



प्रधानआयुक्त सीमाशुल्ककार्यालय (सामान्य)
OFFICE OF THE PR. COMMISSIONER OF CUSTOMS (GENERAL)
कस्टमब्रोकरअनुभाग, नवीनसीमाशुल्कभवन, बेलार्डइस्टेट, मुंबई- I
**CUSTOMS BROKER SECTION, NEW CUSTOM HOUSE, BALLARD
ESTATE, MUMBAI - I.**

F. No. GEN/CB/190/2022-CBS

Date: 23.06.2022

DIN: 2022067700000000BAAF

ORDER NO. 14 /2022-23

M/s M. D. Ruparel & Sons (11/244) (PAN No. AAFFM4798J) having office address at Torana Apartment, 1-A, Sahar Village Road, Andheri (E), Mumbai, 400 099, are holder of regular Customs Broker License No. 11/244, issued by the Commissioner of Customs, Mumbai under Regulation 10(1) of CHALR, 1984, (Now regulation 7(2) of CBLR, 2018) and as such they are bound by the regulations and conditions stipulated therein.

2. Pursuant to intelligence developed by SIIB(I) at Air Cargo Complex, investigation was initiated against importer M/s Firoza Movie International Enterprise along with Customs Brokers M/s M. D. Ruparel & Sons and M/s Charania Associates. Customs Broker M/s M.D. Ruparel & Sons (11/244) had filed Bill of Entry No. 5466407 dated 16.09.2021 on behalf of importer M/s Firoza Movie International Enterprise in which goods were declared as "Blank Cartridge 9mm Kaiser (Air Gun Pellets Dummy)" under CTH 93069000. Further, M/s Firoza Movie International Enterprise had already imported 3 consignments of blank cartridges vide Bills of Entry no. 3625478 dated 19.04.2021, 4368312 dated 18.06.2021 and 4963255 dated 07.08.2021 & total of 78,000 blank cartridges were imported by M/s Firoza Movie International Enterprise.

3. As per Chapter 93 of the Schedule 1- Import Policy, all items imported under CTH 9306 are restricted. However, policy for import of "Air Gun Pellets Dummy" is "Free". The importer has deliberately

mis-declared the goods as "Air Gun Pellet Dummy to circumvent the restriction of import policy. Also Rule 42 of G.S.R. 701 (E) dated 15.07.2016 issued Ministry of Home Affairs, also known as Arms Rules 2016, which mentions the requirement of license for arms and ammunitions for theatrical, film or television production appear to have been violated. The importer had not produced any valid certificate for import of "blank cartridges".

4. The officers of SIIB(I) examined the goods imported vide Bill of Entry No.5466407 dated 16.09.2021 under Panchanama dated 03.11.2021 and representative samples of the goods were drawn for testing purposes. The samples drawn were then forwarded to Central Forensics Science Laboratory (CFSL), Hyderabad for testing purposes. CFSL, Hyderabad vide letter dated 09.03.2022 opined that "When a blank cartridge is fired, high pressure gas is discharged from the case and progresses down the barrel. The effect of the superheated high pressure gas as well as unburnt particles of propellant can cause fatal injuries and can endanger human life." Thus the goods were dangerous in nature and could cause fatal injuries to human life.

5. Statement of Ms. Firoza Khatun, Proprietor of M/s Firoza Movie International Enterprise was recorded on 11.02.2022 under Section 108 of Customs Act, 1962 wherein she *inter-alia* stated that M/s Firoza Movie International Enterprise had been importing mostly blank cartridges for film and movie shooting from 2021; she did not think that license was required for import of blank cartridges; that these blank cartridges produce sound when fired and nothing emanates from the gun; she met CB M/s M. D. Ruparel & Sons in their office premises and agreed to pay Rs. 3,000/- per consignment in advance; that she had no idea why "Air Gun Pellets Dummy" was written in the description of the goods i.e. "Blank Cartridges 9mm Kaiser". It might have been changed by the Customs Broker as they did not seek confirmation from her after filing Bills of Entry.

6. The importer failed to explain how she had utilized the goods previously imported by her. The premises of M/s

Firoza Movie International Enterprise were searched but no document related to the import of "Blank Cartridges" were found during search.

7. Statement of Shri Mahendra Ruparel, F Card Holder in M/s M. D. Ruparel & Sons, who had filed Bill of Entry No. 4963255 dated 07.08.2021 and 5466407 dated 16.09.2021 on behalf of M/s Firoza Movie International Enterprise, was recorded under Section 108 of Customs Act, 1962, where-in, he inter-alia stated Ms. Firoza Khatun, Proprietor of M/s Firoza Movie International Enterprise visited his office and told him that she wanted to import blank cartridges for movie shooting purpose and showed him her Identity Card of Stunt Artist Association and also showed previous Bills of Entry in which she cleared the goods; that the goods imported vide Bills of Entry No. 4963255 dated 07.08.2021 and 5466407 dated 16.09.2021 were blank cartridges; that M/s Firoza Movie International Enterprise did not produce any license for import of 'Blank Cartridges', that he was agreed with that goods had been mis-declared by importer, the change in the description of the goods had been done on the request of the importer.

8. The above persons viz. Ms. Firoza Khatun, Proprietor of M/s Firoza Movie International Enterprise, Shri Mahendra Ruparel, F Card Holder in M/s M. D. Ruparel & Sons (11/244) and Shri Shailesh Kathe, G-Card Holder of M/s Charania Associates (11/950) were arrested on 25.05.2022 at 14:30 hrs under Section 104 of Customs Act, 1962 for committing offences under Section 132, and Section 135 (i) (C) of the Customs Act, 1962 which is non-bailable and cognizable offence.

9. Based on the facts on record and applicable Laws, Rules and Regulations, *prima facie*, it appears that CB have violated some provisions of Regulation 10 of CBLR, 2018 which have been elaborated and discussed as under:

9.1 As per provision of **Regulation 10(d)** of CBLR, 2018 "*a Customs Broker shall advise his client to comply with the provisions of the Act, other allied Acts and the rules and regulations thereof, and in*

case of non-compliance, shall bring the matter to the notice of the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be;"

The examination of the goods revealed that dangerous and restricted goods "blank cartridges" were imported vide B/E No. 4963255 dated 16.09.2021 and B/E 5466407 dated 16.09.2021 in connivance with CB M/s M. D. Ruparel & Sons (11/244) and importer M/s Firoza Movie International Enterprise with an aim to circumvent the provisions of Arms Rules 2016, Customs Act, 1962. Ms. Firoza Khatun, Proprietor of M/s Firoza Movie International Enterprise in her statement dated 11.02.2022 has admitted that CB have added "Air Pellet Guns Dummy" in the description of goods "Blank Cartridges 9mm Kaiser" and declared as "Blank Cartridges 9mm Kaiser (Air Gun Pellets Dummy)" under CTH 9306 without seeking her approval. Since policy for import of 'Air Gun Pellets Dummy' is free. Thus, it appears that CB did not advise their client importer M/s Firoza Movie International Enterprise to comply with the provisions of Customs Act, 1962 and Arms Rules 2016 under which import license is compulsory for import of arms and ammunition for theatrical, film or television productions.

However, *in contra*, CB themselves added 'Air Gun Pellets Dummy' in the description of the goods. Shri Mahendra Ruparel, F Card Holder in M/s M. D. Ruparel & Sons has stated that "Air Gun Pellets Dummy" was added in the description of the goods as per the request of the importer and he was aware that importer was going to import Blank Cartridges 9mm Kaiser. It is apparent that CB was acquainted with the restriction of the Arms Rues, 2016 and Customs Act, 1962 in the import of Blank Cartridges 9mm Kaiser and he knowingly & intentionally in connivance with importer mis-declared the goods and CB did not bring the non-compliance of the Arms Rules 2016 and Customs Act, 1962 by importer into the notice of concerned AC/DC of Customs. Thus, it appears that CB have violated **Regulation 10(d)** of CBLR, 2018.

9.2 As per provision of **Regulation 10(e)** of CBLR, 2018 "a Customs Broker shall exercise due diligence to ascertain the correctness of any information which he imparts to a client with reference to any work related to clearance of cargo or baggage;"

Ms. Firoza Khatun, Proprietor of M/s Firoza Movie International Enterprise in her statement dated 11.02.2022 has admitted that she wanted to import blank cartridge for film and movie shooting and she was not aware that any license is required for import of blank cartridges. She has also disclosed that the addition of term 'Air Gun Pellets Dummy' done in the description by CB M/s M. D. Ruparel & Sons. Since it is the obligation of the Customs Broker to take reasonable steps to impart information regarding restriction/prohibition imposed on import of 'Blank Cartridges' but CB and the importer have intentionally and willingly imported restricted goods i.e. "Blank Cartridge" in guise of "Air Gun Pellets Dummy" to circumvent the restriction imposed vide Arms Rules, 2016. Therefore, it appears that Customs Broker did not exercise due diligence in import of Blank Cartridges on behalf of importer M/s Firoza Movie International Enterprise. Thus, it appears that CB M/s M. D. Ruparel & Sons have violated Regulation 10 (e) of CBLR, 2018.

9.3 As per provision of **Regulation 10(f)** of CBLR, 2018 "a Customs Broker shall not withhold information contained in any order, instruction or public notice relating to clearance of cargo or baggage issued by the Customs authorities, as the case may be, from a client who is entitled to such information."

Shri Mahendra Ruparel, F card holder in CB M/s M. D. Ruparel & Sons, has admitted in his statement that he was aware that goods were blank cartridges which are importable into India under a valid license issued under Arms Rules, 2016. Ms. Firoza Khatun, Proprietor of M/s Firoza Movie International Enterprise in her statement dated 11.02.2022 has stated that she wanted to import Blank Cartridge, however, she had no valid license but her CHA M/s M. D. Ruparel & Sons added 'Air-Pellets Guns Dummy' in the

description of goods. It is obvious that if CB had imparted all the information contained in Section 132 & 135 (i) (C) of the Customs Act, 1962 and Rule 42 of GSR 701 E dated 15.07.2016 i.e. Arms Rules, 2016. The importer M/s Firoza Movie International Enterprise would have not risked importing Blank Cartridges without License. Thus, it appears that CB M/s M. D. Ruparel & Sons have withheld information from importer with respect to Blank Cartridges imported vide B/E No. 4963255 dated 16.09.2021 and B/E 5466407 dated 16.09.2021. Therefore, it appears that CB have violated Regulation 10(f) of CBLR, 2018.

9.4 From the facts on record and applicable laws, rules and regulations, it appears that CB M/s M. D. Ruparel & Sons (11/244) have *prima facie* failed to comply with obligation contained in **Regulation 10(d), 10(e) & 10 (f)** of CBLR, 2018 by importing 'Blank Cartridges' in guise of 'Air-Pellet Guns Dummy' under B/E No. 4963255 dated 16.09.2021 and B/E 5466407 dated 16.09.2021.

10. From the above facts, *prima facie*, it appears that Customs Broker M/s M. D. Ruparel & Sons (PAN No. AAFFM4798JCH001) having Customs Broker Licence No. 11/244 did not exercise due diligence in discharging their obligation as required under provisions of Regulations 10(d), 10(e) & 10(f) of CBLR, 2018. It is therefore apprehended that the Custom Broker may adopt similar *modus operandi* in future consignments and department cannot remain oblivious to the danger posed by such an eventuality.

11. Accordingly, I pass the following Order:

ORDER

i) I, Principal Commissioner of Customs (General), in exercise of powers conferred upon me under the provisions of Regulation 16 (1) of CBLR, 2018 hereby suspend the licence of M/s M. D. Ruparel & Sons (PAN No. AAFFM4798JCH001), CB License No. 11/194 with immediate effect, being fully satisfied that the Customs Broker has

prima-facie not fulfil their obligations as laid down under provisions of Regulations 10(d), 10(e) & 10(f) of CBLR, 2018.

ii) However, I offer the Customs Broker M/s M. D. Ruparel & Sons (PAN No. AAFFM4798JCH001) an opportunity of personal hearing on 4/7/2022 at 1206 room through video conferencing facility. Any written representation against this order should reach the undersigned before the date of hearing.

iii) M/s M. D. Ruparel & Sons (PAN No. AAFFM4798JCH001) is directed to surrender all the original Custom Passes issued to their employee/partner/director/Proprietor immediately.

12. This order is being issued without prejudice to any other action that may be taken against the CB or any other person(s)/firm(s) etc. under the provisions of the Customs Act, 1962 and Rules/Regulations framed there under or under any other law for the time being in force.


(SUNIL JAIN)

Principal Commissioner of Customs (G)
NCH, Mumbai - I.

To,

M/s M. D. Ruparel & Sons (11/244) (PAN No. AAFFM4798J)
Torana Apartment, 1-A,
Sahar Village Road, Andheri (E),
Mumbai, 400 099

Copy to:

1. The Pr./ Chief Commissioner of Customs, Mumbai I, II, III Zone
2. CIU's of NCH, ACC & JNCH
3. Pr. Additional Director General, DRI, MZU.
4. EDI of NCH, ACC & JNCH
5. Bombay Custom House Agent Association
6. Office copy
7. Notice Board