read with Customs Baggage Declaration (Amendment) Regulations, 2016 No declaration was filed by the accused and he has not declared any of his dutiable/contraband items. The accused in his voluntary statement has admitted to his active role in the smuggling of the said gold into India. i.e. carrying/transporting or dealing with smuggled gold.

13. Due to above said reasons, the gold smuggled by the passenger which was seized vide Mahazar dated 30.06.2025 is liable for confiscation under Section 111(d), 111(i), 111(1) and

111(m) of Customs Act, 1962. Further the passenger has violated the Section 135(1)(a) and Section 135(1)(b) of the Customs Act, 1962 read with Section 51 of the Wild Life Act, 1972.

Section 135 Evasion of duty or prohibitions.-

[(1) Without prejudice to any action that may be taken under this Act, if any person

(a) is in relation to any goods in any way knowingly concerned in misdeclaration of value or in any fraudulent evasion or attempt at evasion.

(Explanation. For the purposes of this section, the expression "instrument" all have the same meaning as assigned to it in the Explanation 1 to section 28AAA.)

13. Based on the conditions laid down in Section 135 of Customs act, 1962. Mr. Nandeesh N. has made himself liable for arrest. The said act by accused is a violation under Customs Act, 1962 and is an act of smuggling as per Section 2(39) of Customs Act, 1962. Further, as per the guidelines for arrest and bail in relation to offences punishable under Customs Act, 1962 issued vide Circular No. 28/2015-Customs dated 23th October, 2015 read with Circular No.13/2022-Customs dated 16.08.2022(revised guidelines) arrest should be effected if the value of the offending goods is above Rs. 50,00,000/- (Rupees Fifty Lakhs only). Since, in the instant case, the value of the offending goods is Rs. 1,92,50,370/- (Rupees One crore ninty two thousand fifty thousand three hundred seventy Only). Therefore, Mr. Nandeesh N. is liable to be arrested.

14. The accused person herein above was arrested under Section 104 of the Customs Act 1962 by the Complainant this day of 30th June, 2025 at the Kempegowda International Airport, Devanahalli, Bengaluru-560300 at 18:15 Hrs, within the jurisdiction of this Hon'ble Court, in connection with his offence punishable under Section 135 1 (a) & (b) of the Customs Act, 1962 with regard to seizure of above smuggled 02 Nos. of gold bars. The accused persons Shri. Nandeesh N. has conveyed his

arrest to his family over phone and made an endorsement to that effect in their arrest memo itself.

15. The Department is making efforts to apprehend the persons named by the accused and also others as materially concerned in the offence. It is respectfully submitted that further investigation in the case is in progress and to facilitate the same, it is imperative that the above-named accused be placed in judicial custody and it is prayed so. The identification particulars of the accused above named is furnished below.

16. The above-named accused are produced before this Hon'ble Court on this the 30th June, 2025 with a prayer that this Hon'ble Court may be pleased to remand them to judicial custody for a period of fifteen days to facilitate the Department to conduct further investigation under the statute to apprehend and enquire the other persons concerned in the illicit transaction so as to bring to light the entire ramifications in the illicit transaction and bring them before law.

PRAYER

17. It is, therefore, humbly prayed that Shri. Nandeesh N. may please be remanded to judicial custody for a minimum period of fifteen (15) days for the present, to enable the Department to pursue further investigation unhampered, under the Customs Act 1962.

18. I hereby produce the above-mentioned accused viz, Shri. Nandeesh N. before the Hon'ble Court.

This 30th June, 2025 at Bangalore.

(Amit Sharma),
Superintendent of Customs
Air Intelligence Unit,
Kempegowda International Airport, Bengaluru"

(Emphasis added)

Thereafter comes the show-cause notice under Section 124 of the Act. The show-cause notice issued to the petitioner reads as follows:

"To

Mr. Nandeeshha N.
(AEP No. BLR2401504690)
S/o Shri Narayana Murthy,
Vishwanath Post, Devanahalli Taluk,
Bengaluru Rural,
Karnataka - 562 110.

SHOW CAUSE NOTICE

(Issued under Section 124 of Customs Act, 1962)

Sub: Customs - Seizure of 1999 grams of Gold valued at Rs.1,92,50,370/- on 30.06.2025 from Mr. Nandeeshha N - Issuance of Show Cause Notice - Reg.

1. The factual details about the instant Show Cause Notice (SCN) are as follows:

Sr No	Head	Details
1	Date of seizure	30.06.2025
2	Name of the Cleaning staff of AI Sats	Mr. Nandeeshha N
3	AEP No.	BLR2401504690
4	Nationality	Indian
5	Age and Gender of the Cleaning staff of AI Sats	33 years, Male
6	Address of the Cleaning staff of AI Sats	S/o Shri. Narayana Murthy, Vishwanath Post, Devanahalli Taluk, Bengaluru Rural, Karnataka-562110
7	Flight No.	SV866
8	Scheduled date and time of arrival of the flight	29.06.2025 at about 09:46 hours
9	Airport of Departure of the flight	Jeddah
10	Airport of Arrival of the flight	Kempegowda International Airport, Bengaluru
11	PNR	--
12	Description of the Contraband / goods seized	Gold
13	Weight of the goods	1999.00 grams
14	Ascertained Value of the goods	Rs.1.92.50.370/-

2. **The officers of the Air Intelligence Unit (hereinafter referred to as "Customs officers") Kempegowda International Airport, Bangalore received information from the Airline staff that one cleaning staff of AI Sats viz. Mr. Nandeesh N (hereinafter referred as "cleaning staff") S/o Shri. Narayana Murthy, was caught while he was attempting to smuggle some contraband item which was kept hidden inside the Saudi Airline Flight No. SV-866. The flight operation team handed over the item packed in grey coloured adhesive tape as well as the person involved to the Customs. The officers of AIU team had a reasonable belief that the Cleaning staff of AI Sats might be involved in smuggling of contraband/restricted goods in contravention of the Indian Customs Act, 1962.**
3. **Interception and Recovery of Gold: Flight No.SV-866 (Jeddah - Bengaluru) had arrived at the Kempegowda International Airport, Bengaluru on the morning of 29.06.2025. Shri Nandeesh N. who was employed as Cabin Cleaner in Air India SATS boarded the flight for performing this official duties. He was in contact with another Cabin Cleaning staff by name Mohan HK through his mobile phone. Nandeesh N was guided by Mohan HK to go to the seat no. 39A, wherein the gold bars referred above were concealed. The gold bars, which were packed in the grey colored adhesive tape were carried by some unknown passenger from Jeddah to Bengaluru and in order to bypass the Customs check had concealed the same in the seat no.39A before alighting the flight. The syndicate was seeking the help of the Nandeesh N and Mohan HK to further bringing the gold out of the Airport through staff exits. As per the plan Nandeesh N collected the impugned gold and put it the same inside the garbage bag to be retrieved later. Thereafter, Nandeesh retrieved the gold from the garbage bag and kept it inside the backpack of Shri Anil Kumar G, Cabin Cleaning Staff, without Anil Kumar's knowledge. While he collected the gold from the Anil Kumar's backpack and was attempting**

to go outside the tarmac area, he was intercepted by Shri Hafijuddin, driver. After forceful enquiry by the Hafijuddin, Nandeeshha tried to conceal the gold bars in the backside of the vehicle KA05AH7735 while the Hafijuddin was still seating on the driver seat. Overall the apparent behaviour of the Nandeeshha was very suspicious and hence the same was reported by Anil Kumar to the Supervisor Nagesh N. In turn, he reported the matter to A Manjunath, Cabin Care Supervisor and Shri Ashok Kamath, Senior Manager, AI SATS. All the suspicious activities of the Nandeeshha before Ashok Kumar and Hafijuddin Ansari were happening at the Bay No. 39. Thereafter, Shri Manjunath A escorted the smuggled gold and Shri Nandeeshha N to the Arrival Area. Finally, the gold packed in the grey coloured tape along with Nandeeshha was handed over to the Air Intelligence Unit (AIU) of the Customs.

4. The suspected contraband brought was placed for the X-ray scan installed at the Customs Arrival Hall which revealed the pitch dark black image suggesting presence of some metal item inside it. One of the AIU officers opened the grey coloured adhesive taped item in front of the camera installed at the Arrival Hall, KIA in the presence of Shri Nandeeshha N. Upon opening of the grey coloured adhesive tape two yellow coloured rectangle shaped bars were found which seemed to be made of gold. On enquiry it was found that the said Gold was brought from Jeddah and left behind (i.e. concealed below the seat) to be collected by the Cleaning staff of AI Sats staff, without declaring to the Customs in order to avoid payment of customs duty. which is in violation of the provisions of the Baggage Rules, 2016, read with Customs Act, 1962 and therefore, it amounts to smuggling and accordingly, is liable for confiscation.
5. **Valuation and Seizure of Gold:** Thereafter, the Superintendent of Customs, requested Shri. M. Arun Kumar, Government Approved Gold Valuer, authorised by the Jewellers Association and Customs Department, for appraisal and valuation of the said yellow-coloured metallic bar recovered from the accused named Shri

Nandeesh N. packed in grey coloured adhesive tape. The said Gold Appraiser took the said yellow coloured rectangular shaped bars and through touch stone & 10x eye loop testing method certified that it is 02 Nos. of Suisse Fine Gold Bars (Foreign Origin) which is found to be made of gold with 24kt./99.99% purity weighing 1999 grams. He further informed that the Indian market price of 24kt./99.99% purity gold as on 29.06.2025 is Rs.9,630/- per gram and accordingly, assessed the value of the said 02 nos. of Suisse Fine Gold Bars to be Rs. 1,92,50,370/- (Rupees One Crore Ninety-Two Lakh Fifty Thousand Three Hundred and Seventy only). The valuer issued Computerized Gold Testing Certificate dated 29.06.2025. Since, the said yellow coloured metallic items were brought by way of concealment, without declaring to the Customs, was in violation of the provisions of the Baggage Rules, 2016, issued under the Customs Act, 1962 and therefore, it amounted to smuggling and accordingly, were liable for confiscation. As the said gold was liable for confiscation, the Superintendent seized the said gold bars and the concealing material under Section 110(1) of the Customs Act, 1962. The same has been duly recorded in the Mahazar dated 30.06.2025 drawn in front of the two independent witnesses.

6. Statement recorded under Section 108 of Customs Act, 1962:

- 6.1 First Statement of Shri Nandeesh N was recorded on 30.06.2025, before the Superintendent of Customs under Section 108 of the Customs Act, 1962 wherein he had stated as follows.
 - 6.1.1 He has studied upto SSLC in Vishwanathpura Government School, Devanahalli. He can understand, speak and write Kannada and he can understand Hindi and Telugu also. He was working as Cabin Care Assistant in Air India Sats. His mobile number is +91-8183821199.
 - 6.1.2 He stated that the provisions of Section 108 of the Customs Act, 1962 were explained to him by the Superintendent of Customs, AIU, Kempegowda International Airport, Bangalore. He had understood the

implications of the same and accordingly, he had tendered his true and correct statement before the Superintendent of Customs on 30.06.2025.

- 6.1.3 He said that he was working in Air India Sats as Cabin Care Assistant since January, 2017. Previously he was working in Terminal -1 of Bengaluru International Airport as Housekeeping in UDS. He said that at present he was working as cabin cleaner in Air India Sats and the nature of work is cleaning of gallery area and cabin.
- 6.1.4 He said that on 29.06.2025 he went to clean the Flight No.SV866 (Jeddah to Bengaluru).
- 6.1.5 **He stated that few days ago he received a call from Shri. Mohan H K an ex-colleague, who enquired about his whereabouts. Later he got into touch with him and would talk often. On the day of 27.06.2025 Shri Mohan H K called and asked him when his shift at the airport duty is. To which he informed that day after tomorrow his day shift is there. He proposed him to bring some item kept at seat No. 39A of Flight No. SV866 in exchange of money. He asked him what item it would be for which he told him it would be gold. He told that he can only try. Upon reaching inside the aircraft he thought of executing the plan of carrying gold placed inside the said seat. He had put the grey coloured tape wrapped item inside the garbage bag to avoid detection while frisking at the exit doors of aircraft.**
- 6.1.6 **Since it would be difficult for him to carry the gold in the mid of the work he thought of putting the item in the bag of one of the assistant named Anil Kumar G in material supply vehicle carrying supply material for the aircrafts. Which he thought will be collected by him once get the chance of going out. He stated that after he finished his task of cleaning MH 104 flight and called Supervisor that as his relatives have come to airport and he need to see them once. The Supervisor viz. Shri. Nagesh allowed him with the condition that he has to return soon as there are lot of flights in line to attend. He agreed**

and rushed to get gold kept in the bag pack of Shri. Anil Kumar G but the driver Mr. Hafijuddin Ansari got suspicious of him and started following him. While moving towards the vehicle he threw the grey coloured adhesive taped gold Inside the vehicle no. KA 05 AH7735 through the opened gate of the vehicle and confronted him that he is not possessing anything but driver Mr. Hafijuddin Ansari was not satisfied with his answer. He warned him that he will inform Shri. Ashok Kamath, Senior Manager if he doesn't tell him the truth. But since the item was not found with him he felt safe. Later, Shri Anil Kumar G informed Shri Nagesh about him trying to keep something inside his bag and now hiding it somewhere. They were called upon at bay No. 39 where Shri. Nagesh, Shri. Manjunath-senior supervisor were already present. Shri Anil Kumar G started searching the vehicle and got the grey coloured adhesive tapped bars thrown by him inside the vehicle to avoid detection in case his body searched. As the comers of the item were slightly cut yellow coloured item which was wrapped inside could be ascertained. Mr. Nagesh informed Mr. Ashok Kamath, Senior Manager about it and the phone and AEP of Mr. Nandeesh N were also taken by the senior supervisor Mr. Manjunath under his custody and also his phone, was kept in the dashboard of the Omni vehicle alongwith the item wrapped in grey coloured adhesive tape recovered from the spot. And later he was brought to the arrival staff entry/exit from there taken to the Customs Area where item was opened in front of him.

- 6.1.7 He stated that he was supposed to carry the item from aircraft and hand it over to Mr. Mohan H K. The time and place to handover the item was not communicated to him by Mohan H K.
- 6.1.8 He stated that he has not done any such work earlier and it is for the first time that he has done the said work and in other flights also he has not done any such kind of work.

- 6.1.9 He informed that Shri Mohan H K who was an ex-employee (cleaning staff) of Air India SATS, is his close friend and he know him as he was working with him earlier. Shri Mohan H K has keep on pestering him to bring the material and he was denying by giving reason that he will be in a problem. Further on 27.06.2025 Shri Mohan H K has asked him to confirm whether he is ready to bring the material from the flight for which he agreed for a monetary benefit of Rs.70,000/-. And he would have been paid in cash after the work was done by him. The place and the person to whom the handing over of the 02 nos. of gold bars was to be done are supposed to be told by Mohan H K over phone only. His phone number through which he would contact him was +91-8197207727.
- 6.1.10 He stated that Shri. Mohan H K tried to gather information from him mostly about the flights that come in the weekends i.e. Saturday and Sunday. And also enquired once about flights operated by Emirates, Air India Express and SQ 501, if his shift is there in these flights.
- 6.1.11 He informed that he has two bank accounts. One is HDFC bank a/c no.50100184819372 (Gpay and PhonePe operational on this account) and other is in Canara Bank a/c no. 0475101078674.
- 6.1.12 He stated that he is aware of such act of importing is in the violation of Customs Act, 1962 and that it is a punishable offence. He apologizes for his mistake, as he committed the act to gain some monetary benefit. He will never do such an act ever, in future and he has informed that he has not indulged in any such act at any time in the past.
- 6.2 Besides the main accused Shri Nandeesh N, statements of the key persons associated with the incident were also recorded under Section 108 of the Customs Act, 1962. That included the statement of Shri Anil Kumar G, Cabin Cleaning Staff of AISATS, Shri Hafijuddin Ansari, Driver which were recorded on 29.06.2025 and the statements of Shri Nagesh N (Supervisor), Shri A Manjunath

(Supervisor) and Shri Ashok Kamath (Senior Manager) which were recorded on 30.06.2025. All these statements are attached as relied upon documents to this Show Cause Notice. All of them have corroborated the sequence of events narrated above.

7. **Arrest of Shri Nandeesha N, under Customs Act, 1962:** Shri Nandeesha N. cleaning staff of AI Sats, appeared to have involved himself into the activity of smuggling the said foreign origin gold totally weighing 1999 grams, valued at Rs. 1,92,50,370/- is an offence punishable under Section 135 of Customs Act, 1962. Therefore, Shri Nandeesha N was arrested on 30.06.2025 under Section 104 of the Customs Act, 1962. Following his arrest, he was produced before the Hon'ble Court of Economic Offences, Bangalore and the Honourable Magistrate had remanded him to Judicial Custody.
8. **Deposit of Seized goods (Gold):** The said 02 nos. of Suisse Fine Gold Bars (Foreign Origin) which were found to be made of gold with 24kt./99.99% of purity weighing 1999 grams with assessed value of Rs. 1,92,50,370/- (Rupees One Crore Ninety-Two Lakh Fifty Thousand Three Hundred and Seventy only), was seized under Mahazar dated 30.06.2025 and the said items were placed in a metal box sealed with metallic wire and plastic One Time Seal bearing No. C-BLR-3850 and marked as P1. The gross weight of the P1 found to be 2326 grams and net weight 1999 grams. The same was deposited in the Customs godown, situated at the Kempegowda International Airport, Devanahalli, Bengaluru on 30.06.2025. It was assigned the G.R. No.29/2025-26 dated 30.06.2025.
9. Further, another statement of Shri Nandeesha N before the Superintendent of Customs under Section 108 of the Customs Act, 1962 was recorded inside the Jail while he was still under the judicial custody on 30.07.2025. He has revealed the involvement of Shri Mohan HK, another Cabin Cleaning staff of the AISATS in the gold smuggling racket.

10. **Follow-up Search at the premise of Shri Mohan H. K:**
Further, based on the statements given under Section 108 of the Customs Act, 1962 by Shri Nandeesh N wherein he has categorically implicated Shri Mohan H. K, an ex-employee of AISATS, as the principal conspirator and mastermind behind the attempted smuggling of the said gold. The search was conducted on 31.07.2025 at the residence of Shri Mohan H. K located at Harohalli village, Devanahalli Taluk, Bengaluru Rural -562110 and that time Shri. Mohan H K was not available at the said premises and only his aged father was there and on enquiry he informed that his son has not come home from past one month.

11. **Legal Provisions:**

- 11.1 Relevant provisions of law relating to import of goods in general, the Policy and Rules relating to the import of the gold, the liability of the goods to confiscation and liability of the persons concerned to penalty for improper/ illegal imports under the provisions of the Customs Act, 1962 and the other laws for the time being in force are summarized as under:

Section 2 (23) of the Customs Act, 1962, defines Import, 'Import', with its grammatical variations and cognate expressions, means bringing into India from a place outside India".

Section 2 (27) of the Customs Act, 1962, provides definition of India, 'India' includes the territorial waters of India".

Section 2 (33) of the Customs Act, 1962 defines "prohibited goods" as any goods the import or export of which is subject to any prohibition under this Act or any other law for the time being in force but does not include any such goods in respect of which the conditions subject to which the goods are permitted to be imported or exported have been complied with;

Section 2 (39) of the Customs Act, 1962 defines "smuggling", in relation to any goods, as any act or

omission which will render such goods liable to confiscation under section 111 or section 113;

Section 111 (d) of the Customs Act, 1962 provides inter-alia for confiscation of any goods which are imported or attempted to be imported contrary to any prohibition imposed by or under this Act or any other law for the time being in force.

Section 111 (i) of the Customs Act, 1962 provides inter-alia for confiscation of any dutiable or prohibited goods found concealed in any manner in any package either before or after the unloading thereof;

Section 111 (j) of the Customs Act, 1962 provides inter-alia for confiscation of any dutiable or prohibited goods removed or attempted to be removed from a customs area or a warehouse without the permission of the proper officer or contrary to the terms of such permission.

Section 111 (l) of the Customs Act, 1962 provides inter-alia for confiscation of any dutiable or prohibited goods which are not included or are in excess of those included in the entry made under this Act, or in the case of baggage in the declaration made under section 77;

Section 111 (m) of the Customs Act, 1962 provides inter-alia for confiscation of any goods which do not correspond in respect of value or in any other particular) with the entry made under this Act or in the case of baggage with the declaration made under section 77 [in respect thereof, or in the case of goods under trans-shipment, with the declaration for trans-shipment referred to in the proviso to sub-section (1) of section 54];

Section 112 of the Customs Act, 1962: Penalty for improper importation of goods, etc.-

Any person, -

- (a) who, in relation to any goods, does or omits to do any act which act or omission would render such

goods liable to confiscation under section 111, or abets the doing or omission of such an act, or

- (b) who acquires possession of or is in any way concerned in carrying, removing, depositing, harbouring, keeping, concealing, selling or purchasing, or in any other manner dealing with any goods which he knows or has reason to believe are liable to confiscation under section 111,

shall be liable, -

- (i) in the case of goods in respect of which any prohibition is in force under this Act or any other law for the time being in force, to a penalty 1 [not exceeding the value of the goods or five thousand rupees), whichever is the greater,
- (ii) in the case of dutiable goods, other than prohibited goods, subject to the proviso of section 114A, to a penalty not exceeding ten per cent. of the duty sought to be evaded or five thousand rupees, whichever is higher.

Provided that where such duty as determined under sub-section (8) of section 28 and the interest payable thereon under section 28AA is paid within thirty days from the date of communication of the order of the proper officer determining such duty, the amount of penalty liable to be paid by such person under this section shall be twenty-five per cent. of the penalty so determined;)

- (iii) in the the case of good respect of which the value stated in the entry made under this Act or in the case of baggage, in the declaration made under section 77 (in either case hereafter in this section referred to as the declared value) is higher than the value thereof, to a penalty [not exceeding the difference between the declared value and the value thereof or five thousand rupees], whichever is the greater]
- (iv) in the case of good falling both under clauses (i) and (iii), to a penalty (not exceeding the value of the goods or the difference between the declared value and the value

thereof or five thousand rupees], whichever is the highest;

- (v) in the case of goods falling both under clauses (i) and (iii), to a penalty [not exceeding the duty sought to be evaded on such goods or the difference between the declared value and the value thereof or five thousand rupees], whichever is the highest;

Section 117 of the Customs Act, 1962 stipulates that any person who contravenes any provision of this Act or abets any such contravention or who fails to comply with any provision of this Act with which it was his duty to comply, where no express penalty is elsewhere provided for such contravention or failure, shall be liable to a penalty not exceeding four lakh rupees

Section 118 (a) of the Customs Act, 1962 stipulates that Where any goods imported in a package are liable to confiscation, the package and any other goods imported in that package shall also be liable to confiscation.

Section 123 of the Customs Act, 1962 provides for Burden of proof in certain cases..

(1) Where any goods to which this section applies are seized under this Act in the reasonable belief that they are smuggled goods, the burden of proving that they are not smuggled goods shall be

(a) in a case where such seizure is made from the possession of any person,

- (i) on the person from whose possession the goods were seized, and

- (ii) if any person, other than the person from whose possession the goods were seized, claims to be the owner thereof, also on such other person;

(b) in any other case, on the person, if any, who claims to be the owner of the goods so seized.

(2) This section shall apply to gold [and manufactures thereof] watches, and any other class of goods which the Central Government may by notification in the Official Gazette, specify.

Rule 3 of the Baggage Rules, 2016 (Notified vide Notification No.30/2016 NT dated 01.03.2016), states "Passenger arriving from countries other than Nepal, Bhutan or Myanmar. - An Indian resident or a foreigner residing in India or a tourist of Indian origin, not being an infant arriving from any country other than Nepal, Bhutan or Myanmar, shall be allowed clearance free of duty articles in his bona fide baggage, that is to say, -

(a) used personal effects and travel souvenirs; and

(b) articles other than those mentioned in Annexure-I, upto the value of fifty thousand rupees if these are carried on the person or in the accompanied baggage of the passenger:

ANNEXURE-I
(See rule 3, 4 and 6)

1. Fire arms.
2. Cartridges of fire arms exceeding 50.
3. Cigarettes exceeding 100 sticks or cigars exceeding 25 or tobacco exceeding 125 gms.
4. Alcoholic liquor or wines in excess of two litres.
5. Gold or silver in any form other than ornaments.
6. Flat Panel (Liquid Crystal Display/Light-Emitting Diode/ Plasma) television.

Rule 5 of the Baggage Rules, 2016, "Jewellery. - A passenger residing abroad for more than one year, on return to India, shall be allowed clearance free of duty in his bona fide baggage of jewellery up to a weight, of twenty grams with a value cap of fifty thousand rupees if brought by a gentleman passenger, or forty grams with a value cap of one lakh rupees if brought by a lady passenger".

Section 5 of the Foreign Trade (Development and Regulation) Act, 1992 provides inter- alia, for formulation of the export and import policy by the Central Government from time to time.

Rule 11 of the Foreign Trade (Regulation) Rules, 1993 stipulates, inter alia, that on the importation into any Customs ports of any goods, whether liable to duty or not, the owner of such goods shall in the bill of entry or any other document prescribed under the Customs Act, 1962 state the value, quality and description of such goods to the best of his knowledge and belief and shall subscribe a declaration of the truth of such statement at the foot of such bill of entry or any other document

Para 2.26 of the Foreign Trade Policy 2015-2020 (in force till 31.03.2023 vide DGFT Public Notice No.37/2015-2020 dated 29.09.2022), states that "bonafide household goods and personal effects may be imported as part of passenger baggage as per the limits, terms and conditions set out there in the Baggage Rules notified by Ministry of Finance."

11.2 Customs Notifications: According to Sl.No.356 of the Notification No.50/2017-Customs dated 30/06/2017 as amended, 'a passenger of **Indian** origin or a passenger holding a valid passport, issued under the Passports Act, 1967, who is coming to India after a period of not less than six months of stay abroad; and visits, if any, made by the eligible passenger during the aforesaid period of six months shall be ignored if the total duration of stay on such visits does not exceed thirty days and such passenger has not availed of the exemption under this notification or under the notification being superseded at any time of such short visits, are eligible to import gold of foreign origin in any form subject to the following conditions;

"1. (a) the duty is paid in convertible foreign currency;

(b) the quantity of import does not exceed one kilograms of gold and ten kilograms of silver per eligible passenger, and

2. the gold or silver is, -

(a) carried by the eligible passenger at the time of his arrival in India, or

(b) the total quantity of gold under items (i) and (ii) of Sr. No. 356 does not exceed one kilogram and the quantity of silver under Sr. No. 357 does not exceed ten kilograms per eligible passenger, and

(c) is taken delivery of from a customs bonded warehouse of the State Bank of India or the Minerals and Metals Trading Corporation Ltd., subject to the conditions 1; Provided that such eligible passenger files a declaration in the prescribed form before the proper officer of customs at the time of his arrival in India declaring his intention to take delivery of the gold or silver from such a customs bonded warehouse and pays the duty leviable thereon before his clearance from customs."

- 11.3 A combined reading of the above mentioned legal provisions under Foreign Trade Regulations, the Customs Act, 1962 and the notifications issued there under, clearly indicates that conditions have been imposed on the import gold into India as baggage by a passenger in as much as only passengers complying certain conditions such as he/she should be of Indian origin or a Indian passport holder with minimum six months stay abroad can import gold for their bona fide personal use and the same has to be declared to the Customs at the time of their arrival and pay applicable duty. These conditions are nothing but restrictions imposed on the import of gold through passenger baggage. It is pertinent to mention here that Hon'ble Supreme Court of India in Sheikh Mohd. Omer Vs. Collector of Customs, Calcutta (1983(13) ELT 1439) clearly laid down that any prohibition applies to every type of prohibitions which may be complete or partial and even a restriction on import or export is to an extent a prohibition. Further the Hon'ble Supreme Court

in the case related to Om Prakash Bhatia Vs. Commissioner of Customs [2003(155) ELT 423(SC) has reiterated that if the conditions prescribed for the import or export of goods is not complied with, it would be considered prohibited goods. In one of the latest judgements dated 17.06.2021, in the case of UOI & Ors Vs. M/s. Raj Grow Impex LLP & Ors (2021-TIOL-187-SC-CUS-LB), the Hon'ble Supreme court has followed the judgments in Sheikh Mohd. Omer and Om Prakash Bhatia to hold that "any restriction on import or export is to an extent a prohibition; and the expression prohibition in Section 111(d) of the Customs Act, 1962 includes restrictions". Hence the restriction imposed on the import of gold through passenger baggage is to an extent a prohibition and any violation of the said conditions/restrictions would make the impugned goods liable for confiscation under Section 111 of Customs Act, 1962.

- 11.4 In view of the above provisions, it appears that Cleaning staff of AI Sats indulged in the smuggling of contraband item in the flight No.SV 866 which is in violation of the provisions of the Baggage Rules, 2016, read with Customs Act, 1962 and therefore, it amounts to smuggling and accordingly, is liable for confiscation under Section 111(d), Section 111(i), Section 111(j), Section 111(1) and Section 111(m) of Customs Act, 1962.

12. Summary of the Investigation:

- 12.1 **Nadeesha, The Cleaning staff of AI Sats in his voluntary statement dated 30.06.2025 recorded under Section 108 of the Customs Act, 1962 has admitted to the fact that he had smuggled contraband item from the flight No.SV 866 to avoid detection by the Customs authorities and to evade payment of Customs Duty. He also stated that he was aware of the content of the item i.e. gold. Further, he said that he has done this as per the direction of Shri. Mohan H.K. who is his friend and an ex- employee (cleaning staff) of Air India SATS. As per the direction of his friend Shri. Mohan H.K. he carried 02 Nos. of gold bars from flight No.SV-866 (Jeddah to Bengaluru) while he was on duty of**

cleaning the said flight. He also stated that he was supposed to get reward of Rs.70,000/-for having done the said work. He was aware of the fact that smuggling of gold is in violation of the Customs Act and the same was a punishable offence and he apologized for his mistakes as he got lured into the act to make some quick money. He had also stated that the statement of his was given out of his own free will without any force, threat or coercion and true to his knowledge. He had affixed his dated signature on the statement as a token of having gone through.

- 12.2 **From the above facts it was conspicuous that the Nadeesha, the cleaning staff of AI Sats had attempted to smuggle the gold bars by way of smuggling the same from the flight No.SV-866 while he was on duty of cleaning the flight to avoid detection by the Customs. Hence, the subject gold bars weighing 1999 grams seized under a Mahazar dated 30.06.2025, had been attempted to be smuggled by the cleaning staff of Air India Sats. Therefore, it appeared that the Gold smuggled by the said cleaning staff of Air India Sats is liable for confiscation under Section 111(d), Section 111(i), Section 111(j), Section 111(l) and Section 111(m) of Customs Act, 1962. The Cleaning staff of AI Sats confessed to the smuggling of said gold and admitted that he had done this for money consideration. The *mens rea* of the cleaning staff to smuggle the said gold into the country by way of smuggling from the flight SV-866 at the time of cleaning, is established beyond doubt. The ratio of the judgements of the Hon'ble Supreme Court of India discussed above clearly, brings out that any prohibition applies to every type of prohibitions which may be complete or partial and even a restriction on import or export is to an extent a prohibition. Accordingly, import of gold contrary to the restrictions is to an extent a prohibition and any violation of the said conditions/restrictions would make the impugned goods liable to confiscation under Section 111(d) of Customs Act, 1962. Therefore, it emerges that the above Cleaning staff**

of Al Sats attempted to smuggle a prohibited item. Accordingly, the gold items totally weighing 1999 grams seized vide Mahazar dated 30.06.2025, was liable for confiscation under Section 111(d). Section 111(i), Section 111(j), Section 111(l) and Section 111(m) of Customs Act. 1962, read with Section 3(2) of the Foreign Trade (Development and Regulation) Act, 1992.

12.3 The Cleaning staff at Al Sats smuggled 02 Nos of gold bar from the flight No.SV-866 while he was on duty of cleaning the flight, he was aware that the smuggling of the same was in violation of the Customs Act, and such gold being smuggled goods, was liable for confiscation under the provisions of the Customs. For these acts of omission and commission, the Cleaning staff of Al Sats appears liable to penalty under Section 112(a) and / or Section 112(b) of the Customs Act, 1962.

12.4 Moreover, the gold being an item covered under Section 123 of the Customs Act, 1962, the burden of proof that the gold recovered from the possession of Shri Nandeeshha is not smuggled gold, remains with him only.

13. Now, therefore, the aforementioned Cleaning staff of Al Sats, Mr. Nandeeshha N (AEP No. BLR2401504690) is hereby called upon to show cause to the Joint Commissioner of Customs (Adjudicating Authority), Kempegowda International Airport, Terminal 2, Devanahalli, Bangalore - 560 300, within 30 days of the receipt of this notice, as to why:

13.1 the said gold 02 Nos. of gold bar totally weighing 1999.00 grams valued at Rs.1,92,50,370/- (Rupees One Crore Ninety-Two Lakh Fifty Thousand Three Hundred and Seventy only), seized under Mahazar dated 30.06.2025 should not be confiscated under Section 111(d), Section 111(i), Section 111(j), Section

111(l) and Section 111(m) of Customs Act, 1962, read with Section 123 of the Customs Act, 1962.

13.2 penalty should not be imposed on Mr. Nandeesh N under Section 112(a) and / or Section 112(b) of the Customs Act, 1962.

14. Mr. Nandeesh N is also hereby required to give consent, via email to this office email address "aiu-admin.bia@gov.in", to avail the personal hearing (in virtual mode), if he desire so, before the case is adjudicated and also furnish their email address for communication. On receipt of the consent and his email address, electronically, the date and time of personal hearing (in virtual mode) along with the link for video conference would be communicated to him. The detailed guidelines for conducting personal hearing in virtual mode are available in CBIC's INSTRUCTION No. 4/2020 (F.No.390/Misc/3/2019-JC) dated 27.4.2020 - in CBIC website <https://www.cbic.gov.in>. He is also required to note that his reply should be accompanied by all the evidences- documentary or otherwise, on which he intends to rely upon. If no reply is received within the stipulated time or if not attended the personal hearing, it will be presumed that he does not desire to be heard in person and has no explanation to offer and the case will be adjudicated on the basis of evidences on record.
15. This notice is issued without prejudice to any action that may be taken against the noticee or any other person under the Customs Act, 1962 or any other law for the time being in force. Further, this notice is also issued without prejudice to the right to support it with any material evidence, which may be collected later date and which may be considered relevant to the proceedings in this matter. Further, this notice is issued reserving the right to amend, add, modify or delete any part of this notice and such amendment, addition, modification or deletion shall have the effect as if they were part and parcel of the original notice.

16. This notice is issued based on the records / documents as listed below.

16.1 Mahazar dated 30.06.2025 drawn at the Arrival Hall of the Kempegowda International Airport, Bengaluru

16.2 Statement of the Nandeeshha, the cleaning staff of AI SATS dated 30.06.2025 recorded under Section 108 of the Customs Act, 1962.

16.3 Certificate dated 30.06.2025 issued by Shri. M. Arun Kumar, Approved Gold Valuer containing details of value, weight and purity of the gold.

16.4 Statement of the Nandeeshha, the cleaning staff of AI SATS dated 30.07.2025 recorded under Section 108 of the Customs Act, 1962

16.5 Statement of the Anil Kumar G, the cleaning staff of AI SATS dated 29.06.2025 recorded under Section 108 of the Customs Act, 1962

16.6 Statement of the Hafijuddin Ansari, the Driver of AI SATS dated 29.06.2025 recorded under Section 108 of the Customs Act, 1962

16.7 Statement of the Nagesh N, Supervisor of AI SATS dated 30.06.2025 recorded under Section 108 of the Customs Act, 1962

16.8 Statement of the A Manjunath, Supervisor of AI SATS dated 30.06.2025 recorded under Section 108 of the Customs Act, 1962

16.9 Statement of the Ashok Kamath, Senior Manager of AI SATS dated 30.06.2025 recorded under Section 108 of the Customs Act, 1962.

17. The documents relied upon in this notice are enclosed to this notice and the same are integral part of this notice

SD/- 07/12/2025

(Dr. Sandeep Gunjal)
Joint Commissioner of Customs,
Kempegowda International Airport,
Bengaluru"

(Emphasis added)

The notice narrates the alleged role of the petitioner and the manner in which, according to the Department, he was hand in glove with persons engaged in smuggling gold into the country. The allegation is that for transporting the subject 2 kilograms of gold through the route aforesaid, the petitioner was to receive **₹70,000/-**. The lure of quick money, according to the respondent - Customs Department, brings together different persons occupying different links in the chain, each performing an assigned role so that the contraband crosses the customs barrier without ever passing through it in the conventional sense.

8. The petitioner, however, without submitting his reply to the show-cause notice and allowing the statutory authority to consider his defence, has rushed to this Court seeking obliteration of the entire proceedings on the solitary plank that no gold was recovered from his person.

9. The submission, though attractive at first blush, loses much of its sheen when examined in the backdrop of the allegations. In an alleged operation of this nature, physical recovery from the person of every participant cannot become the sole litmus test of involvement. If the allegation is of an organised chain in which one person carries the contraband into the aircraft, another conceals it, another retrieves it, yet another transports it beyond the restricted area and somebody else ultimately receives it, insistence upon recovery from the hands of every link in that chain would, at this stage, defeat the very inquiry intended to discover how the chain operates.

10. This is not to hold that the petitioner is guilty. Far from it. His culpability is yet to be determined in proceedings known to law. Equally, however, absence of recovery from his person cannot, by itself and at the threshold, become a passport to obliterate proceedings when the material collected by the respondent - Customs Department allegedly portrays a larger and coordinated *modus operandi*. Whether the petitioner was an

innocent cabin cleaner unwittingly caught in the episode, as he contends, or a conscious participant acting for monetary consideration, as alleged by the respondent - Customs Department, is precisely the matter that requires adjudication on the material that may emerge.

11. Gold smuggling is not merely an act of clandestinely carrying a precious metal from one geographical boundary to another. When organised mechanisms are devised to systematically circumvent the customs barrier, the consequence travels beyond the confines of an individual transaction. It strikes at the customs regime, facilitates evasion of lawful duty and, if allowed to proliferate through organised networks, carries ramifications for the economic interests of the nation. The ingenuity of the *modus* cannot become its immunity from scrutiny.

12. The contention of Sri Madhu N. Rao, learned Senior Standing Counsel for the respondent is that, what appears on the surface to be an isolated act may reveal, on deeper scrutiny, the

operation of a wider syndicate and cannot, therefore, be brushed aside at the threshold. **Who conceived the plan, who carried the gold from Jeddah, who concealed it beneath Seat No.39A, who communicated its location, who was to retrieve it, who was to carry it outside the secured area and into whose hands it was ultimately destined to reach are the questions that cannot be buried before they are even unearthed.**

13. The proceedings are still at a nascent stage. What confronts the petitioner is a show-cause notice. A show-cause notice calls for an answer; it does not pronounce guilt. The petitioner has every opportunity to place his defence before the competent authority and demonstrate that he had no role, whatsoever in the alleged transaction. To interdict the proceedings even before such an exercise is undertaken would amount to strangulating the statutory process at its inception.

14. This Court would therefore be *loathe* to exercise its extraordinary jurisdiction to obliterate proceedings, which have scarcely begun, particularly when the allegations disclose a *modus*

operandi requiring deeper scrutiny. **A nascent inquiry cannot be given a premature burial merely because the petitioner proclaims innocence; innocence is a defence to be demonstrated in the proceedings, not a solitary ground to prevent the proceedings themselves.**

15. In the aforesaid circumstances, I find no warrant to interdict the proceedings at this stage. The petition is devoid of merit and is accordingly, **rejected**.

16. It is needless to observe that all contentions of the petitioner are left open and it would be open to him to avail such remedies as are available in law.

17. Any observations made herein are only for the purpose of consideration of the present petition and shall not prejudice the competent authority in the conduct or determination of the proceedings before it.

Ordered accordingly.

I.A.No.1/2026 is disposed, as a consequence.

**Sd/-
(M.NAGAPRASANNA)
JUDGE**

NVJ
CT:MJ