



सीमा शुल्क प्रधान आयुक्त (सामान्य) का कार्यालय
OFFICE OF THE PR. COMMISSIONER OF CUSTOMS (GENERAL),
कस्टम ब्रोकर अनुभाग, नवीन सीमा शुल्क भवन,
CUSTOM BROKER SECTION, NEW CUSTOM HOUSE,
बेलार्ड इस्टेट, मुंबई - 400 001
BALLARD ESTATE, MUMBAI - 400 001.
Email-Id: cbsec.nch@gov.in

F.NO.GEN/CB/ACTN/134/2022-CBS

Date : 08.06.2022

DIN : 202206770000000000 DC56

ORDER NO. 10 /2022-23

M/s. Sync Logistics, (PAN No. COLPS6670D), 2nd Floor, Dock View Building, Walchand Hirachandmarg, Ballard Estate, Mumbai 400001, (hereinafter referred to as the Customs Broker/ CB) is holder of Customs Broker License No. 11/2377, issued by the Principal Commissioner of Customs, Mumbai under esrwhile Regulation 7(1) of CBLR, 2013 (now regulation 7(2) of CBLR, 2018) and as such they are bound by the regulations and conditions stipulated therein. The validity of the license No. 11/2377 held by M/s. Sync Logistics is valid till lifetime subject to conditons laid down as per CBLR, 2018. Shri Dharmil Sheth is the Proprietor and the Authorized Signatory of the Custom Broker Firm M/s. Sync Logistics.

2. Special Intelligence and Investigation Branch (Import), JNCH (hereinafter referred to as SIIB (Import), JNCH) conducted an investigation in a case of double bills of entry filed by M/s. Sync Logistics on behalf of importer M/s. Shree Laxmi Trading Co. (IEC no. 5205001992) for clearance of the goods declared as 'Pure Silver Metallized Yarn Gold TM4106 1/64.

3. As per the letter F.No.SG/Misc-32/2020-21/Gr.III/JNCH dated 16.07.2021 received on 30.08.2021, (RUDS received on 22.04.2022). SIIB (Import), JNCH has informed this office that Bill of Entry No. 3368697 dated 31.03.2021 was filed by the CB for import of goods with claim of PTA/FTA benefit under notification no. 69/20211 (India Japan CEPA). Query was raised on 31.03.2021 as per target / RMS instructions to upload documents as per Carotar Rules, 2020 to justify RVC (Regional Value Content) content of Country of Origin Certificate no. 200439517262501910 dated 17.03.2021 issued by Japan Chamber of Commerce and Industry for invoice no. 21-023 dated 14.03.2021 and bill of lading no. KBNHV-009-002-21JP dated 14.03.2021. Before replying to the query raised in B/E No 3368697 dated 31.03.2021, a fresh Bill of Entry no. 3465683 dated 07.04.2021 was filed by same CB on

behalf of the same importer for same goods as in previous B/E. The system showed target / interventions in second B/E dated 07.04.2021 as 'this certificate of origin has been utilized for bill no. 3368697 dated 31.03.2021 of INNSA1 location'. A COO once fully utilized is not to be used for another consignment, except when single COO can be used for multiple shipment only under India-Korea CEPA, notified under 187/2009-Customs (N.T.) dated 31.12.2009. Accordingly, a query was raised to the importer. The reply was received for first B/E dated 31.03.2021 on 1.04.2021 to assess the B/E on merit rate of duty without COO benefit. Accordingly, B/E was assessed on merit rate of duty on same day. The reply received for second B/E dated 07.04.2021 was received on 20.04.2021 as "B/E No. 3368697 dated 31.03.2021 is assessed with merit duty hence COO certificate benefit has not been taken, accordingly assess bill of entry". The second bill of entry dated 07.04.2021 was pushed to PAG as importer was not replying as per query raised. In this case FAG & PAG is same i.e. INNSA1. Query was raised once again as COO benefit is not available once COO certificate is used in one B/E and now second B/E is pending with importer for query reply. The Assessing group III further mentioned that the duty is not paid for in previous B/E and that prior / advance B/E is automatically purged by system if not regularized by importer / CHA within 28 days of filing it. In the subject case, when query was raised in first B/E dated 31.03.2021 to upload documents w.r.t. Carotar Rules, 2020, the CB has filed another B/E for same shipment and uploaded same documents in e-sanchit to avoid query reply.

4. Statement of Shri Pankaj Mukundray Sheth, authorized representative of the Customs M/s. Sync Logisitics was recorded on 25.05.2021 under section 108 of the Customs Act, 1962 wherein interalia he stated that :-

- i. In Covid-19 situation, his office was working with limited staff on alternate days and his 02 staff members handled the B/E filing work.
- ii. First B/E dated 31.03.2021 was filed by one staff and second B/E dated 07.04.2021 was filed by another staff when prior IGM was filed as earlier B/E was not acknowledged by ICEGATE System, hence presumed that B/E was being filed for the 1st time on 07.04.2021.
- iii. He came to know about this issue of double B/E filing only when Assessing Officer informed them about the same system indicating

Target/Interventions instructions during assessment of 2nd B/E no. 3465683 dated 07.04.2021.

- iv. He stated that usually ICEGATE system itself alerts by referring error code 140 whenever document is repeatedly filed, which did not happen in that case.
- v. Importer M/s Shree Laxmi Trading Co. have been regularly importing goods 'metalized yarn' from Brightex Corporation, Japan, since last few years by availing preferential duty benefit under India-Japan CEPA, whereas through this CB this was their 3rd or 4th consignment.
- vi. On being asked about the queries raised by the Assessing Officer he stated that they received first query against the B/E no 3465683 dated 07.04.2021 on 08.04.2021 for NABL test and compliance of Carotar Rules, 2020 and the said query was replied on 09.04.2021. 2nd query was received against the same B/E on 16.04.2021 which was replied on 20.04.2021.
- vii. In the intermittent period on 19.04.2021 they replied query against the B/E no 3368697 dated 31.03.2021 about which they were not aware earlier and requested to assess the said B/E on merit without extending preferential COO benefit.
- viii. Subsequently, 2nd query against B/E no 3455683 dated 07.04.2021 was replied on 20.04.2021 requesting to link COO with this B/E and assess B/E accordingly as preferential duty benefit was withdrawn from 1st B/E dated 31.03.2021.
- ix. He further stated that they were not aware of earlier B/E getting noted successfully and they came to know only when system pointed out "same COO is already attached with B/E dated 31.03.2021" during assessment of second B/E no. 3465683 dated 07.04.2021, that they had to request for the withdrawal of COO benefit against one of the BE as benefit cannot be availed in 2nd B/E, even though it was for the same consignment.
- x. On being asked about the maintain of records he stated that in the present covid situation since they are unable to operate fully from

office, some of their staff works from home and attend office. B/E when filed successfully and B/E no. is generated said B/E no is mentioned on the docket pertaining to that job no and such records are maintained on the computer system itself.

- xi. On being asked as to why the emails on his office email prior to 21/04/2021 were not found, he informed that he does not know how to operate computers hence he would not know anything regarding this question.

5. From the above, it is crystal clear that in the first Bill of Entry, first query is related to CAROTAR Rules, 2020 which was raised on 31.03.2021. The said query was replied on 19.04.2021 wherein it was requested to withdraw COO benefit and assess the B/E on merit. In the second B/E, first query is related to CAROTAR Rules, 2020 & test report from NABL lab for ascertain correct classification. First query was raised on 07.04.2021. The same was replied on 09.04.2021 wherein inter-alia stated that the goods under clearance is metalized yarn and not coloured / dyed hence test report is not mandatory and that item is being imported regularly and Section II & III uploaded to E-sanchit in compliance of Carotar Rules, 2020. Second query was raised on 16.04.2021 having objection that the COO has been attached to B/E no. 3368697 (first B/E) which is not allowed except India-Korea CEPA notified vide 187/2009 dated 31.12.2009. The said query was replied on 20.04.2021 stating that preferential COO rate is not availed on first B/E dated 31.03.2021 & assessed on merit basis. Therefore, second B/E dated 07.04.2021 should have been assessed with preferential COO rate. Also COO benefit is not available for second B/E as same has been uploaded in first B/E and may opt for merit rate of duty.

6. Further, from the statement of Shri Pankaj Mukundray Sheth, authorized representative of Customs Broker, recorded on 25.05.2021 under section 108 of the Customs Act, 1962, it appears that the Customs Broker did not maintain any records of the Bills of entry filed by his firm and the emails in the CB's email id prior to 21/04/2021 were not found. As such, it appears that the CB did not maintain any records of Bills of Entry as required under regulation 10(k) of CBLR, 2018.

7. In view of the above, it appeared that Customs Broker have contravened provisions of Regulation 10(e) & 10(k) of Customs Brokers Licensing

Regulations, 2018. A brief detail of the contraventions of the CBLR, 2018 is as follows:

(i) **Violation of Regulation 10(e):** As per regulation 10(e): 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;”

In the instant case, it is crystal clear from the investigation and the statement recorded of Shri Pankaj Mukundray Sheth, authorized representative of Customs Broker, recorded on 25.05.2021 under section 108 of the Customs Act, 1962 that the CB did not 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 as the Customs broker filed double bill of entry for the same consignment.

(ii) **Violation of Regulation 10(k) :** As per the Regulation 10(k): A Customs Broker shall — "maintain up to date records such as bill of entry, shipping bill, transshipment application, etc., all correspondence, other papers relating to his business as Customs Broker and accounts including financial transactions in an orderly and itemised manner as may be specified by the Principal Commissioner of Customs or Commissioner of Customs or the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be".

In the instant case, as per the statement recorded on 25.05.2021 of Shri Pankaj Mukundray Sheth, authorized representative of Customs Broker under section 108 of the Customs Act, 1962 it is found that the Customs Broker did not maintain the details of the Bills of Entry relating to his business as Customs Broker. Further, the email of the CB also does not have any details prior to 21.04.2021. As such, it appears that the CB has deliberately deleted the emails prior to 21.04.2021 in order to evade further investigation.

10. From the above facts, prima facie it appears that the Custom Broker M/s. Sync Logistics (CB No 11/2377) has violated Regulation 10(e), 10(k) of Customs Brokers Licensing Regulations, 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. Accordingly, I pass the following order :-

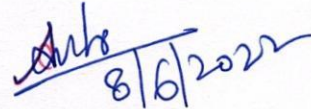
ORDER

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 license of M/s. Sync Logistics, (PAN No. COLPS6670D) (CB No 11/2377) with immediate effect, being fully satisfied that the Customs Broker has prima-facie not fulfilled their obligations as laid down under regulation 10(e) and 10(k) of CBLR, 2018.

02. However, I offer the Customs Broker M/s. Sync Logistics (CB No 11/2405) an opportunity of personal hearing on **15.06.2022** at **12:00 noon** through video conferencing facility. Any written representation against this order should reach the undersigned before the date of hearing.

03. M/s. Sync Logistics, (PAN No. COLPS6670D) (CB No 11/2377) is hereby 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.


8/6/2022

(SUNIL JAIN)

**Principal Commissioner of Customs (G)
New Custom House, Mumbai - I.**

To,

M/s. Sync Logistics, (PAN No. COLPS6670D)
2nd Floor, Dock View Building,
Walchand Hirachandmarg, Ballard Estate,
Mumbai 400001

Copy to:

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