

Gold Smuggling Crackdown

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Context: A Special Court of Economic Offences in Bengaluru has rejected the bail plea of Kannada actor Ranya Rao, who was arrested for allegedly smuggling over 14 kg of gold on a flight from Dubai to Bengaluru.

Background:

- The **Directorate of Revenue Intelligence (DRI)** officials have termed this as one of the **biggest gold seizures** at Bengaluru airport in recent times.
- Gold smuggling remains a **serious offence** under Indian laws, attracting strict penalties under the **Customs Act, 1962**, and other legislations.

Legal Framework for Gold Imports and Smuggling

1. Evolution of Gold Regulations in India

- Until its repeal in 1990, the **Gold (Control) Act, 1968**, imposed **strict restrictions on gold imports, possession, and trade** to curb illegal gold transactions.
- Post **liberalisation in the 1990s**, the government **removed these restrictions** but introduced **import duties** to regulate the inflow of gold.

2. Current Regulations on Gold Imports

- Gold imports are governed under the **Customs Act, 1962**, and by the **Central Board of Indirect Taxes and Customs (CBIC)**.
- As per the **Baggage Rules, 2016**, a passenger can carry gold within certain limits without paying duty:
 - **Men:** Up to 20 grams (valued at Rs. 50,000)
 - **Women:** Up to 40 grams (valued at Rs. 1 lakh)
- **Indian passengers returning from Dubai** after living there for over **six months** can bring up to 1 kg of gold, provided they **pay the applicable customs duty**.

3. Punishment for Gold Smuggling

- In 2003, the **Supreme Court** ruled that any article **imported without compliance** is considered a "**prohibited good**", leading to:
 - **Confiscation under Section 111** of the **Customs Act, 1962**
 - **Punishment under Section 112**, which may include a **fine equal to the value of the goods**

- Imprisonment of up to 7 years under Section 135 if the market price exceeds Rs. 1 lakh
 - Smuggling is also punishable under the Bharatiya Nyaya Sanhita, 2023:
 - Section 111 (Organised Crime) punishes "trafficking in illicit goods" with 5 years to life imprisonment.
 - Additionally, under the Unlawful Activities (Prevention) Act (UAPA), smuggling can be considered a "terrorist act" under Section 15 if it harms India's monetary stability, carrying the same punishment as other terror-related offences.
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This case highlights the **strict enforcement of gold smuggling laws in India** and the severe consequences of violating customs regulations.



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