



## ***Aadrikaa Law Offices (ALO)- IDT Tax / Arbitration / Litigation***

**Date: 16.09.2025**

### **CESTAT Kolkata Quashes Confiscation of ₹15 Lakh Cash**



*This Article has been written by Shri Ravi Shekhar Jha, Advocate based in New Delhi. The views expressed are based on his interpretation of the law. He can be reached at his email id [intelconsul@gmail.com](mailto:intelconsul@gmail.com) or on his Mobile +91-9999005379.*

In a landmark decision, the Customs, Excise, and Service Tax Appellate Tribunal (CESTAT), Eastern Zonal Bench, Kolkata, has ruled in favor of the appellant, Appellant in a case involving the confiscation of Indian currency worth Rs. 15,00,000 and the imposition of a penalty under Section 114 of the Customs Act, 1962. The judgment, delivered by Hon'ble, Member (Judicial), on September 15, 2025, sets a significant precedent in cases involving alleged illegal currency transportation.

#### **Background of the Case**

The case originated from an incident on November 20, 2019, when Indian currency amounting to Rs. 15,00,000 was seized from Appellant near Rabindranagar, Tripura, by a joint team of Customs Preventive Force and BSF personnel. The authorities alleged that the currency was intended for illegal export to Bangladesh through the unfenced border area. Subsequently, Appellant claimed ownership of the seized currency, explaining its legitimate source.

A Show Cause Notice was issued to the appellant, citing contradictory statements about the location and circumstances of the seizure. While one part of the notice stated that the currency was recovered near the unfenced border area at 17:45 hours, another part mentioned that a person was apprehended moving suspiciously toward the border at 18:40 hours. These inconsistencies formed the crux of the appellant's defense.

## **Key Arguments**

The appellant's counsel argued that the seizure was unsustainable as the location of the incident, Rabindranagar, is 3 km away from the nearest Bangladesh border. A map of the area was submitted to substantiate this claim. Furthermore, the appellant provided evidence of the legitimate source of the currency, which was not refuted by the authorities. The counsel also highlighted the contradictory recordings in the Show Cause Notice, which cast doubt on the credibility of the allegations.

On the other hand, the respondent relied on the adjudication order, statements recorded during the investigation, and the Panchnama to justify the confiscation and penalty.

## **Tribunal's Observations**

After hearing both parties, the Tribunal noted the contradictions in the Show Cause Notice and emphasized that the benefit of doubt must go in favor of the appellant. The Tribunal also acknowledged the geographical evidence provided by the appellant, which demonstrated that Rabindranagar is located far from the border, making the allegations of illegal currency transportation implausible.

## **Final Verdict**

The Tribunal ruled that the Revenue failed to prove the appellant's involvement in illegal activities. Consequently, the absolute confiscation of the Indian currency and the penalty imposed under Section 114 of the Customs Act, 1962, were set aside. The Tribunal ordered the release of the seized currency to the appellant, granting him consequential relief.

## **Significance of the Judgment**

This judgment underscores the importance of thorough and consistent documentation in cases involving alleged illegal activities. It also highlights the need for authorities to substantiate their claims with credible evidence, especially in sensitive cases involving cross-border issues. The Tribunal's decision serves as a reminder that the benefit of doubt must always favor the accused when inconsistencies arise in the prosecution's case.

## **Conclusion**

The ruling in favor of Appellant is a victory for justice and due process. It reinforces the principle that allegations must be backed by clear and consistent evidence, and it provides hope to individuals facing similar legal challenges. As the appellant walks away with his rightful property, this case will undoubtedly be remembered as a milestone in the annals of customs law.

**Source: CESTAT Kolkata**

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**IN THE CUSTOMS, EXCISE AND SERVICE TAX APPELLATE TRIBUNAL  
EASTERN ZONAL BENCH : KOLKATA  
REGIONAL BENCH – COURT NO. 1  
Customs Appeal No. 75730 of 2022**

(Arising out of Order-in-Appeal No.04/CUS(A)/GHY/2022 dated 17.06.2022 passed by Commissioner of Customs(Prev),Shillong)

**Manir Hossain** : **Appellant**  
Ward No. 5, Kalapania, Rabindranagar, Sepahijala,  
Tripura-799131.

**VERSUS**

**The Commissioner of Customs(Prev), Shillong,** : **Respondent**  
110 M.G.Road, Shillong -793001. (Meghalaya)

**APPEARANCE:**

Shri Pranab Shikdar, Consultant for the Appellant

Shri S.Chakravorty, Authorized Representative for the Respondent

**CORAM:**

**HON'BLE SHRI ASHOK JINDAL, MEMBER (JUDICIAL)**

**FINAL ORDER NO. 77412 / 2025**

DATE OF HEARING :02.09.2025

DATE OF DECISION:15.09.2025

**Order : [Per Shri Ashok Jindal]**

The appellant is in appeal against the absolute confiscation of Indian currency recovered from Shri Ali Hossain and imposing penalty of Rs. 1,15,000 under Section 114 of the Customs Act, 1962.

2. The fact of the case are that the Show Cause Notice was issued to the appellant on 3<sup>rd</sup> November, 2020 recording the facts whereas there are reasons to believe that Indian currency of Rs. 15,00,000/- recovered from the possession of Shri Ali Hossain, the noticee on 20.11.2019 at about 17.45 hours near Rabindranagar unfenced Border area near B P on 2084/1 Rabindranagar, Sepahijala Tripura and

subsequently, claimed by Shri Manir Hossain, the appellant.

3. Further it is recorded in the Show Cause Notice that on 20.11.2019 at about 17.30 hours specific information was received by the officers of the Custom Preventive for Sonamura from a reliable source that an Indian National who is actively involved in dealing in illicit conversion/Exchange of Bangladesh Currency (BD Taka) and other illegal activities would be carrying Indian currency notes valued at about Rs. 15,00,000/- only for the purpose of illegally exporting to Bangladesh through Rabindranagar unfenced border area at about 18.30 hours on 20.11.2019. Accordingly, an immediate interception team led to seizure of Indian currency notes valued at Rs. 15,00,000/- only.

4. In view of the sensitive nature of operation involved in the interception of the person concerned, Sri Santosh Kumar, Assistant Commandant, D-Company of BSF, Srimantapur was requested for assistance for safety reasons. Accordingly, a joint team consisting of officers from customs Preventive Force, Sonamura and BSF, Srimantapur was formed.

5. Two persons of nearby locality namely Sri Mohan Miah and Shri Mostafa Kamal were requested to remain present as independent witnesses in the national interest and the above said panchas accepted the request voluntarily.

6. After the said joint team laid an ambush near Rabindranagar unfenced Border area at about 18.00 hours and kept vigil for the targeted person. At about 18.40 hours a person carrying a backpack was found suspiciously moving quickly towards the unfenced India-Bangladesh border. The joint ambush

party of Customs & BSF challenged the said person to stop but he said person did not stop and tried to run away. The ambush party gave chase and apprehended him and recovered the Indian currency of Rs. 15,00,000/-. Thereafter, the appellant claimed to be the owner of the currency and Shri Ali Hossain also in his statement stated that the currency belongs to the appellant.

7. Various statements were recorded and Show Cause Notice was issued. The matter was adjudicated. The currency recovered during the course of investigation of Rs. 15,00,000/- was absolutely confiscated and penalty of Rs. 1,15,000/- was imposed under Section 114 of the Customs Act, 1962.

8. Aggrieved from the said order, the appellant is before me.

9. The Ld. Counsel for the appellant submits that the Indian currency has been seized in Rabindranagar which is 3 km away from the border and a map to that effect has been produced by him. It is further submitted that the said currency has been given by the appellant to Shri Ali Hossain and the appellant has explained the source of fund and the source of fund proved to be genuine. In that circumstances, Indian currency cannot be seized. He further submitted that the allegation is baseless. As Shri Ali Hossain was intercepted at Rabindranagar Bazar when these disembark an auto-rickshaw Shri Ali Hossain has not recorded any statement that he was intercepted near border. Moreover, the Respondent vide application dated 26.11.2019 has intimated that Shri Ali Hossain was intercepted at Rabindranagar Bazar which was not repudiated. It is

submitted that Rabindranagar is a village in Kathalia Block in West Tripura district of Tripura is 3 km away from the nearest Bangladesh border in Srimatapur. Therefore, the seizure of Indian currency border is not sustainable.

10. On the other hand, Ld. Authorized Representative relied on the adjudication order as well as the statement recorded during the course of investigation. Further, he relied on the Panchnama and inventory list.

11. Heard the parties. Considered the submission.

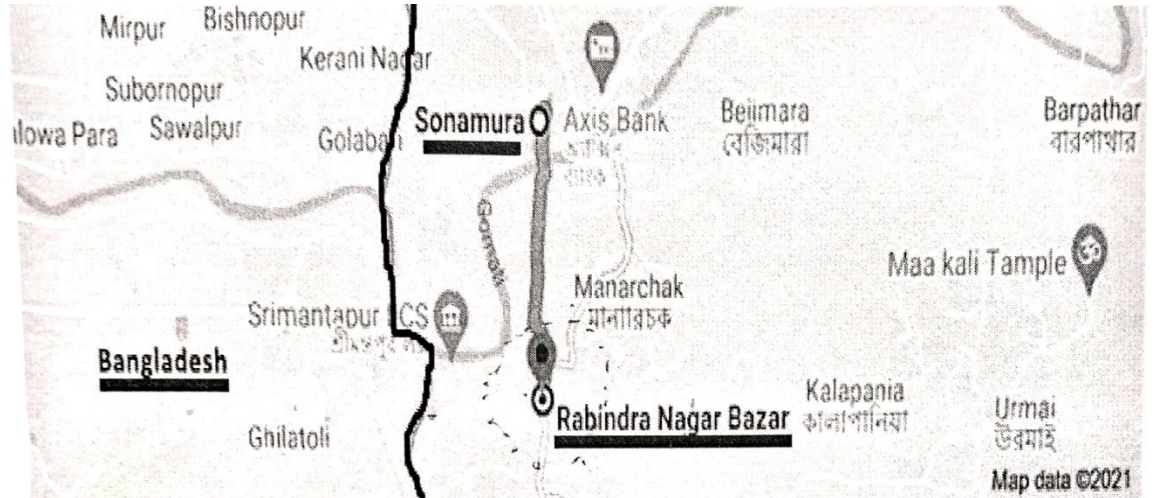
12. I have gone through the Show Cause Notice. In Show Cause Notice one hand it is mentioned that the Indian currency recovered from Shri Ali Hossain on 20.11.2019 about 17.45 hours near Rabindranagar unfenced border area. Whereas in para 2.3 of the Show Cause Notice itself it has been mentioned that about 18.40 hours a person was carrying a backpack was found suspiciously moving towards unfenced India Bangladesh border.

13. The said two statements are contradictory itself.

14. In Show Cause Notice in one place it is recorded on 20.11.2019 about 17.45 hours the currency was recovered from the possession of Shri Ali Hossain and on the other hand it has been recorded that at 16.40 hours on 20.11.2019 a person was apprehended who was moving quickly towards unfenced India Bangladesh border.

15. As Show Cause Notice itself having contradictory recordings in that circumstances, the benefit of doubt goes in favour of the appellant.

16. Moreover the Ld. Council for the appellant has produced the map of the area for better appreciation of the fact same is extracted below:



17. Admittedly the Rabindranagar is 3 km away from the border of Bangladesh border. In that circumstances, also the benefit of doubt goes in favour of the appellant.

18. In view of this I hold that the Revenue has failed to prove that the appellant were involved in the activity of transportation of Indian currency illegally to Bangladesh. Therefore, the Indian currency seized from Shri Ali Hossain is not liable for confiscation as the Indian currency seized is not liable for confiscation, therefore, no penalty can be imposed on the appellant.

19. In view of this the impugned order qua absolute confiscation of Indian currency and imposing penalty under Section 114 of the Customs Act, 1962 on the appellant is set aside.

20. Therefore, I order to release the Indian currency of Rs. 15,00,000/- which is deposited to SBI seized from Shri Ali Hossain to the appellant as

Shri Ali Hossain in his statement stated that the impugned Indian currency belongs to the appellant.

21. In view of this I allow the appeal filed by the appellant with consequential relief, if any.

(Pronounced in the open court on \_15.09.2025)

**(ASHOK JINDAL)**  
MEMBER (JUDICIAL)

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