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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ **W.P.(C) 198/2025 & CM APPLs. 38634/2025 & 8813/2025**
QAMAR JAHANPetitioner

Through: Mr Ashish Panday, Mr. Priyanshu
Upadhyay, Mr, Ajay Singh, Mr.
Akshat Raghuvanshi, Advs. (M:
9599437665)

versus

**UNION OF INDIA, REPRESENTED BY SECRETARY,
MINISTRY OF FINANCE & ORS.**Respondents

Through: Mr N. Venkataraman ASG with Mr.
Shubham Tyagi (SSB, CBIC), Ms.
Navruti Ojha, Mr. Rishabh Chauhan,
& Mr. Harish Saini, Advs. along with
Mr. Dharam Veer, AC, IGI & Munesh
Kumar Meena, AC, Board. (M:
9650049869)
Mr. Harpreet Singh, SSC with Mr. Jai
Ahuja, Mr. Sanidhya Sharma, Mr.
Akshay Saxena & Ms. Shivali Saxena,
Advs.
Mr. Jagdish Chandra, CGSC, UOI,
Mr. Shubham Kumar Mishra, Mr.
Sujeet, Advs. (M: 9910385880)

CORAM:
JUSTICE PRATHIBA M. SINGH
JUSTICE RAJNEESH KUMAR GUPTA

ORDER
% **08.09.2025**

1. This hearing has been done through hybrid mode.

CM APPL. 38634/2025 (for clarification) in W.P.(C) 198/2025

2. This is an application seeking clarification of order dated 19th May, 2025 and release of two gold *kadas* and one gold (hereinafter collectively “*the detained jewellery*”) of the Petitioner which were seized by the Customs



Authority.

3. The present petition had been filed challenging the impugned Order-in-Original dated 6th February, 2024 and the impugned Order-in-Appeal dated 23rd September, 2024. *Vide* impugned Order-in-Original the adjudicating authority, *inter alia*, ordered confiscation of the detained jewellery. Further, the Petitioner was also directed to pay the redemption fine of Rs. 75,000/- and personal penalty of Rs. 1,10,000/- in terms of the Customs Act, 1962. The Petitioner appealed the said Order-in-Original, however, the same came to be dismissed *vide* the impugned Order-in-Appeal.

4. On 27th March, 2025 the Court after hearing the parties had directed the revisional authority to decide the matter within one month and the order thereto be placed on record by the next date of hearing.

5. Thereafter, on 19th May, 2025, when the matter was next taken up, the Court was informed that the revisional authority has not passed any order in terms of the directions issued on 27th March, 2025 by this Court. Considering the said position, the Court had directed release of the detained jewellery in the following terms:

“15. Today, the ld. Counsel for the Petitioner submits that the Revision Authority has not taken any decision in the matter. In view thereof, the gold items being two gold kadas and one gold chain, shall be released to the Petitioner within a period of four weeks.

16. Considering the facts of the case, since the Petitioner has already succeeded till the Commissioner (Appeals), the storage charges are waived of in this matter.

[...]



20. The Petitioner may collect the detained goods through an Authorised Representative, in which case, the detained goods shall be released after receiving a proper email from the Petitioner or some form of communication that the Petitioner has no objection to the same being released to the concerned Authorised Representative.”

6. Further to the above directions, the present application for clarification has been filed by the Petitioner and on 4th July, 2025 the Customs Department was directed to file its reply to the same by the next date of hearing.

7. However, on the last date of hearing *i.e.*, 23rd July, 2025, on a query from the Court as to whether the detained jewellery have been released or not, it was submitted on behalf of Customs Department that the detained jewellery is not personal jewellery of the Petitioner. In view of the said submission and after hearing the parties the Court had directed as under:

“19. The Court has heard the parties and perused the records. Considering the nature of the matter, let the detained goods be produced on the next date of hearing as there is a factual dispute as to the nature of the gold jewellery.

20. In the event the Court is satisfied on the next date that the detained goods are indeed the personal jewellery of the Petitioner, then the same shall be released in terms of the directions passed on 19th May, 2025.”

8. Accordingly, the detained jewellery have been produced by the Customs Department in a sealed box which was opened in Court. The Petitioner is also present in person.



9. The Court has heard the Id. Counsels for the parties and has also seen the detained jewellery which have been produced by the Customs Department.

10. After having seen the same, this Court is of the opinion that *prima facie* that the detained jewellery is not the personal used jewellery of the Petitioner.

11. Accordingly, considering the facts and circumstances it is deemed fit to direct release of the detained jewellery subject to the payment of applicable customs duty and Rs.60,000/- as redemption fine.

12. Further, in the unique facts of this case, the penalty is waived and the warehouse charges have already been waived by this Court *vide* order dated 19th May, 2025.

13. Let the release be effected within the next ten days.

14. The Petitioner shall appear before the Customs Authority on 15th September, 2025 at 11:00 a.m. The Nodal Officer mentioned below shall facilitate the Petitioner's appearance before the competent authority for compliance with the present order:

Officer: Mr. Sandeep Lamba, Superintendent, Customs

Address: Office of Commissioner, Customs

IGI Airports, T-3, New Delhi

Mobil No.: 7405345000

Email id: igilegaldelhi@gmail.com

15. It is made clear that this order shall not act as a precedent.

16. The application is disposed of in these terms.

W.P.(C) 198/2025 & CM APPL. 8813/2025



17. On the last date of hearing *i.e.*, 23rd July, 2025, the Court had perused the e-office file of the Central Board of Direct Taxes and Customs (hereinafter “CBIC”) and also heard the *ld.* Counsels for the parties, including Mr. N Venkatraman, *ld.* Additional Solicitor General. Having heard the parties and perused the office file, the Court had observed as under:

“7. It is submitted that the draft SOP which was approved with modification by this Court in terms of paragraph 8 of the previous order dated 19th May, 2025 has now been implemented.

8. On the said date, the submission was made that the amendment to the Baggage Rules is under consideration and that interim directions may not be issued as substantial progress has been made.

*9. It is submitted that the officials of the Ministry of External Affairs, Ministry of Tourism and Culture along with certain agencies such as Directorate General of Foreign Trade (hereinafter “DGFT”), Customs Authorities, Directorate of Revenue Intelligence (hereinafter “DRI”) have worked closely with the Ministry of Finance for a complete review of the Baggage Rules bearing in mind the decisions of this Court as also the Madras High Court in **Thanushika Vs. The Principal Commissioner Of Customs Vs. (Chennai), W.P. No. 5005/2024 (Decided On 31st January, 2025).***

10. It is submitted that meetings have been held on six occasions since the last hearing on 19th May, 2025 and the proposal for the way forward has already been finalized and inputs are being presently received from the various agencies and Ministries.

*11. It is submitted by the *ld.* ASG that the draft Baggage Rules are now going to be prepared and would be placed before this Court on the next date of hearing.*



12. The copy of the e-office file in respect thereof has also been placed before the Court and the same has been perused.

13. The Court has considered the matter and perused the file. Some of the proposals being discussed include:
(i) the change in the market value of the gold and alignment of the cap relating to jewellery in the Baggage Rules, bearing in mind the current tariffs,
(ii) permission to re-import the used jewellery and personal effects of travellers,
(iii) temporary import of jewellery worn by tourists who would be travelling back from India with the permission to re-export,
(iv) baggage allowances for gift, souvenirs and personal effects, etc.

14. After perusing the file, the Court is satisfied that the progress is substantial in nature and that there would be a need to amend the Baggage Rules on all these aspects. Accordingly, the Court is inclined to grant further time of six weeks.

15. Let the draft Rules be placed on record at least two days before the next date of hearing.”

18. Today, an affidavit dated 8th September, 2025, signed by Sh. Dharamveer Singh, Additional Commissioner of Customs, has been handed over by Mr. Shubham Tyagi, Id. SSC, which states as under:

“8. In order to sum up, it is hereby submitted as under-

8.1. That the draft baggage rules have been finalized and are ready to be issued.

8.2. It is also relevant to point out that for effective



implementation of the Baggage Rules, draft of Baggage Regulation and relevant Circular were also formulated and are ready to be issued, subject to modification/recommendations related to IT system as to be taken by the DG system.

8.3. In order to ensure that all three procedural aspects i.e. Baggage Rule, Regulations and Circular can be implemented properly and effectively, development of IT Infrastructure is in active progress. As mention in para 4.3. the ATITHI APP/website aims to facilitate hassle-free and faster clearance by Customs at the airports and enhance the experience of international tourists and other visitors for a smooth and convenient experience. In this regard, it is also brought to the kind notice of this Hon'ble Court that ATITHI portal is on pilot run conducted at Indira Gandhi International Airport from 06.08.25 to 11.08.25.

8.4. It is submitted that Implementation of all these four procedural aspects viz, Amended Baggage Rule, Amended Baggage regulation, and Circular clarifying the administration aspects of the implementation and development of an online portal/ IT Infrastructure, in close synchronisation will ensure compliance of the Hon'ble Courts direction. Issuance of amended Baggage Rule without proper regulation and IT Infrastructure will again give rise to litigation thus defeating the very purpose of the whole exercise.

8.5. In view of the above it is reiterated that time of two months is required for refinement and proper implementation of the Baggage Rules, Regulations



and relevant concerned Circular along with effective IT Infrastructure. It is ensured and expected that post issuance of the amended Rules, Regulation, relevant Circular and development of proper IT system, as directed by Hon'ble Court vide order dated 13.01.2025, there would be no harassment to Genuine tourists and travelers, whether Indian or foreigners travelling into India; and also illegal smuggling of gold would be properly and more effectively curbed.”

19. Mr. Venkatraman, Id. Additional Solicitor General has submitted that in order to make the whole system passenger friendly, a web portal by the name “*ATITHI*” has been created and the said portal was operated on a pilot-run basis on the Indira Gandhi International Airport, New Delhi from 6th August 2025 to 11th August, 2025. It is stated that this portal would make it easier for passengers to make advance declaration of any jewellery which they may be carrying while travelling abroad or coming to India. It will also enable payment of customs duties after declaring the goods being brought into India.

20. The Id. ASG also submits that various procedural aspects which are being proposed by the Central Board of Indirect Taxes & Customs implemented (hereinafter “*CBIC*”) would be implemented by amending the Baggage Regulations, 2013 and Baggage Rules, 2016 as also by issuance of circulars for laying down guidelines/ practice directions for the Customs Officers.

21. The Court has also perused the office file produced by the concerned Official, including the proposed amendments to the Baggage Rules, 2016. The Court after considering the said material has expressed some concerns in respect of the definition of the ‘jewellery’ in proposed Rule 2(viii) of the



Baggage Rules as also the monetary cap being retained, *albeit* with modification, under proposed Rule 5 of the said Rules. These two aspects may be reconsidered by the CBIC.

22. Insofar as the definition of ‘personal effect’ under proposed Rule 2 (vii) is concerned, the same has now been expanded and appears to be in-line with the decisions which have been passed by the Supreme Court and this Court.

23. Let all the proposed changes be considered and the amended Rules, Regulations and Circulars as also the Guidelines/ Practice Directions to be issued be placed before the Court in final draft form on the next date of hearing.

24. The Customs officials, who are present, have confirmed to the Court that various changes have been brought in the detention receipt to incorporate the contact details of the passenger and certain steps have also been taken to streamline the disposal of gold jewellery which is seized by the Customs.

25. Insofar as disposal of gold jewellery detained by the Customs Department is concerned, this issue has arisen in a number of matters which are also listed today. Accordingly, let a short affidavit be filed in those matters in respect of the procedure which is to be adopted for disposal of the gold jewellery and the manner in which the concerned passenger may be intimated about the same prior to the disposal.

26. In addition, let the relevant rules, regulations, circulars, practice directions etc., applicable and followed by the Customs Department in respect of disposal of gold jewellery be placed on record as part of an affidavit by the Customs Department by the next date of hearing.

27. The affidavit dated 8th September, 2025 handed across by the Customs Department is taken on record.



28. List on 19th November 2025.

PRATHIBA M. SINGH, J.

RAJNEESH KUMAR GUPTA, J.

SEPTEMBER 08, 2025

Rahul/kk/msh