

DIN: 20250368MF0000666F5E

	<p style="text-align: center;">सीमा शुल्क के आयुक्त का कार्यालय OFFICE OF THE COMMISSIONER OF CUSTOMS जी. एस. टी. भवन, 41/ए ससून रोड, पुणे Ph. No. 020-26051839, Fax No. 020-26051849 (Customs Broker Section) e-mail : cbn-csb@punecustoms.gov.in</p>
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**SHOW CAUSE NOTICE No. 11/2024-25
UNDER REGULATION 17 OF THE CUSTOMS BROKER LICENSING
REGULATION, 2018**

M/s. Sai Siddhi Forwarders (hereinafter referred as 'customs broker' 'CB'), a Proprietorship concern, having PAN No. AAKPG1281F, office premises at Shop No.1, Neelkanth Corner Co-Op. HSG. Society Ltd., Plot No.2, Sector-2, Sanpada, Navi Mumbai-400705 are holder of a Customs Broker License bearing No. PN/R/27/1998 issued by Pune Customs as parent Commissionerate under Regulation 7(2) of CBLR, 2018. They are also operating from other ports as well under Regulation 7(3) of CBLR, 2018 and as such they are bound by the regulations and conditions stipulated therein. The validity of the license held by M/s. Sai Siddhi Forwarders is lifetime and Shri Anil Parshuram Ghag is the proprietor of M/s Sai Siddhi Forwarders. They are also working in Mumbai Customs (CB No.11/1111), under Regulation 7(3) of CBLR, 2018.

2. The offence report in the form of Show Cause Notice No.1398/2024-25/ADC/Gr. I & IA/NS-I/CAC/JNCH dated 19.11.2024 issued by Additional Commissioner of Customs Gr-I, NS-1, JNCH, in respect of M/s. Taj Pawan Export Co. (IEC No. 0509008381) having its registered address at S-421, Ground Floor, Gali Number 2, Joga Bai Extn., Jamina Nagar, Okhla, New Delhi-110025 has been received in this office through e-mail on 17.12.2024 vide letter under F.No. GEN/CB/662/2024-CBS dated 16.12.2024 of the Deputy Commissioner of Customs, CBS, NCH, Mumbai-I requesting this office to take appropriate action under CBLR, 2018 since Pune Customs being the parent Commissionerate. Bill of Entry No. 9046878 dated 02.12.2023 was filed by M/s. Sai Siddhi Forwarders for customs clearance of goods covered under

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said BOE for their client M/s Taj Pawan Export Company, the importer in the present case.

3. In the Show Cause Notice mentioned above, it has been stated that based on specific intelligence about repeated use of phytosanitary certificates and incorrect Country of Origin (COO), consignments of 'Fresh Kiwi Fruit' in violation of provisions of Sections 46(4) and 46(4A)(a) of Customs Act, 1962, imported by the said importer were put on hold by the CIU, JNCH vide Hold No. 472/2022-23 dated 04.12.2023 issued under F.No. SG/MISC-1/CIU/JNCH/Hold/2022-23. Further, the goods covered under the said BOE were examined 100% by CIU for correctness of documents submitted for their clearance.

4. A detailed data analysis of the Phytosanitary Certificates of both the Country of Origin (Chile) and the Country of Import (UAE) was done and the details of the Country-of-Origin Phytosanitary Certificates submitted in the said BOE. The irregularity/contraventions noticed during the investigations revealed from statements of Shri Mohammed Fazil, Proprietor of M/s. Taj Pawan Export Co. dated 06.12.2023, 19.04.2024 and 22.10.2024 and Statement of Shri Kunal Anil Ghag, employee (H-Card holder from 2016 till 2018 and G-card holder with Power of Attorney from 2018 till the date of statements in the same Customs Broker firm) of M/s. Sai Siddhi Forwarders were also recorded under Section 108 of Customs Act, 1962. The findings in the Show Cause Notice are as under:

- i. The declarations made in the BOE and the supporting documents attached are indicative of the fraudulent intent of the importer and Customs Broker. The phytosanitary certificates of Chile (declared country of origin) appear to have been misused by the said importer by utilizing them repeatedly to obtain various other phytosanitary certificates issued in the United Arab Emirates (re-exporting country); thereby fraudulently obtaining Customs Clearances with the help of an authorized Customs Broker by misleading the Indian Customs authorities and resorting to wilful suppression of facts and mis-declaration. The importer has also engaged in claiming an invalid phytosanitary certificate to be a valid one, along with fraudulently obtaining invalid manual waiver of FSSAI and PQ NOCs. A valid phytosanitary certificate from the origin country and re-exporting country (in the case of re-export) is a mandatory document that is to be uploaded by the importer in Customs e-Sanchit for clearance of

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- import. Further, the importer is liable for the correctness and genuineness of the said certificates as per Section 46(4) and 46(4A)(a) of the Customs Act, 1962.
- ii. Non-compliance of general and special pre-import conditions imposed by the Plant Quarantine (Regulation of Import into India) Order, 2003 (Chapter-II, III, and Schedule-VI), notified by the Ministry of Agriculture (Department of Agriculture & Cooperation), itself makes the seized goods prohibited in terms of definition of prohibited goods under Section 2(33) of the Customs Act, 1962, thereby making them liable for confiscation under Section 111(d), 111(m), 111(o) of the Customs Act, 1962.
 - iii. It is clear that the importer is knowingly, wilfully, and deliberately concerned with the manipulation and misuse of the country-of-origin Phytosanitary certificates. The submissions made by the importer himself and the documentary evidence gathered indicate the same, thereby rendering the said goods liable for confiscation under Section 111(d), 111(m), and 111(o) of the Customs Act, 1962, and also rendering the importer liable for penalties under Section 112(a), 112(b) and/or 114A of the Customs Act, 1962.
 - iv. The importer has intentionally made a declaration in the subject BOE which is found to be false or incorrect upon due verification. The repetition of Phytosanitary certificates, obtaining fraudulent manual NOC waiver, and incorrect country of origin (COO) was an attempt to bypass the restrictions imposed on the Iranian Kiwi fruit. This act of the importer of submitting false documents intentionally in the transaction of any business in the Customs, has rendered him liable for penal action under Section 114AA of the Customs Act, 1962.
 - v. **The Custom Broker M/s Sai Siddhi Forwarders have in connivance with the importer has grossly mis-declared the goods in terms of description. Further, the Custom Brokers have failed to exercise due diligence to ascertain the correctness of information that they were imparting to the importer. Consequently, the Custom Broker have rendered themselves liable for penal action under Section 112(a), 112(b) and/or 114A of the Customs Act, 1962.**
 - vi. **The Custom Broker M/s Sai Siddhi Forwarders knowingly concerned with the modus operandi that was used to bypass the restrictions imposed on Iranian kiwis in connivance with the**

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importer. Thus, the Custom Broker have rendered themselves liable for penal action under Section 114AA of the Customs Act, 1962.

- vii. Also, previous consignments valued at assessable value of Rs.5,09,04,000/- and customs duty of Rs. 1,67,98,320/- are also liable for confiscation under Section 111(d), 111(m) of the Customs Act, 1962 and allied Rules and Regulations though the same are not available for confiscation, the value declared in the said BOE appears to be fair
- viii. As the previous consignments were cleared in violation to the Customs Act, 1962, since, the same modus operandi has been used by importer M/s. Taj Pawan Export Co. (IEC:- 0509008381), hence, importer M/s Taj Pawan Export Co liable for the penalties under Section 112(a), 112(b) and/or 114A of the Customs Act, 1962.
- ix. **The Custom Broker M/s Sai Siddhi Forwarders have failed to comply with the obligations entrusted to them under the Customs Broker Licensing Regulations Act, 2018 as discussed in the forgoing paragraphs. Therefore, for their attempt to clear the present consignments and their actions of clearing the previous consignments of the importer they are liable for penal action under the Customs Broker Licensing Regulations Act, 2018.**

4.1 Accordingly the **Customs Broker** was also called upon in the impugned Show Cause issued under Section 124 of Customs Act, 1962 proposing imposition of penalty on them under sections 112(a), 112(b) and/or 114A and 114AA of the Customs Act, 1962.

5. **Role and Contraventions by the Custom Broker M/s Sai Siddhi Forwarders.** In the instant case, it appears that, the said importer has filed declaration in form of BOE and supporting documents are indicative of following intent of the importer and the Custom Broker. Further, the importer has also been engaged in claiming and invalid Phytosanitary certificate to be valid one, along with fraudulently obtaining invalid manual waiver of FSSAI and PQ NOCs. It was responsibility of the Custom Broker to advise his client to comply with the provisions of the Act and Rules and Regulations thereof and in case of non-compliance shall bring the matter to the notice of concern Custom Officers. However, the Customs Broker instead of advising his client to comply with correct provisions of the regulations, connived with them and filed

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Bill of Entry by mis-declaring the goods in terms of description and knowingly concerned themselves with the modus operandi that was used to bypass the restriction imposed on Iranian Kiwis. They also failed to inform the correct information to the Customs authorities. Thus it appears that Custom Broker has thereby violated Regulation 10(d) of the CBLR, 2018 which reads as under :

10(d) "A Customs broker shall 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

5.1 Further, the Custom Broker has failed to exercise due diligence to the correctness of information in r/o the fraudulent intent of the importer. The CB has failed to verify the correctness of functioning of his client properly, as the said importer has been found to be engaged in similar activities in more than one case Therefore it appears that Custom Broker has violated the Regulation 10 (e) of CBLR, 2018, which reads as under:

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;"

6. The evidence on record indicates that the Custom Broker was working in a seriously negligent manner and was in violation of the obligations cast upon them under the CBLR 2018. A Custom Broker occupies a very important position in the customs House and is supposed to safeguard the interest of both the importers and the Customs department. A lot of trusts are kept in Custom Broker by the Government Agencies, but by their acts of omission and commission it appears that the said Custom Broker has violated Regulation 10(d) and 10(e) of the Customs Brokers Licensing Regulation, 2018 and rendered themselves for action under Regulations 14 and 17 of CBLR, 2018. For the above omissions and Commissions which led to contravention of the provisions of the CBLR, 2018 as discussed above, they have also rendered themselves liable for penalty under Regulation 18 of CBLR, 2018.

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7. The above said acts have been knowingly been committed by the Customs Broker. Hence this Show Cause Notice is being issued as per the Regulation No. 17 of the CBLR, 2018 read with Boards Circular No. 09/2010 - Cus. dated 08-04-2010.

8. Now therefore, the Customs Broker M/s Sai Sidhi Forwarders, are hereby called upon to show cause as to why :-

- (i) The Customs Broker license bearing No. PN/R/27/1998 dated 06.10.1998 issued to them should not be revoked;
- (ii) An amount of Rs. 75,000/- as a security deposit valid upto 17.09.2031 should not be ordered for forfeiture under Regulation 14 of the CBLR, 2018;
- (iii) Penalty should not be imposed upon them under Regulation 18 of the CBLR, 2018 for their failure to comply with the provisions of CBLR, 2018 as detailed in Paras above in the present Show Cause Notice.

9. They are hereby directed to submit a written statement of defence and whether they desire to be heard in person within (30) thirty days from date of receipt of this Notice, to the Inquiry Officer, Shri Vivekanandhan S, Assistant Commissioner, Pune Customs, who shall conduct the 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 any 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 provision of the Customs Act, 1962 and Rules/Regulations framed there under or any other law for the time being in force in Union of India.

11. Copies of Relied Upon Documents: -

RUD No.	Particulars
1	Letter dated 16.12.2024 issued by Deputy Commissioner of Customs, CBS, NCH, Mumbai
2	SCN No. 1398/2024-25/ADC/Gr.I & IA/NS-I/CAC/JNCH dated 19.11.2024

Yashodhan Wanage 5.3.2025

(YASHODHAN WANAGE)
Pr. Commissioner of Customs
PUNE

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To,

M/s. Sai Siddhi Forwarders
Shop No.1, 'Neelkanth Corner' Co-Op. HSG. Society Ltd.,
Plot No.2, Sector-2, Sanpada,
Navi Mumbai-400705

Copy to:-

Shri Vivekanandhan S, Assistant Commissioner of Customs, Pune
appointed as the Inquiry Officer to conduct an inquiry into the case under
Regulation 17 of CBLR, 2018.

Copy to :-

1. The Pr. Commissioner of Customs, (NS-I), Mumbai Customs Zone-II, JNCH, Raigad-400707 for information.
2. All A.C/D.C In charge of ICD/CFS under the jurisdiction of Pune, Customs.
3. EDI Section NCH, Mumbai
4. Office Copy
5. Notice Board

