



सीमा शुल्क के प्रधान आयुक्त कार्यालय)सामान्य(
OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS (GENERAL)
कस्टमब्रोकर अनुभाग, नवीन सीमा शुल्क भवन,
CUSTOMS BROKER SECTION, NEW CUSTOM HOUSE,
बेलार्ड ईस्टेट, मुंबई - I
BALLARD ESTATE, MUMBAI - I

F.NO. GEN/CB/221/2023-CBS

Date: 08.06.2023

DIN: - 20230677000000788014

SHOW CAUSE NOTICE No. /2023-24

**UNDER REGULATION 17 OF THE CUSTOMS BROKER LICENSING
REGULATION, 2018**

M/s. Star India Logistics, (PAN: AAZFS0504QCH001), having address registered at 12A, Mahendra Industrial Premises Next to WF Co., Sion(East), Mumbai - 400 059 (hereinafter referred as the Customs Broker/CB) are holder of Customs Broker License No. 11/976, issued by the Commissioner of Customs, Mumbai under CHALR, 1984, [Now regulation 7(2) of CBLR, 2018] and as such they are bound by the regulations and conditions stipulated therein.

2. On a specific intelligence developed by the officers of SIIB(X) JNCH revealed that "Red Sanders" were smuggled in the guise of export of some other good, viz. Craft Paper (Packing) in Container No. PMLU-9008054 from Nhava Sheva Port to Jebel Ali Port, UAE against S/Bill No. 8692568 dtd. 29.11.2013 filed by M/s Kinjal Enterprises, Pune through CHA M/s Exim Management Services (CHA-PNR -54). The intelligence further revealed that the container was lying at GTI waiting for shipped on board. The said container was called back from GTI to CFS Logistics Park(Hind) for detailed examination. Examination of the said container was carried out under Panchnama dated 12.12.2013, which revealed that instead of the declared

goods, the container was fully loaded with Red Sander wood having net weight of 24.770 MTs having estimated value of Rs. 2,47,70,000/-.

3. Red sanders wood is a natural resource covered under CITES (Convention of International Trade of Endangered Species of Wild Flora and Fauna) and export of Red Sanders is prohibited under the EXIM Policy.

4. A part SCN No. 85 dated 13.10.2014 proposing confiscation of the subject goods was issued on 13.10.2014. The said SCN was subsequently adjudicated vide order No. 186/2015 dated 04.11.2015, where the goods were ordered for absolute confiscation.

5. On further investigation, it was revealed that the said container No. PMLU-9008054 (40") used for smuggling the prohibited goods was procured from M/s Perma Shipping Line(India) Pvt. Ltd., Mumbai. The said container was handed over to M/s. Skanda Navia Logistics Pvt. Ltd., a container forwarded, who in turn handed over to CHA M/s. Star India Logitiscs (11/976), a customs broker. Further the transportation of the container was arranged by the Shri Durgesh Chavan, Proprietor of M/s. Kinjal Enterprises, the exporting firm.

6. The Shipping Bill No. 8692568 dated 29.11.2013 was filed online by M/s. Exim Management Services(CHA No. PNR-54) who were transacting entire business of M/s. Star India Logistics, Mumbai at Pune.

7. During the course of investigation, the statements were recorded of the following persons by Investigation Agency: -

7.1 Statement of Shri A.V. Parapanje, Proprietor of M/s. Exim Management Services (CHA No. PNR-54) was recorded on 14.02.2014 under section 108 of the Customs Act, 1962 wherein he inter-alia stated that the impugned Shipping Bill was filed online from his office at the behest of M/s. Star India Logistics, Mumbai-400059 as the entire business of M/s. Star India Logistics

relating to clearance at Pune was looked after by him. He had not personally met Shri Durgesh P. Chavan of M/s. Kinjal Enterprises as the job of clearance was sub-contracted through M/s. Star India Logistics. The stuffing of the Container was done at Private Bonded Warehouse, Dynamic Logistics Pvt. Ltd., known as ICD Dighi, Pune. The impugned consignment was examined by the Customs Authority and thereafter stuffed in the Container no. PMLU-9008054 (40") under their supervision that he was present while stuffing the impugned goods in the above said container.

7.2 Statement of Shri Mahadev Pandurang Khot, Export Manager of M/s Star India Logistics was recorded on 21.02.2014 under section 108 of the Customs Act, 1962 wherein he inter-alia stated that the business relating to the impugned consignment was obtained by their erstwhile Business Development Manager, Shri Gopinath Patil who had left the job some time ago. They received the E-mail copies of invoices and packing list from Shri Durgesh Chavan, Proprietor of M/s. Kinjal Enterprises, Pune and they also received KYC norms of M/s Kinjal Enterprises from the proprietor, Shri Durgesh Chavan. The transportation was arranged by Shri Durgesh Chavan as he was also proprietor of M/s. Durga Transport. The container No. PMLU-9008054 (40") was passed out from ICD, Dighi, Pune on 02.12.2013 and reached at the JNPT on 04.12.2013 at 10.00 AM; that the normal time required to reach the JNPT from Pune is 4 to 5 hours. In the light of delay, the driver carrying the container on Vehicle No. MH-06 AC-9142 having mobile no. 9664321502 was contacted who in turn informed that it was getting delayed owing to breakdown of the vehicle and that he would reach JNPT by 04.12.2013 in the morning.

7.3 Statement of Shri Subrata Neogi, Manager-Operation of M/s Perma Shipping Line(India) Pvt. Ltd. was recorded on 24.02.2014 under section 108 of the Customs Act, 1962 wherein he inter-alia stated that the said Container was opened and examined under Panchanama by the officers of SIIB in his presence on 12.12.2013; on examination Red-Coloured wooden logs were recovered from the said container. They never had any correspondence with

the exporter M/s. Kinjal Enterprises as they got this business from M/s. SkandaNavia Logistics India Pvt. Ltd.

8. In the further investigation conducted by SIIB(X), JNCH, it was observed that the Shri Durgesh P. Chavan, Proprietor of M/s. Kinjal Enterprises, who is absconding and not known, appears to be an exporter. He had sent the Invoice and packing list to M/s Star India Logistics and again transmitted them through E-mail to M/s. Exim Management Services for filing the Shipping Bill. The transportation of the container from ICD Dighi to Port was arranged by Shri Durgesh P. Chavan after the cargo was stuffed into the container. Thus, Shri Durgesh P. Chavan managed to arrange for the transportation and the driver for the said cargo. He managed to take over the original shipment from ICD Dighi and on the way to the Port, the said cargo was replaced with Red Sanders, which is prohibited for export. Shri Durgesh P. Chavan had mastermind and devised the modus operandi ingeniously to succeed in the export of prohibited goods.

9. **Obligation of CB Firm, M/s Star India Logistics:**

From the statements of Shri Mahadev Pandurang Khot, Export Manager, M/s Star India Logistics, Mumbai-59, it is observed that the said exporter's business has obtained by their erstwhile Business Development Manager, Shri Gopinath Patil who had left the job sometime back and forwarded the Invoice and Packing List via E-mail to M/s Exim Management Services (CHA No. PNR-54) for filing the Shipping Bill online. The transportation was arranged by Shri Durgesh P. Chavan of M/s. Kinjal Enterprises, who was also proprietor of M/s Durga Transport. Shri Durga Chavan who seem to be mastermind and not traceable. It appears that Shri Mahadev Pandurang Khot, Export Manager, M/s Star India Logistics, Mumbai-59 has failed to discharge his duty of KYC verification of the exporter which was obligatory and mandatory in nature by the mandate of the Public Notice No. 17/2012 dated 02.03.2012. The said omission/commission resulted into attempted export of Red Sanders wood. Thus, it appears that the

CHA firm has failed to perform their duties in terms of the provisions of the CBLR, 2018.

10. Ongoing through the Order-in-original No. 1106/2022-23/ADC/NS-II/JNCH/CAC issued by Additional Commissioner of Customs CAC(NS-II) JNCH, the CB M/s. Star India Logistics (11/976) (PAN- AAZFS0504QCH001) has failed to comply with following regulations of the Customs Brokers Licensing Regulations, 2018: -

-10(d) i.e., “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”

In the instant case, It is evident from the statement of Shri Mahadev Pandurang Khot, Export Manager of M/s Star India Logistics which was recorded on 21.02.2014 that the transportation was arranged by Shri Durgesh Chavan as he was also proprietor of M/s. Durga Transport. The container No. PMLU-9008054 (40”) was passed out from ICD, Dighi, Pune on 02.12.2013 and reached at the JNPT on 04.12.2013 at 10.00 AM; that the normal time required to reach the JNPT from Pune is 4 to 5 hours. CB did not bring this delay matter to the notice of the Deputy Commissioner of Customs or Assistant Commissioner of Customs. Thus, it appears that the CB has violated 10(d) of CBLR,2018.

Thus, it appears that the CB has violated 10(d) of CBLR,2018.

-10(n) “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”.

In the instant case, CB M/s Star India Logistics have received the copies of invoice and packing list via email from Shri Durgesh Chavan, Proprietor of

M/s Kinjal Enterprises. It appears that they have not physically verified the addresses of Exporter and never met the exporter.

Thus, it appears that the CB has violated 10(n) of CBLR, 2018.

11. From the above facts, it appears that prima facie, Customs Broker. M/s. Star India Logistics (11/976) (PAN- AAZFS0504QCH001) has violated Regulation 10(d) and 10(n) of CBLR, 2018. The evidence on record clearly indicates that the CB was working in a serious negligent manner and was in violation of the obligations casted upon them under the CBLR 2018. A Custom Broker occupies a very important position in the customs House and supposed to safeguard the interests of both the importers and the Customs department. A lot of trust is kept in CB by the Government Agencies, but by their acts of omission and commission it appears that the said CB have violated Regulation 10(d) and 10(n) of CBLR, 2018 and rendered himself for penal action under Regulations 14, 17 & 18 of CBLR, 2018.

12. In view of the above, as per provision of Regulation 17(1) of CBLR, 2018, CB M/s Star India Logistics (11/976) (PAN- AAZFS0504QCH001) are hereby called upon to show cause, as to why the Customs Broker license bearing no. 11/976 issued to them should not be revoked and security deposit should not be forfeited and/or penalty should not be imposed upon them under Regulation 14 read with 17 & 18 of the CBLR, 2018 for their failure to comply with the provisions of CBLR, 2018 as elaborated in Para above of this show cause notice within 30 days from the date of issue of this notice. They are directed to appear for personal hearing on the date as may be fixed and to produce proof of evidence/documents, if any, in their defense to the Inquiry Officer, **Shri Yogesh Kumar, Assistant Commissioner** who shall conduct inquiry 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.

13. 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 provision of the Customs Act, 1962 and Rules/Regulation framed there under or any other law for the time being in force in Union of India.

 8/6/2023

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

To,

M/s. Star India Logistics (11/976), (PAN: AAZFS0504QCH001),
12A, Mahendra Industrial Premises
Next to WF Co., Sion(East),
Mumbai - 400 059

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