

Gold Smuggling Crackdown

Posted at: 15/03/2025

Gold Smuggling Crackdown

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.
-

This case highlights the **strict enforcement of gold smuggling laws in India** and the severe consequences of violating customs regulations.



AKKA IAS ACADEMY
www.akkaias.com