



सीमा शुल्क के प्रधान आयुक्त कार्यालय (सामान्य)
OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS (GENERAL)
कस्टमब्रोकरअनुभाग, नवीनसीमाशुल्कभवन,
CUSTOMS BROKER SECTION, NEW CUSTOM HOUSE,
बेलार्डईस्टेट, मुंबई - I
BALLARD ESTATE, MUMBAI - I

F.NO. GEN/CB/87/2024

Date: 29.02.2023

DIN: 2024027700000055583A

ORDER NO. 46/2023-24

M/s. Charania Associates (CB code AACFC6060ECH001), 1/12, Baitul Rehmat Building, Navroji Hill Road No. 19, Dongri, Mumbai - 400 009 (hereinafter referred as the Customs Broker/CB) is holder of Customs Broker License No. 11/950, issued by the Commissioner of Customs, Mumbai under Regulation 8 of CHALR, 1984, [Now regulation 7(2) of CBLR, 2018] and as such they are bound by the regulations and conditions stipulated therein. The license No. 11/950 held by M/s. Charania Associates having lifetime validity, and MR. Z.M. Charania is the Director of M/s Charania Associates.

2. i) On receipt of specific information, the export consignments of Ready-Made Garments (RMG) declared as "Cotton Mens T-Shirt" by M/s Aura Multitrade (IEC-ADMPN7657B), attempted to be exported vide Shipping Bill No. 8089498 dated 22.01.2021 and 8102774 dated 23.01.2021 filed by CHA M/s Ghanshyam Patel Freight Forwarders Pvt. Ltd. were put on hold for examination by SIIB(Export), ACC. The declared FOB value of the goods was Rs. 65,21,619/- and claimed drawback benefit was Rs. 1,36,162.74/- for both Shipping Bills.

ii) Consequently, the subject goods pertaining to above said Shipping Bills were examined under Panchnama dated 25.01.2021. During the examination, quantity and description of the goods were not found as declared in Shipping Bill No. 8102774 dated 23.01.2021. Further, the goods pertaining to both the Shipping Bills looked to be substandard and were not in conformity with the value declared by the exporter. Representative samples were drawn and sealed for the purpose of testing and market enquiry. Further, past export data was retrieved from ICES and it was learnt that the exporter had started exporting consignments under drawback scheme from September-2020 and had claimed total drawback amount of Rs.35.87 Lakhs in 65 Shipping Bills till date. The drawback amount of Rs.34,18,755/- had already been disbursed to M/s. Aura Multitrade through main scroll generated between the period 01.09.2020 to 31.03.2021.

iii) From the data retrieved from ICES for the shipping Bill filed, Drawback and BRC, it was found that the exporter had filed total 65 Shipping Bills with declared FOB value of Rs. 2221.52 Lakhs and had claimed total Drawback amount of Rs.35.87 Lakhs, ROSCTL amount of Rs. 13,52,274/- and RODTEP amount of Rs. 6,58,284/-. However, no BRC was received in any of shipping bill as per BRC Realized (FOB yet to be realized) report from ICES System. Exporter had filed most of the shipping bills in self and filed few shipping bills through two other CHA apart from M/s Ghanshyam Patel Freight Forwarders Pvt. Ltd, **M/s Charania Associates, Custom Broker License No. (11/950)**, and M/s. Dehasu Logistics (previously, M/s. Entire Exim Solutions).

iv) The premises of the Exporter M/s Aura Multitrade were searched by the officers of SIIB(Export) on 28.01.2021 to extract any further evidence. During the search, certain documents i.e. statement of invoices to be submitted with application of refund of unutilized ITC, e-way bill wise tax Invoice, Letter of Authority to Shri Rajesh Jadhav etc. were retrieved from the office premises.

v) It was found that the invoices produced by the exporter at the time of examination did not show correct and exact details of the goods exported vide the subject Shipping bill and invoice and as such they did not appear to represent true transaction value of the impugned goods.

vi) Based on the Test Report 26.02.2021 received from DYCC, ACC, Mumbai, it is observed that: - 1. Men's Cotton T-shirt were found as per declaration and description by the Exporter. 2. Babies Garments were found either blended (Polyester and Cotton) or wholly polyester as against declared Cotton. 3. Dyed Knitted fabric was not declared in the Shipping Bill.

vii) Based on the market enquiry report, the re-determined value (PMV) of the goods covered under the said 2 Shipping Bills came out to be Rs. 18,52,298.20/-, against the declared FOB value of Rs. 65,21,620/-/-. In view of this, it appears that the exporter had inflated FOB value of the export goods by Rs.46,69,321.80/- and claimed drawback of Rs.1,36,162.74/- as against the admissible Drawback of Rs. 39,039/-. The Exporter has mis-declared the goods covered under the said 2 Shipping Bills in terms of Classification, Quantity and Value.

viii) The Exporter had failed to produce any document to prove his genuineness of Business transactions. Therefore, it is clear that export goods were purchased from non-registered suppliers and no statutory duty were paid/levied by their suppliers to the Government Exchequer. Thus, the non-duty paid goods clearly indicates the complete mis-match of the exporter's supply chain. The Exporter did not submit any Foreign Remittance copy of the exported goods through the past shipments. It clearly implies that the exporter had purchased the goods from unregistered local suppliers at very low prices and

raised fake invoices to clear the shipments to avail undue Export incentives including MEIS.

3. Past data of export were retrieved from ICES and it was found that the exporter M/s. Aura Multitrade had filed shipping bills through three CHA, M/s Charania Associates, M/s Entire Exim Solutions and M/s Ghanshyam Patel Freight Forwarders Pvt. Ltd.

4. **Summonses dated 12.08.2022, 08.09.2022, 11.11.2022 and 22.12.2022 were sent to M/s Charania Associates for giving statement, however, they neither appeared in this office nor did they submit any clarification or documents till date.**

5. The provisions as laid down under CBLR, 2018 require the Customs Broker to exercise due diligence to ascertain the correctness of any information and to advise the client accordingly. The Regulations cause a mandatory duty upon the CHA, who is an important link between the Customs Authorities and the Importer/Exporter. Any dereliction/lack of due diligence since has caused the Exchequer loss in terms of evasion of Customs Duty/Drawback. Therefore, it is clear that the Customs Broker has actively connived with exporters in claiming inadmissible drawback and other export incentives by Overvaluing the export goods and mis-declaring the same in Shipping Bills.

In view of above, it appears that CB M/s. Charania Associates (11/950), has failed to comply with following regulations of the Customs Brokers Licensing Regulations 2018: -

10(d) 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 CB appears to have not advised the exporter and connived with exporter to claim duty drawback. Further, the CB did not bring the matter to the notice of the Deputy Commissioner of Customs or Assistant Commissioner of Customs.

10(e) 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;

The CB failed to exercise due diligence and under the fact and such circumstances, it appears that the CB has colluded with exporter in claiming inadmissible drawback and other export

incentives by overvaluing the export goods and mis-declaring the same in Shipping Bills.

10(f) *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;*

Since the exporter had availed undue export incentives including drawback, RODTEP and ROSCTL, it shows that the CB did not inform the exporter about the instructions, circulars and public notice regarding claim of drawback. It appears that CB did not advise the exporter to comply with Rule 3, Rule 16 and Rule 16A of Drawback Rules, 1995 and abetted the exporter in claiming undue drawback.

10(q) *co-operate with the Customs authorities and shall join investigations promptly in the event of an inquiry against them or their employees;*

Various summonses were issued to the Custom Broker M/s Charania Associates but they didn't turn up for giving statement under section 108 of the Custom Act, 1962 which is non-obligation of regulations 10(q) of CBLR, 2018.

6. From the above facts it appears that, prima facie, Customs Broker M/s Charania Associates (Licence no. 11/950, CB code AACFC6060ECH001) had violated Regulations 10(d), 10(e), 10(f) and 10(q) of CBLR, 2018. It is 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. However, I observe that the said CB is already involved in another offence wherein the CB license was revoked vide OinO CAO No. 74/CAC/PCC(G)/SJ/CBS Adj. dated 06.02.2023, passed by the undersigned.

Accordingly, I pass the following Order:

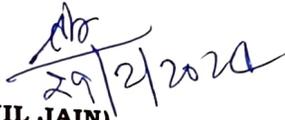
ORDER

01. 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 Charania Associates (Licence no. 11/950), with immediate effect, being fully satisfied that the Customs Broker has prima-facie not fulfilled their obligations as laid down under Regulation 10(d), 10(e), 10(f) and 10(q) of CBLR, 2018. However, as the CB license No. 11/950 is already revoked vide above mentioned order dated 06.02.2024 under regulation 14 of CBLR, 2018, this order of suspension of licence shall come into effect, if any, contrary view/decision taken at any higher appellate forum in the above said order dated 06.02.2024

02. However, I offer the Customs Broker M/s Charania Associates (Licence no. 11/950) an **opportunity of personal hearing on 13/3/2024 at 12.30 pm** hours. Any written representation against this order should reach the undersigned before the date of hearing.

03. M/s Charania Associates (Licence no. 11/950, CB code AACFC6060ECH001) is directed to surrender all the original Custom Passes issued to their employee/partner/director/Proprietor immediately.

04. 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. Charania Associates (Licence no. 11/950, CB code AACFC6060ECH001),
1/12, Baitul Rehmat Building, Navroji Hill Road No. 19,
Dongri, Mumbai - 400 009

Copy to:

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