



प्रधान सीमाशुल्क आयुक्त (सामान्य) का कार्यालय  
**OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS (GENERAL)**  
कस्टम ब्रोकर अनुभाग, नवीन सीमाशुल्क भवन,  
**CUSTOMS BROKER SECTION, NEW CUSTOM HOUSE,**  
बेलार्ड इस्टेट, मुंबई - I  
**BALLARD ESTATE, MUMBAI - I**

F.NO. GEN/CB/474/2024-CBS

Date: 26.11.2024

DIN: 2024117700000000FCB4

**SHOW CAUSE NOTICE No. 62 /2024-25 CBS**

M/s. Rupali Logistics Clearing & Forwarding Pvt. Ltd. (11/2000), PAN: AAGCR6697F, having address Flat No. 103, Goodwill Corner, Plot No. 30, Sector-14, Kopar Khairane, Navi Mumbai, Maharashtra-400709 (hereinafter referred to as the Customs Broker/CB) is holder of Customs Broker License No. 11/2000, issued by the Commissioner of Customs, Mumbai under 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.

2. An Offence Report in the form SCN No. 36/ADC/EXP.ASSMT/2024-25/ACC dated 22.08.2024 issued vide File No. SIIB/GEN-119/2023-24 ACC(X) received via email dated 27.08.2024 from office of ADC Export Assessment Cell, Air Cargo Complex, Mumbai Zone-III, wherein, inter-alia following were informed:

2.1 The exporter M/s. J. S. IMPEX (IEC - BVYPJ8801N) has filed Shipping Bill Nos. 5052115, 5052371 & 5052391 dated 01.11.2023 through their Customs Broker - M/s. Rupali Logistics Clearing & Forwarding Pvt. Ltd. (11/2000) for clearance of item declared as: Audio Amplifier Capacitor. The impugned goods were carted on 03.11.2023 at Air Cargo Complex, Sahar, Mumbai and were destined to M/s. Smart Solution General Trading LLC Address- 405, Sheikha Mariyam Building, P 114 Opposite Marco, P.O. Box624296, Dubai, United Arab Emirates. The details of the said Shipping Bill Nos. 5052115, 5052371 & 5052391 dated 01.11.2023 are as tabulated in below table:

**TABLE-I**

Shipping Bill	Description of goods	Declared CTH	Qty.	Total value as per SB declaration (In INR)	IGST /LUT	DBK (in Rs.)	RoSCTL (in Rs.)	RoDTEP (in Rs.)
5052115	AUDIO AMPLIFI	85321000	9000	1669612.5	LUT	16654	0	13323.92

5052371	<b>ER CAPACI TOR</b>	85321000	9000	1669612.5	LUT	16654	0	13323.92
5052391		85321000	1200 0	2226150	LUT	2220 3.78	0	17763.03
<b>Total FOB declared (in Rs.) = 55,65,375/-</b>						<b>55,511.78/-</b>	<b>0</b>	<b>44,410.87/-</b>

**2.2** A communication against the exporter – M/s. J. S. IMPEX (IEC– BVYPJ8801N) (herein after referred to as the Exporter) having registered IEC address at – Siddiqui Colony, Near Sabri Shaadi Hall, Barwala Manjeera, Indian Youth Centre, Barwala, Barwara Mazra, Moradabad, Uttar Pradesh-244001, was received through NCTC alert mail no. 630/EXP/2023-24 dated 02.11.2023, wherein it was alleged in their Red Flag that: -

- a. The exporter is a recently registered exporter who has filed shipping bills in a spurt manner.
- b. The exporter is exhibiting commodity and Port hopping.
- c. The supply chain of the exporter is non-existent.
- d. Gross weight of consignments is only 30 and 41 KG with no. of pieces around 9,000 and 12,000 each, which appears suspicious.
- e. The goods falling under Chapter 8523 attract high GST rates, and the value of export may be over-valued to claim undue export benefits and IGST-ITC refunds.
- f. There is a high possibility that this may be cover cargo and there is concealment of restricted/prohibited commodity in the cargo.
- g. There is high possibility of mis-declaration in terms of quality, quantity of goods, mis-classification, concealment and overvaluation to avail undue IGST-ITC refund under LUT.

**2.3** Accordingly, on receipt of the communication from NCTC, SIIB(X), ACC has initiated investigation and the following actions have been taken: -

- IEC details were verified from DGFT portal and found 'Valid' as on date.
- GSTIN were verified from GST portal and found ACTIVE as on date. Alert has been inserted on IEC- BVYPJ8801N of the exporter on 02.11.2023 with the following wordings: - "100% Examination under SIIB-X Supervision No LEO be granted without NOC from Jurisdiction SIIB-X.
- all export benefits & IGST Refund may be withheld till the investigation concludes.
- A letter addressed to The Additional Commissioner of CGST, Meerut Commissionerate, was sent on 21.11.2023 regarding – Verification of the Exporter-M/s. J. S. IMPEX and its suppliers.

**2.4** The shipment under the said Shipping Bills was put on hold for detailed examination by the SIIB (X) vide its letter dated 03.11.2023. Subsequently, the goods under the said S/Bs were examined 100% under Panchanama dated 06.11.2023. The representative samples were also drawn & sealed from the subject consignments for

valuation and testing for determination of applicability of drawback and other benefits. The findings of the said examination were: -

- a. The quantity of item – Audio Amplifier Capacitor found as per declaration in Shipping Bill, Invoice and Packing List.
- b. To check the concealment of prohibited and restricted goods, samples from each category of capacitors were broken and opened by the officers in front of export's representative and found nothing suspicious. The quantity of the goods found as declared in the shipping bills/invoices/packing lists during examination.
- c. Prima-facie, declared value appeared to be on the higher side.

**2.5** The impugned goods covered under shipping bill nos. 5052115, 5052371 & 5052391 dated 01.11.2023 have been examined 100% under panchanama dated 06.11.2023 in presence of officer of SIB(X), ACC and representative of exporter i.e. CHA & two independent Panchas, wherein, the goods covered under the above-mentioned shipping bills appear to be overvalued. Prima-facie it is not clear through naked eyes that the said audio amplifier capacitor is in working condition or not. Accordingly, the said goods were seized vide seizure memorandum dated 07.11.2023, due to non-existent supply chain & overvaluation, under section 110(1) on the reasonable belief that the same is liable for confiscation under section 113(ia) & 113(ja) of the Custom Act, 1962. The provisions of the Section 113(ia) provides “any goods entered for exportation under claim for drawback which do not correspond in any material particular with any information furnished by the exporter or manufacturer under this act in relation to the fixation of rate of drawback under section 75” & section 113(ja) provides “any goods entered for exportation under claim of remission or refund of any duty or tax or levy to make a wrongful claim in contravention of the provisions of this act or any other law for the time being in force.”

**2.6** Further summons was issued on 22/11/2023 to the exporter and the CB with a direction to produce export related document and oral statement regarding the instant export. Further, it is necessary to determine the valuation and working condition of the impugned goods covered under shipping bill nos. 5052115, 5052371 & 5052391 dated 01.11.2023.

**2.7** The value of impugned goods is, therefore, proposed to be re-determined under the residual Rule 6 of CVR (Export) Rules, 2007. This rule stipulates that subject to the provisions of Rule 3, where the value of the export goods cannot be determined under the provisions of Rules 4 and 5, the value shall be determined using reasonable means consistent with the principles and general provisions of these rules. Therefore, in order to arrive at the correct value of the impugned goods the same was required to be done on the basis of Rule 6 of CVR, 2007.

**2.8** The appointment of Chartered Engineer could be one of the methods for determination of value. Therefore, the valuation of the goods is required to be done on the basis of Rule 6 of CVR, 2007.

**2.9** As the impugned goods covered under shipping bill nos. 5052115, 5052371 & 5052391 dated 01.11.2023 came out to be over-valued (as per report submitted by Chartered Engineer). From the above findings of the Chartered Engineer's report, it is evident

that the exporter overvalued the goods to claim export benefits. The exporter declared the price of the goods in the shipping bill INR 185.5/pc (2.25 USD), whereas the actual value of the goods is found as INR 15.00 to INR 20.00/pc.

The value arrived from CE reports as mentioned below: -

**TABLE-II**

Sr. No	SB No. / date	Description of the goods	Per Pcs value declared in shipping bill (In INR)	Quantity declared in shipping bill	Total value as per shipping bill declaration (In INR)	average price per pcs value come from CE report (In INR)	Quantity found in examination	Total re-determined values as per the report
1	5052371/ 01.11.2023	Audio Amplifier Capacitor	185.5125	9000	16,69,612.50	17.5/-	9000	1,57,500/-
2	5052391/ 01.11.2023	Audio Amplifier Capacitor	185.5125	12000	2226150	17.5/-	12000	2,10,000/-
3	5052115 / 01.11.2023	Audio Amplifier Capacitor	185.5125	9000	1669612.5	17.5/-	9000	1,57,500/-
<b>TOTAL</b>				<b>30,000 PCS</b>	<b>55,65,375/-</b>		<b>30,000 PCS</b>	<b>5,25,000/-</b>

### 2.10 Details of Past Exports:

The exporter has not filed any shipping bill in the past besides the present Shipping Bill nos. 5052115, 5052371 & 5052391 dated 01.11.2023. The instant shipping bills was filled by the Customs Broker Firm M/s. Rupali Logistics Clearing and Forwarding Private Limited. The data pertaining to the instant Shipping Bills filed by the exporter was retrieved from ICES 1.5 System and the same is summarized in Table-III.

**TABLE-III**

Sr. No	SB No.	SB Date	FOB (in Rs.)	DBK.	IGST/LUT	ROSCT L	RODTEP
1	5052371	01.11.2023	16,69,612.50	16655	300348	0	13324
2	5052391	01.11.2023	2226150	22204	400464	0	17763
3	5052115	01.11.2023	1669612.5	16655	300348	0	13324
Total (in Rs.)			<b>55,65,375/-</b>	<b>55,514/-</b>	<b>10,01,160/-</b>	0	<b>44,411/-</b>

Against the above-mentioned Shipping Bills, having declared FOB value of Rs. **55,65,375/-** the exporter has claimed total drawback amount of Rs. 55,514/-, RoSCTL amount of Rs. NIL/- and RoDTEP amount of Rs. 44,411/-. All the three shipping bills was filed under IGST Refund claim of Rs. 10,01,160/-.

### **2.11 Remittance Details:**

The exporter - M/s. J. S. Impcx (IEC – ATUPP3433D) had filed present Shipping Bills as tabulated in TABLE-I. The exporter had claimed Drawback under the said shipping bills under the provisions of Section 75 of the Customs Act, 1962 read with The Customs and Central Excise Duties Drawback Rules, 2017. Section 75(1) of the Customs Act, 1962 makes it mandatory, for claiming drawback on any goods, to receive the sale proceeds in respect of such goods by or on behalf of the exporter in India within the time allowed under the Foreign Exchange Management Act, 1999 (42 of 1999).

**2.12** Statement of Shri Jayesh Kurne, authorised representative of CB firm – M/s. Rupali Logistics Clearing and Forwarding Pvt. Ltd. was recorded under Section-108 of The Customs Act, 1962 on 06.12.2023, wherein, he inter-alia stated the following: -

- a. M/s. Rupali Logistics Clearing & Forwarding Pvt. Ltd. (11/2000) is a private limited company. Their firm provides export related clearance services by acting as a Customs Broker.
- b. The exporter appointed his CB firm.
- c. They did not contact the exporter. The exporter i.e. M/s J. S. IMPEX has contacted them through their representative. The name of the representative is Mr. PARAG TAMBE. He is living in same locality. His mobile no. 8097872723. He is residing at Room No. 3/3, Mayekar Chawl, R. B. Kadam Marg, Bhatwadi Hill, Ghatkopar West, Mumbai, Barve Nagar, Maharashtra-400084.
- d. This is the first shipment of exporter M/s J. S. IMPEX. Before this shipment they didn't do any shipment of the said exporter.
- e. His firm has taken KYC documents and did first time export procedure on behalf of the said exporter.
- f. One of the employees of his firm carried out the address verification of the exporter given in the IEC copy and found it to be correct. However, he didn't have any documents/ photographs in support of the same.
- g. The representative of exporter used to provide documents like invoices and packing list by mail on their company email-id rlcfl123@gmail.com by his mail id shivairexport@gmail.com. After receiving documents, they used to make checklist and send it to the representative of the exporter by mail for approval. Once they got approval from the representative of exporter by their mail saistn92@gmail.com, they used to file Shipping Bill on ICEGATE portal. Their firm deals in clearance only. After carting of goods in Export Shed ACC, they produce goods for Examination and further processing i.e; LEO.
- h. They verify the classification and description of the goods and file the same as per the exporter's invoice.

- i.** The goods covered under the Shipping Bill number 5052371, 5052391 & 5052115 all dated 01.11.2023 filed by their CB firm i.e. M/s. Rupali Logistics Clearing and forwarding Pvt. Ltd. on behalf of the exporter i.e. M/s. J. S. IMPEX (IEC-BVYPJ8801N) arrived in the Export Shed, ACC, directly for Export Clearance. Their firm didn't generate GATEPASS in this case or in any case for any consignment or vehicle. They are only clearing agent and do not deal with freight forwarding.
- j.** They verified the goods with the related documents while carting the shipment and didn't find any discrepancy in the valuation of the goods.
- k.** Their company charged Rs. 1000/- for each Shipping Bill from exporter as 'Shipping Bill Filling and Processing charges. Payment was done online in account of company. As the goods were not cleared from ACC, the payment was not received yet.
- l.** After being asked about the contact of the said exporter, he stated that his firm have processed only this shipment including Shipping Bill number 5052371, 5052391 & 5052115 all dated 01.11.2023. Neither exporter nor it's representative co-operate with them.
- m.** On being asked about the FF firm in the instant shipment, the representative of CB firm stated that his company deal with only Custom Clearance related work. In the instant shipment, the Freight Forwarder firm is G. A. S. Logistics LLP. The exporter contacts the FF firm directly. So, they do not know about the FF firm.

**2.13** Statement of Shri Jayesh Kurne, authorised representative of CB firm – M/s. Rupali Logistics Clearing and Forwarding Pvt. Ltd. was recorded under Section-108 of the Customs Act, 1962 on 08.03.2024, wherein he inter-alia stated the following:-

- a.** M/s. Rupali Logistics Clearing and Forwarding Pvt. Ltd. is a private limited company and provides export related clearance service by acting as a customs broker.
- b.** On being asked about the appointment of CE, the representative stated that the exporter had appointed Chartered Engineer.
- c.** On being asked about the payment of CE, the representative of the CB firm stated that they don't know about the charges paid to the CE.
- d.** He stated that one of the employees of their firm carried out the address verification of the exporter given in the IEC copy and found it to be correct.
- e.** On being asked about the payment in r/o the instant shipping bill nos. 5052115, 5052371 & 5052391, he stated that they didn't receive any payment from the exporter as of now. Because the instant goods have not been exported yet.
- f.** On being asked about the FF firm, the representative stated that they have no idea about the booking of the freight forwarder.
- g.** They have filed the shipping bills in the instant case as per invoice and packing lists received from the exporter. He further stated that their firm deals in customs clearance only.

**h.** He stated that due to their presence during CE certification, the name of their firm might be placed by the CE inadvertently in place of name of exporter i.e. M/s. J. S. Impex.

**2.14** Statement of Shri Parag Anil Tambe, authorised representative of the exporter firm M/s. J. S. Impex was recorded under Section-108 of the Customs Act, 1962 on 03.05.2024 (RUD - 11), wherein the inter-alia stated the following:

- a.** He doesn't know about the company. He verifies the KYC documents on telephonic conversation. He didn't meet with the proprietor/ director of the said firm.
- b.** On being asked about how he contacted with the exporter, he stated that the exporter contacted us directly through their mobile phone. The contact person was Mr. Harish Upadhayay and mobile no. is 7977907674. He lives somewhere in Mumbai. By this reference, he contacted with Shri Sharma and contact no. is 9411555865. The addresses of both the persons were not recall at this time and will be submitted to the office shortly. However, he did not submit the same to this office. Mr. Sharma lives in Uttar Pradesh. He didn't know much about him. Further, he assured to this office that he will submit all the details/ addresses of the contact shortly. However, he didn't submit the same yet.
- c.** He stated that this was the first export of the said exporter. After these shipping bills, He don't contact with the exporter anymore.
- d.** On being asked about the address verification of the exporter, he stated that he did not carry out the address verification of the said exporter as given in the IEC. He only represents the exporter in the instant case after telephonic conversation. After the consignment, He will receive Rs. 1500/- by the exporter for the said work.
- e.** He further stated that he appointed the CHA on behalf of the exporter.
- f.** On being asked about the address verification by the CHA firm, he stated that the CHA firm i.e. M/s. Rupali Logistics Clearing and Forwarding Pvt. Ltd., did not carry out address verification of the exporter.
- g.** On being asked about the documents, he stated that Documents i.e; Invoices, packing lists, purchase order, were received by courier. After receiving the document, he gave it to the CHA firm for filling the shipping bill. He gets approval from the exporter on WhatsApp. Due to disappearing message in WhatsApp, the messages were deleted. Hence, he didn't have any proof regarding the same.
- h.** On being asked about the movement of the goods, he stated that the goods covered under the Shipping Bill number 5052115, 5052371 & 5052391 all dated 01.11.2023 filed by the CHA firm i.e. M/s. Rupali Logistics Clearing & Forwarding Pvt. Ltd. on behalf of the exporter i.e. M/s. J. S. Impex arrived directly in the Air Cargo Complex. After which they take the goods and delivered it to the Export Shed, ACC, for Export Clearance. As per his knowledge, the CHA firm generated gate pass in the instant matter. He further stated that the CE was appointed directly by the exporter.

- i.** In response to the question about the charges, he stated that he charged Rs. 1500/- for each Shipping Bill from exporter towards working as a representative of the exporter. Payment of the said consignments had not received yet. Because the impugned goods were seized or the goods have not been exported till now. He also stated that as per his knowledge, CHA firm i.e. M/s. Rupali Logistics Clearing and Forwarding Pvt. Ltd. filed the documents related to first time export verification procedure. The CHA firm didn't verify the address as per his knowledge.
- j.** In response of the question about the shipments of the said exporter, he stated that this is the first shipment of the said exporter. After the investigation initiated by the department, he did not work with the exporter M/s. J. S. Impex for further consignments. I represented only the instant shipment including Shipping Bill numbers 5052115, 5052371 and 5052391 all dated 01.11.2023.
- k.** At last, he stated that according to his understanding/knowledge, Mr. Sharma was the Defecto Owner of the said firm i.e. M/s. J.S. Impex.

**2.15** Further, the Summons dated 30.05.2024, were issued u/s - 108 of the Customs Act, 1962 to the Representative of the Exporter firm - M/s. J. S. Impex for their appearance on 04.06.2024 in the office of SIIB (X) in the instant matter for providing the addresses of both the persons for further investigation. He also assured to the department to give their address proof in the office. However, even after giving summons dated 30.05.2024, he did not respond to this office for providing address details of both the person, whose name stated in his statement dated 03.05.2024. He misleads the department by non-attending the summons and no information were provided by him for further investigation purpose.

**2.16** Also, the Summons dated 22.11.2023, 06.12.2023, 03.02.2024 and 05.03.2024 were issued u/s - 108 of the Customs Act, 1962 to the Proprietor of exporter firm - M/s. J. S. Impex for their appearance on 30.11.2023, 18.12.2023, 08.02.2024 and 11.03.2024 respectively in the office of SIIB (X) in the instant matter. However, the summonses sent to registered address of M/s. J. S. Impex and address of its Proprietor returned undelivered with remarks 'not known' and 'addressee absent' respectively by the postal authorities.

The License of CB M/s Rupali Logistics Clearing & Forwarding Pvt. Ltd. (11/ 2000) had already revoked vide Centralized Adjudication Order No. CAO/75/CAC/PCC(G)/SJ/CBS dated 28.02.2024 in another matter.

**3.** Further, on page 32 of the subject SCN, it is alleged that the CB has not fulfilled the obligations under Regulations 10(d), 10(e), 10(m), and 10(n) of CBLR, 2018. However, Shri Jayesh Kurne, the authorised representative of the CB firm – M/s. Rupali Logistics Clearing and Forwarding Pvt. Ltd., during the course of the investigation, accepted the fact that they did not contact the exporter. The exporter, i.e., M/s J. S. IMPEX, has contacted them through their representative Shri Parag Tambe, and he could not provide export-related documents to the investigating agency at the time of investigation. Further, it has been found from the offence report that, as per the requirement of Circular No. 16/2009-Customs dated 25.5.2009 issued vide F.No.609/137/2007-DBK, merchant exporters who purchase goods from traders were required to furnish a declaration in the prescribed format at the time of export of such goods. It was the responsibility of the CB to advise his client about the requirements of such a declaration,



but the CB failed to do so and did not advise his client to submit the said declaration to the Customs Authority. Additionally, it is evident from the offence report that the CB did not discharge his duties with utmost speed and efficiency and without any delay. Also, it appears that the contents of Circular No. 16/2009-Customs dated 25.5.2009 issued vide F.No.609/137/2007-DBK have not been imparted to the client. Hence, it appears that the CB did not exercise due diligence. Further, as per the offence report, the address of the exporter was found to be fictitious, as the summons issued to the exporter returned undelivered with remarks 'not known' and 'addressee absent' respectively by the postal authorities.

In view of the above observations and in light of the offence report, it appears that the CB has not fulfilled the obligations of Regulations 10(d), 10(e), 10(m), and 10(n) of CBLR, 2018.

4. From the offence report, the following omissions leading to the violation of obligations stipulated in Regulation 10 of CBLR, 2018 are apparent:

**a. The regulation 10(d) of CBLR,2018 read as:**

*“advise his client to comply with the provisions of the Act, other allied Acts and the rules and regulations thereof, and in case of noncompliance, shall bring the matter to the notice of the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be;”*

As per the Offence Report, the exporter filed 03 shipping bills through the said Customs Broker and attempted to avail the export benefits under export incentive schemes by overvaluing the impugned goods. From the facts of the case, the impugned goods covered under 03 shipping bills were examined under Panchanama dated 06.11.2023 and prima facie found to be on the higher side. Further, the impugned goods were found to be overvalued as per the report submitted by a Chartered Engineer. The declared value in the shipping bill was INR 185.5 per piece (2.25 USD), whereas the actual value of the goods was found to be INR 15.00 to INR 20.00 per piece.

From the above facts, the CB should have understood prima facie that the value of the exported items, i.e., AUDIO AMPLIFIER CAPACITOR, could not be as high as Rs. 185.5 per piece, which was later redetermined at Rs. 20.00 per piece. Accordingly, the CB should have brought these discrepancies to the notice of the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be. Thus, the CB failed to bring the discrepancy of overvaluation, which could be clearly seen, to the notice of the Customs Officer at the time of export. Due to the above acts of commission and omission, it appears that the CB failed to comply with the provisions of Regulation 10(d) of the CBLR, 2018.

**b. The regulation 10(e) of CBLR,2018 read as:**

*“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;”*

As per the Offence Report, the exporter has neither produced details of the cost of production, manufacturing, or processing of exports and correct transport details, nor provided the cost design or brand, or an amount towards profit to derive the value of goods to the investigating agency. Further, as per the requirement of Circular No. 16/2009Customs dated 25.5.2009, issued vide F.No.609/137/2007-DBK, the

merchant exporters who purchase goods from traders were required to furnish a declaration in the prescribed format at the time of export of such goods. It was the responsibility of the CB to exercise due diligence to ensure that the declaration had been submitted in the prescribed format to the customs authority, and the CB should have exercised due diligence to ascertain the value of the goods as per the Customs Valuation Rules, 2017. Hence, it appears that the CB has violated the provisions of Regulation 10(e) of the CBLR, 2018.

**c. The regulation 10 (m) of CBLR,2018 read as:**

*“discharge his duties as a Customs Broker with utmost speed and efficiency and without any delay;”*

As per the Offence Report, the exporter filed 03 shipping bills through the said Customs Broker and attempted to avail the export benefits under export incentive schemes by overvaluing the impugned goods. Further, the impugned goods were found to be overvalued as per the report submitted by a Chartered Engineer to the extent that the declared value in the shipping bill was INR 185.5 per piece (2.25 USD), whereas the actual value of the goods was found to be INR 15.00 to INR 20.00 per piece. From the above facts, it is apparent that if the investigation agency hadn't alerted the department, the exporter might have successfully exploited the export benefits fraudulently. It was the responsibility of the CB to recognize that the value of the exported items, i.e., AUDIO AMPLIFIER CAPACITOR, could not be as high as Rs. 185.5 per piece, which was later re-determined at Rs. 20.00 per piece. Accordingly, the CB should have brought these discrepancies to the notice of the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be. Hence, the CB failed to bring the discrepancy of overvaluation, which could be clearly seen, to the notice of the Custom Officers at the time of export. Further, during the statement, the CB failed to submit any export-related documents to the investigating agency. Furthermore, the CB did not ensure the presence of the exporter when summoned, thereby delaying the investigation.

In view of the above, it is clear that the CB did not discharge his duties with utmost speed and efficiency and without any delay. Hence, the said CB appears to have violated Regulation 10(m) of CBLR, 2018.

**d. The regulation 10 (n) of CBLR,2018 read as:**

*“verify correctness of Importer Exporter Code (IEC) number, Goods and Services Tax Identification Number (GSTIN), identity of his client and functioning of his client at the declared address by using reliable, independent, authentic documents, data or information;”*

As per the Offence Report, it is evident that the said CB did not contact the exporter. Shri Jayesh Kurne, the authorised representative of the CB firm – M/s. Rupali Logistics Clearing and Forwarding Pvt. Ltd., during the course of the investigation, accepted the fact that they did not contact the exporter. The exporter, i.e., M/s J. S. IMPEX, contacted them through their representative, Shri Parag Tambe. Also, the Summonses dated 22.11.2023, 06.12.2023, 03.02.2024, and

05.03.2024 were issued under section 108 of the Customs Act, 1962 to the Proprietor of the exporter firm - M/s. J. S. Impex for their appearance on 30.11.2023, 18.12.2023, 08.02.2024, and 11.03.2024, respectively, in the office of SIIB (X) in the instant matter. However, the summonses sent to the registered address of M/s. J. S. Impex and the address of its Proprietor returned undelivered with remarks 'not known' and 'addressee absent' respectively by the postal authorities.

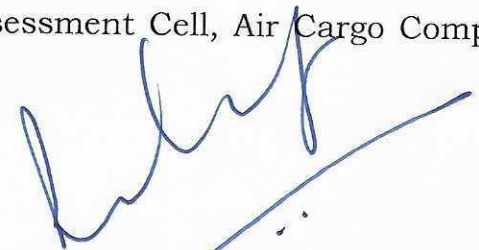
In view of the above, it appears that the proprietor had declared dummy/fake/non-operative addresses with mala fide intentions, and the CB never attempted to verify or know the origin of the exporter's address. Therefore, the CB completely failed to verify the identity and functioning of their client at the declared address using reliable, independent, authentic documents, data, or information. Thus, it appears that the CB has violated the provisions of Regulation 10(n) of the CBLR, 2018.

5. In the present case, it appears that the Customs Broker being aware about Customs Act, Rules, Regulations, etc. failed to advise his client comply with the provisions of the Act, other allied Acts and the rules and regulations thereof and non-complied the same and did not exercise due diligence to ascertain the correctness of any information even though it was mandated by the regulation 10(d), 10(e), 10(m) & 10(n) of the CBLR, 2018. As per the regulations, the CB firm have to identify his client and the functioning of his client at the declared address by using reliable, independent, authentic documents, data or information. They have failed to verify the address of the exporter. In their statement, the representative stated that they don't have any proof to support the same. As such, it appears that the CB aided, abetted and connived with the exporter in effecting fraudulent exports through M/s. J. S. Impex for availing ineligible export incentives.
6. The CB has a very important role in customs clearances and lot of trust has been placed by the Department on the CB. In regime of trade facilitation and with more and more of the goods being facilitated by the Risk Management Systems without examination by the Customs, the role of CB has further increased so that economic frontiers of the country are well guarded. In this regard, I rely on the judgement of the Hon'ble Supreme Court in case of Commissioner of Customs Vs M/s K.M. Ganatra & Co *has held that:*

*“the Customs House Agent (CHA) occupies a very important position in the customs house. The customs procedures are complicated. The importers have to deal with a multiplicity of agencies namely carriers, custodians like BPT as well as the Customs. The importer would find it impossible to clear his goods through its agencies without wasting valuable energy and time. The CHA is supposed to safeguard the interests of both the importers and the customs. A lot of trust is kept in CHA by the importers/exporters as well as by the government agencies...”*

7. In view of the above, it appears that CB M/s Rupali Logistics Clearing & Forwarding Pvt. Ltd. (11/2000) has failed to comply with sub-regulations 10 (d), 10 (e), 10 (m) & 10(n) of Customs Brokers Licensing Regulations, 2018 and thereby committed misconduct rendering themselves liable to penalty under Regulation 18 of the CBLR, 2018.

8. Now therefore, in terms of Regulation 17(1) of CBLR, 2018, CB M/s. Rupali Logistics Clearing & Forwarding Pvt. Ltd. (CB No. 11/2000), are hereby called upon to show cause, as to:
- (i) Why the Customs Broker license bearing No. 11/2000 issued to them should not be revoked,
  - (ii) Why security deposited should not be forfeited,
  - (iii) Why penalty should not be imposed upon them under Regulation 14 read with Regulation 17 & Regulation 18 of the CBLR, 2018.
9. The CB M/s Rupali Logistics Clearing & Forwarding Pvt. Ltd. (11/2000) is directed to appear for personal hearing on the date as may be fixed and to produce proof of evidence/documents, if any, in their defence to the Inquiry Officer **Shri Santosh M Sonawane, DC/Export, NCH** to conduct inquiry into the case under regulation 17 of CBLR, 2018. If no reply is received within the stipulated time period, it will be presumed that they have no explanation to offer, and it will be presumed that they do not want personal hearing and the issue will be decided on the facts available on records.
10. This notice 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 any other law for the time being in force.
11. The documents/records relied upon are as under:
- (i) Copy of the Offence Report in the SCN No. 36/ADC/EXP.ASSMT/202425/ACC issued vide File No. SIIB/GEN-119/2023-24 ACC(X) received via Email dated 27.08.2024 from office of ADC Export Assessment Cell, Air Cargo Complex, Mumbai Zone-III.



(**RAJAN CHAUDHARY**)  
**Pr. Commissioner of Customs (General)**  
**NCH, Mumbai-I.**

To,

**M/s. Rupali Logistics Clearing & Forwarding Pvt. Ltd.**

(CB No. 11/2000), PAN No.- AAGCR6697F

Add: Flat No. 103, Goodwill Corner, Plot No. 30, Sector-14,  
Kopar Khairane, Navi Mumbai, Maharashtra-400709.

Copy to:

1. IO, Shri Santosh M Sonawane, DC/Export, NCH
2. The Pr.Chief/Chief Commissioner of Customs, Mumbai Zone I, II, III.
3. CIU's of NCH, ACC & JNCH.
4. The Pr. Commissioner/Commissioner of Customs, Mumbai Zone I, II, III.
5. EDI of NCH, ACC & JNCH.
6. BCBA.
7. Office copy
8. Notice Board.