



प्रधानआयुक्त (सामान्य) सीमा शुल्क का कार्यालय  
**OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS  
(GENERAL)**  
कस्टम ब्रोकरअनुभाग,नवीन सीमा शुल्क भवन,  
**CUSTOMS BROKER SECTION, NEW CUSTOM HOUSE,**  
बेलार्ड इस्टेट,मुंबई - I  
**BALLARD ESTATE, MUMBAI ZONE - I**

F.NO. GEN/CB/374/2023-CBS  
DIN: 20240677000000888F7E

Date: 11.06.2024

**ORDER NO. 23/2024-25**

M/s Cargo Concepts (Bombay) Pvt. Ltd. (Licence no. 11/917, CB code AABCC5421HCH001), having registered address at Ground Floor, Shop No.1, Monarch Plaza, Plot No.56, Sector 11, Cbd Belapur, Navi Mumbai, Thane, Maharashtra, 400614 (hereinafter referred as the Customs Broker/CB) is holder of Customs Broker License No. 11/917, 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.

2. M/s. Kash International Trade Co. (IEC: 0516960768), filed Bill of Entry No. 2823097 dated 11.10.2022 for clearance of goods contained in Container No. PCIU8674977, through their authorized Customs Broker M/s Cargo Concepts (Bombay) Pvt. Ltd. (CB PAN: AABCC5421HCH001). The description declared was Men's Casual Shoes, the quantity declared was 13404 pairs, having declared assessable value of Rs.15,64,630/-. The said container was put on hold and the goods were examined by the officers of SIIB (I) under Panchnama dated 13.10.2022 at CFS M/s. Allcargo Logistics Limited. Representative Samples of the goods were drawn for further examination.

2.1 During the course of examination, the goods were found to be shoes of various brands such as 'Nike', 'Adidas', 'Puma', 'Asics', 'Onitsuka', 'Converse', 'Nike/Air Jordan', 'New Balance' & 'Airstyle' of various sizes and types. The importer has declared 13404 pairs of 'Men's Casual Shoes', whereas a total of 13468 pairs of shoes were found during examination. Therefore, it appeared that the goods were grossly mis-declared in respect of description and quantity. The details of the goods found are as per Table-A below:

Sr. No.	Name	Quantity
1	Nike Brand Shoes	4608
2	Adidas Brand Shoes	2124
3	Puma Brand Shoes	972
4	Asics Brand Shoes	468
5	Onitsuka Tiger Brand Shoes	1116
6	Converse Brand Shoes	396
7	Nike/ Air Jordan Brand Shoes	330
8	Adidas Brand Shoes	234
9	New Balance Brand Shoes	720
10	Nike Brand Shoes	280
11	Shoes without brand marking	468
12	Air Style marked Shoes	1752
	<b>Total</b>	<b>13468</b>

2.2 Import of such branded items requires verification of Intellectual Property Rights of various right holders. Accordingly, the matter was referred to IPR Cell, JNCH, vide letter dated 26.10.2022, to verify whether brands namely 'Nike', 'Adidas', 'Puma', 'Asics', 'Onitsuka', 'Converse', 'Nike/Air Jordan', 'New Balance' & 'Air Style' are registered under Intellectual Property Rights (Imported Goods) Enforcement Rules, 2007 or not. The IPR Cell, JNCH, vide letter dated 21.11.2022, informed that 'Nike', 'Adidas', 'Puma', 'Asics', 'Onitsuka', 'Converse', 'Nike/Air Jordan' are registered with Customs under IPR (Imported Goods) Enforcement Rules, 2007; the brand 'New Balance' and 'Air Style' are not registered with Customs under IPR (Imported Goods) Enforcement Rules, 2007. It was further informed vide the said letter that the right holders of these brands joined the proceedings and submitted inspection report stating that the goods are counterfeit and requested for valuation of these items for submission of Bond/Bank Guarantee. Accordingly, vide letter dated 08.12.2022, valuation of the said goods was forwarded to the IPR Cell, JNCH, for submission of Bonds/Bank Guarantees by the concerned right holders. The Deputy Commissioner of Customs, IPR Cell, SIIB(I), JNCH, vide letter dated 23.01.2024, informed that all the concerned right holders have submitted the duly executed Bonds and Bank Guarantees.

2.3 Since, the goods were found to be mis-declared in terms of description and quantity and were in infringement of Intellectual Property Rights, the goods appeared to be liable for confiscation under Section 111(d), (1) & (m) of the Customs Act, 1962. Thus, there was a reason to believe that the said goods covered under Bill of Entry No. 2823097 dated 11.10.2022 are liable for confiscation under Section 111(d), (1) & (m) of the Customs Act, 1962. Therefore, the said goods were placed under seizure as per Section 110 of Customs Act, 1962 vide Seizure Memo No. 111/2022-23 dated 21.11.2022 issued with DIN 20221178NX0000116691. The Seizure Memo was sent to the importer on registered address of IEC through speed post (EM0357272441N). However, the same was returned with remarks "Addressee left without instructions".

2.4 The items mentioned at Sr. No. 9, 11 & 12 of Table-A were not counterfeit shoes. The total Assessable Value in respect of these unbranded shoes is re-determined to Rs. 5,97,393/- and the total re-determined duty works out to Rs. 3,29,283/-. Further, rest of the shoes mentioned in Table-A were found as branded counterfeit shoes which infringe IPR Enforcement Rules, 2007. Assessable value of these branded counterfeit shoes was re-determined to Rs. 34,06,143/- (Rupees Thirty Four Lakh Six Thousand One Hundred Forty Three only).

3. Statement of Shri Rajeev Kumar, Proprietor and IEC Holder of M/s. Kash International Trade Co. was recorded on 30.11.2022 under Section 108 of Customs Act, 1962 in respect of Bill of Entry 2823097 dated 11.10.2022, wherein he, inter-alia, stated that he was proprietor, IEC holder of M/s. Kash International Trade Co. The firm Kash International Trade Co. was started in 2015, in his name and he started import business. He started importing consignment in 2015 and since then he had been doing this business continuously.

3.1 He further stated that to the best of his knowledge, they had made around 10 to 15 shipments in the name of M/s. Kash International Trade Co. since 2015 from different ports. In Nhava Sheva port, this was their first import. He stated that he ordered the shoes for the said consignment over telephone whatsapp no. and did not generate the purchase order. The supplier showed him the various brand shoes and accordingly, he placed the order. He agreed that the shoes found were counterfeit. But, he ordered only for Men's Casual various brands shoes (original). However, the supplier packed counterfeit goods along with unbranded shoes.

3.2 He also admitted that he knew the IPR Rules and he agreed that importing counterfeit shoes is an infringement of IPR Rules. He informed that this was his first import from that supplier. Before that, he used to import from different suppliers.

4. Statement of Shri Ram Ashish Singh, Representative & 'G' Card holder (Kardex No./Card No. S-4251) of Customs Broker M/s. Cargo Concepts (Bombay) Pvt. Ltd. (11/917) was recorded in respect of Bill of Entry No. 2823097 dated 11.10.2022, under Section 108 of the Customs Act, 1962, on 27.02.2023, wherein he, inter-alia, stated that the Customs Broker, M/s Cargo Concepts (Bombay) Pvt. Ltd. (11/917), is registered at Mumbai. He looks after filing of import documents since 2016. He had been working with that firm since last seven years.

4.1 He further stated that they had been filing the import documents of M/s. Kash International Trade Co. at Mundra Port since last 5-6 years. First time the importer contacted them through telecommunication. In Nhava Sheva, this was the first consignment they had filed for M/s. Kash International Trade Co. They had been authorized by the importer M/s. Kash International Trade Co. (IEC No. 0516960768) to file Bill of Entry No. 2823097 dated 11.10.2022 on their behalf. Shri Rajeev Kumar, Proprietor of M/s Kash International Trade Co., had provided the documents for the import clearance of the said consignment by hand.

4.2 He also stated that they received the copies of KYC documents such as Aadhaar Card, IEC, GST and PAN card through mail. However, they did not verify the documents and address of the importer M/s. Kash International Trade Co. He also stated that they filed Bill of Entry No. 2823097 dated 11.10.2022 on the basis of import documents given to them by the importer. In the import documents, only 'Men's Casual Shoes' was mentioned. So, they filed the documents accordingly.

5. The Customs Broker is an agent of importer. He works on behalf of importer. He also takes authorization to work on behalf of importer. A CB, remains fully aware that omission and commission by the importer affects working image of the CB. It is a business practice that a CB inquires from the importer regarding the goods being imported and imparts proper and correct information related to clearance of such goods, as the CB can face investigation for omission and commission at any time. As per CB Licensing Regulation, a CB is also required to verify the genuineness of the importer. Even in the absence of such requirement it is business practice that the CB knows on whose behalf they are working as the relation between CB and importer is a long time relation. In view of the above, it appears that the CB has violated Regulations 10(d), 10(e) and 10(n) of CBLR, 2018.

Under Regulation 10 of Customs Brokers Licensing Regulations, 2018, obligations of a Customs Broker are as under:

A Customs Broker shall-

*(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 noncompliance, 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, Mr. Rajeev Kumar, proprietor of M/s. Kash International Trade Co., in his statement dated 30.11.2022 said that he ordered only for Men's Casual various brands shoes (original). This shows that the import was of IPR goods.

It is a common practice that before filing for bill of entry, the CB consults with the importer and clarifies about the nature of the goods and advises them regarding relevant rules and regulations, especially in these type of goods.

From the facts of the case it is clear that the CB did not advise their client to comply with provisions of Intellectual Property Rights (Imported Goods) Enforcement Rules, 2007, in relation with the import of shoes neither did they bring the matter to the notice of the customs authorities which is sheer non-compliance at the end of Customs broker. Hence the CB has violated regulation 10(d) of CBLR, 2018.

*(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;"*

As stated by Shri Ram Ashish Singh, 'G' Card holder of the CB, they filed Bill of Entry No. 2823097 dated 11.10.2022 on the basis of import documents given to them by the importer. The examination under panchnama dated 13.10.2022 showed that the goods imported vide Bill of Entry No. 2823097 dated 11.10.2022, filed by the CB contained counterfeit shoes of various brands, which were in absolute violation of Intellectual Property Rights (Imported Goods) Enforcement Rules, 2007.

It appears that the CB was not diligent enough to consult with the importer and ascertain the correctness of the information provided to them. Further, the IPR (Imported Goods) Enforcement Rules, 2007 appears to have not been informed to the importer. The CB appears to have not exercised due diligence in checking the correctness of the information which he gave to the importer and failed to check any scope for fraud or loss of Government Revenue. Hence, the CB has violated Regulation 10(e) of CBLR, 2018.

*(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 his statement dated 27.02.2023, Shri Ram Ashish Singh, Representative & 'G' Card holder of the CB, stated that they received the copies of KYC documents such as Aadhaar Card, IEC, GST and PAN card through email. However, they did not verify the documents and address of the importer M/s. Kash International Trade Co. Hence, the CB has violated Regulation 10(n) of CBLR, 2018.

6. From the above facts it appears that, prima facie, Customs Broker M/s Cargo Concepts (Bombay) Pvt. Ltd. (Licence no. 11/917, CB code AABCC5421HCH001) has violated Regulation 10(d), 10(e) & 10(n) 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.

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 Cargo Concepts (Bombay) Pvt. Ltd. (Licence no. 11/917) 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(n) of CBLR, 2018.

02. However, I offer the Customs Broker M/s Cargo Concepts (Bombay) Pvt. Ltd. (Licence no. 11/917) an **opportunity of personal hearing on 20/6/2024 at 12-30 PM hours**. Any written representation against this order should reach the undersigned before the date of hearing.

03. M/s Cargo Concepts (Bombay) Pvt. Ltd. (Licence no. 11/917, CB code AABCC5421HCH001) 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 Cargo Concepts (Bombay) Pvt. Ltd.  
(Licence no. 11/917, CB code AABCC5421HCH001),  
Ground Floor, Shop No.1, Monarch Plaza,  
Plot No.56, Sector 11, Cbd Belapur, Navi Mumbai,  
Thane, Maharashtra, 400614

Copy to:

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