

 <p>भारतसरकार / Govt of India नित्तमंत्रालय / Ministry of Finance राजस्वविभाग / Dept of Revenue</p>		 <p>दूरभाष / Telephone: 044-25254419 ईमेल/Email : commr8-cuschn@gov.in</p>
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प्रधान आयुक्त सीमाशुल्ककार्यालय (सामान्य)
OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS (GENERAL)
चेन्नैसीमाशुल्क क्षेत्र
CHENNAI CUSTOMS ZONE

सीमाशुल्कभवन, नं.60, राजाजीसालै, चेन्नै600 001.

CUSTOM HOUSE, NO.60, RAJAJI SALAI, CHENNAI 600 001.

फा.सं./ F. No. GEN/CB/ACTN/2/2024-CBS /DATE OF ISSUE: 11-06-2024

DIN- 2024 0673Mv000011691F

ORDER No. 07 /2024

**ORDER OF SUSPENSION ISSUED UNDER REGULATION 16(1) OF
CUSTOMS BROKERS LICENSING REGULATIONS (CBLR), 2018**

M/s. Sadguru Logistics Pvt. Ltd., (License No. CHN/R-229/2012-CHA & PAN- AAICS5382C), [hereinafter referred to as the 'Customs Broker' or 'CB'] having office at No.156, 2nd Floor, Om Sakthi Vinayagar Koil Street, MR Nagar, T H Road, Kodungaiyur, Chennai-600118, with a validity up to 17.09.2024, are holding a regular Customs Broker License No CHN/R-229/2012-CHA issued by the Commissioner of Customs, Chennai under Regulation 7 of the Customs Broker Licensing Regulation (CBLR 2013) [Now regulation 7(2) of Customs Broker Licensing Regulations (CBLR, 2018)] and as such they are bound by the regulations and conditions stipulated therein. Shri Sunil Satyanarayan Mishra & Smt Neetu Sunil Mishra are the Directors of CB M/s. Sadguru Logistics Pvt. Ltd., and Smt. Nagalakshmi Cherukuthota is the authorised signatory. The said CB is also permitted to transact business under the jurisdiction of Mumbai Customs on the basis of Customs Broker Licence No. CHN/R-229/2012-CHA granted by the Customs, Chennai.

2. An offence report along with RUD's were received from Deputy/Assistant Commissioner of Customs, Central Intelligence Unit (CIU), JNCH, Nhava Sheva, Mumbai with a request to take necessary action against the said CB M/s Sadguru Logistics Pvt. Ltd., under CBLR, 2018 by this parent Commissionerate.

Brief Facts of the case:

3. Based on specific intelligence indicated that mis-declared export consignment of goods covered vide Shipping Bill No. 4769787 dated

19.10.2023 (**Firecrackers** in place of *Paper pop Small* (Decorative Items)) were being attempted to be exported and later allowed for Back to Town (BTT) even after identification of mis-declared goods at **CFS M/s Speedy Multimodes Ltd.**, JNCH without booking case of mis-declaration under the Customs Act 1962.

4. On the basis of input, the CIU of Mumbai Customs intercepted the export consignment pertaining to the exporter M/s. Rohit Enterprises (IEC-GUWPB9797R) covered under Shipping Bill No.4769787 dated 19.10.2023 filed through Customs Broker **M/ s. Sadguru Logistics Pvt. Ltd.**, was kept on hold. During the examination of the said export consignment, along with goods, by the officers of CIU, JNCH, Nhava Sheva, Mumbai the following special observations were noticed:

- (i). Subject goods covered under the Shipping Bill 4769787 dated 19.10.2023 were carted and were placed in Shed No. III, Location "13BC" wherein only some packages were found open as examined by the Docks officers.
- (ii). A total of 1100 packages were declared in the said Shipping Bill and export documents, whereas only 702 packages were found in the examination.
- (iii). The goods found to be **firecrackers** against the declared description of "**Paper pop small (Decorative Articles)**" under CTH 95059090.
- (iv). Out of the 702 packages that were found, 545 packages contained "**Pollution free Eco-friendly Green POP**" and remaining packages contained different varieties of firecrackers.

5. In his statement dated 08.11.2023 recorded under Section 108 of the Customs Act, 1962, Shri Faizan Mohammad Aslam Surti, Forwarding Agent, has inter alia stated that:-

- Initially he was aware of Pop Pop Pollution free fire cracker packed in the package meant for export but after examination he came to know through **Shri Ulhas Ramdas Gate, Custom Broker** that the item description covered under the said Shipping was mis- declared as Paper Pop Small (Decorative Articles) and there are several other big firecrackers which are not declared in the Shipping Bill and the concerned Examination Officer has put up a case of mis-declaration marked to AC Docks on 30.10.2023;
- He had visited Assistant Commissioner, Docks office to meet the concerned AC on 06.11.2023 along with **Shri Ulhas Ramdas Gate, Custom Broker** and Rehan Shaikh, Exporter (who is exporting this consignment) with a request not to forward the case to SIIB(X) and allow *Back to Town* at their level and the AC/Docks accepted their request for *Back to Town* on the condition of payment of Rs. 9,00,000/-; that on 07.11.2023, **an amount of Rs.10,000/-** was

given to the authorised Custom Broker as a good luck against *Back to Town* for the said shipment outside the gate of Hind CFS;

- On 07.11.2023, he along with Rehan Shaikh and Ulhas Ramdas Gate came with the agreed amount of Rs.9,00,000/- and informed the AC/Docks that the amount was ready and to which he told to hand it over to Shri Amit Kajbaje;

6. In his statement dated 08.11.2023 recorded under Section 108 of the Customs Act, 1962, Shri Ulhas Ramdas Gate, Customs Broker of M/s Sadguru Logistics Pvt. Ltd., has inter alia stated that-

- It was the first-time export and the KYC of the Exporter needs to be self-attested by the exporter and needs to be submitted to CEAC which was submitted in CEAC section on 21.10.2023 and SB was registered on 26.10.2023;
- RMS instruction was for Open and Examine and on 27.10.2023 the registered SB file was not presented for examination as there was no numbering on the packages as in the RMS instruction it mentioned particular number of packages to be examined.
- The Shipping Bill was presented for examination late in the evening at around 7 pm on 28.10.2023; that the Docks officer directed to randomly open the packages for examination and upon opening the packages, various types of firecrackers were found in the packages against the declared description of **Paper Pop Small (decorative articles)**;
- He came to know through one of his staff Shri Ravi Khilari, BCBA Pass holder that the item description covered under the said SB was **mis-declared as Paper Pop Small (Decorative Articles) and the actual packaging is of firecrackers** and the concerned Examination Officer has put up a case of Mis-declaration and same has been marked to AC/Docks(X) on 30.10.2023;
- He had visited AC/Docks office located at Hind CFS to meet the concerned AC on 06.11.2023 along with Shri Faiz Surti, Forwarding Agent and Shri Rehan Shaikh, the Exporter, as he has already cleared 3-4 consignments of different parties claiming DBK more than 3 lakhs which were examined under AC supervision. Since, he was known to the AC/Docks, the exporter asked him to approach the said AC/Docks(X) with a request to not to forward the case to SIIB (X) and allow it for "**Back To Town**" at his level and the said AC/Docks accepted their request for Back To Town at his own level on the condition of payment of Rs. 9,00,000/-;

- The exporter himself has handed over an amount of Rs.9,00,000/- to Shri Amit Kajbaje, the collection agent of the AC/Docks on 07.11.2023 and an amount of Rs.10,000/- to him as a good luck against **Back To Town** for the said shipment on outside the gate of Hind CFS (CWC Logistic Park);
- On being asked, he stated that he was **present during the payment of the above said amount**; that Shri Rehan Shaikh brought the cash along with him on 07.11.2023 to Speedy CFS at around 06:30 PM. He visited the said AC cabin and informed the same to the AC; that the said AC asked to handover the cash to Shri Amit Subhash Kajbaje at around 07:30 pm
- On Further being asked about chronology of events (on 10.11.2023), he along with the forwarder Shri Faizan Mohammad Aslam Surti and Rehan Shaikh visited Speedy CFS on 06.11.2023 at around 02:00 PM. He visited the Shed Superintendent wherein he mentioned that he has prepared a file regarding the same and marked to the AC and mentioned to visit Assistant Commissioner Shri Surender Meena. He along with above said persons visited to AC wherein AC demanded Rs.12,00,000/- to grant Back to Town after negotiation by Rehan Shaikh, it was accepted to pay Rs. 9,00,000/- on next day i.e 07.11.2023.

7. In his statement dated 10.11.2023 recorded under Section 108 of the Customs Act, 1962, Shri Shrinivas Raju Rao, friend of IEC Holder of M/s Rohit Enterprises, *has stated that Shri Sahil approached him for the arrangement of IEC on rent for export of said shipment then he provided his friend Shri Rohit Anand Bora's IEC M/s Rohit Enterprises.*

8 . In his statement dated 10.11.2023 recorded under Section 108 of the Customs Act, 1962, Shri. Sahil Nazir Shekh has stated *that he had taken the said IEC of M/s Rohit Enterprises belonged to Shri Rohit Bora on rental basis through Shri Srinivas, who was close friend of Shri Rohit Bora he insisted Srinivas to arrange an IEC for Export purpose to Rehan Shaikh, in particular for this shipment as he was the authorised person of Rehan Shaikh.*

9. In his statement dated 18.01.2024 recorded under Section 108 of the Customs Act, 1962, Shri Rehaan Shaikh, employee of M/s Rishad Shipping has inter alia stated *that he does customs clearance work; that after the examination of the goods, Shri Haroon Shaikh sent him screenshot informing about the fire cracker in the said consignment and then Haroon Sheikh told him that he (Haroon) would speak to Shri Shail Shekh about the clearance of the consignment; that he was not aware of the actual exporter and not the exporter of the goods covered under the said Shipping Bill but he along with Faizan Muhammad Aslam Surti and Ulhas Ramdas Gate (CB) met with AC/Docks for requesting for "Back To Town". On being asked about the arrangement of cash of Rs.9 lakhs, he stated that he held*

conversation with Haroon Shaikh, who told him to speak with Shri Rehman Shaikh, who is the importer of the said consignment in Dubai and accordingly, the said money was received through M/s H. Ramesh Angadia (loan provider). On being asked Shri Rehaan Shaikh has stated that Shri Rehman Shaikh (the importer in Dubai), is his elder brother, resides in Dubai.

10. From the above facts, it appears that-

(i) The examination of goods at CFS M/s. Speedy Multimode, was conducted by the Docks staff on 30.10.2023 in presence of Shri Ulhas Ramdas Gate, Custom Broker. It appears that the said Shri Ulhas Ramdas Gate has presented for the examination to the Docks staff, wherein it was found that the goods were mis-declared *and he would have also not presented 1100 Pkgs as per the Shipping Bill as observed in the panchanam dt.07/08.11.2023.*

(ii) The representative of the CB only had carted the goods at CFS based on the Check List/Shipping Bill. However, in the examination, only 702 pkgs were found against 1100 pkgs declared in the Shipping Bill.

(iii) It was found that the CB had carted the packages without even numbers mentioned on the packages and because of RMS instructions for examination of specific numbers of the packages; the same were presented for examination after numbering. It appears that even presuming that they were not aware of shortage of the packages, when the packages were numbered for presenting to the customs for examination as per the RMS instructions, the CB would have noticed the shortage of 398 pkgs.

(iv) The CB, if not guilty, had enough chances to be informed to the Customs about the shortage of pkgs. of around one third of the whole export consignment, which they failed to do so without any responsibility as laid down in the CBLR, 2018.

(v) The CB in his statement has admitted that he **approached Custom officer for allowing Back to Town** of the said goods **despite knowing that the goods were not only mis-declared as Paper Pop Small** (Decorative articles) in the Shipping Bill but also the goods during examination by the Docks staff were found to be prohibited goods in nature. Therefore, Customs Broker has failed to perform his duties as per provisions of the CBLR, 2018.

(vi) The Customs Broker failed to inform the Customs department even after knowing about the mis-declaration of goods, colluded with exporters/their associates and Customs Officer and tried to get back the cargo from Docks to Town i.e **"Back To Town"**

(vii) For the intentional act of Shri Ulhas Ramdas Gate,

Custom Broker, he had willingly accepted Rs.10,000/-from exporter associates knowingly tried to help their client from the clutches of law.

(viii) From the above statements of various persons, it appears that Shri Rehaan Shaikh (*the exporter from India*), who is a CHA employee attending custom clearance work, who has also made arrangements of Rs.9 lakhs paid for getting the goods back to town as per the instructions of Shri Rehman, the importer of the consignment in Dubai, who is actually elder brother of Shri Rehaan Shaikh. It appears that a conspiracy was hatched by all the persons mentioned above to attempt dangerous and prohibited goods by mis-declaration in the Shipping Bill and export documents.

(ix) Export of firecracker may be allowed only under authorization or license as per the provisions of Explosive Rules, 2008. Therefore, exporter is not eligible to export firecracker as per the provisions of Explosive Rules, 2008.

11. In view of above, the Customs Broker, M/s. Sadguru Logistics Pvt. Ltd., (AAICS5382C) appears to have attempted to clear the export consignment of prohibited goods without obtaining due authorization from the exporter and in fact they were not aware of the actual exporter; that the CB had not advised his client to comply with the provisions of the Act, other allied Acts and the rules, not exercised due diligence to ascertain the correctness of the declared goods & quantity; not transacted business with only authorised employee, attempted to influence the conduct of the Customs officer with offering money; not even tried to verify the authenticity of the exporter even after goods were mis-declared; never dealt with exporter in any manner directly or verifying the address with sending a letter; intentionally collided with fake exporter and attempted to influence the customs officer for allowing back to town by surpassing the RMS instructions; not discharged their duty with efficiency as mandate of provisions of CBLR, 2018 and violated the provisions of sub-regulation 10(a), 10 (b), 10(d), 10(e),10(i),& 10(n) of the CBLR 2018, which read as:

10 (a) obtain an authorisation from each of the companies, firms or individuals by whom he is for the time being employed as a Customs Broker and produce such authorisation whenever required by the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be;

It appears from above facts and corroborative evidences of statements of S/Shri Rehaan Shaikh, Sahil Nazir Shekh & Shrinivas Raju Rao, that they were not actual exporter of the said consignment and CB did not get any authorization letter from exporter and was not aware of the actual exporter whose shipment was being cleared by them.

10 (b) transact business in the Customs Station either personally or through an authorized employee duly approved by the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be;

It appears from above facts; the Customs broker has not filed the said Shipping Bill but filed by **Shri. Ravi Khilari** who was not the authorized employee of the CB firm, whose authorization was approved by the Deputy/Assistant Commissioner of Customs.

10 (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 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;

(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;

It appears from the above facts, the customs Broker has not advised his client properly to comply with the provision of the Act, and other allied Acts and the regulations. From the statements as mentioned above, it appears that the CB had colluded with the fake exporters/associates' aided and abetted in the commission of the said offence as facilitated them in the wrong manner, instead of bringing this matter to notice of the Deputy/Assistant Commissioner of Customs and the CB attempted to influence the Deputy/Assistant Commissioner of Customs (Docks) with offering money and not exercised his duty with due diligence after knowing that the export consignment of prohibited goods were mis-declared not as per declarations. The Customs Broker did not explain about the mis-match of the quantity declared in the Shipping Bill as the carting of the goods was done by the representative of the CB.

10 (i): not attempt to influence the conduct of any official of the Customs Station in any matter pending before such official or his subordinates by the use of threat, false accusation, duress or the offer of any special inducement or promise of advantage or by the bestowing of any gift or favour or other thing of value;

It appears from the above facts, the customs Broker had colluded with fake exporters/associates and attempted to influence the Customs Officer by meeting the AC (DOCKS) with persons other than exporters by offering money Rs.900000/- for allowing the goods from Docks to "Back to Town" in wrong way.

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;

It appears from the above that the Customs Broker have never met with actual exporter or tried to get mandate authorization from the exporter; that they did not try to identify their client and, not bothered to verify the existence of exporter either sending a letter through post or independent source and never dealt with the exporter in any manner related to this case even after knowing the nature of goods, they did not try to know or contact

the actual exporter in this case.

12. In view of the facts stated above, it appears that the customs broker has failed to fulfill responsibilities as per Regulations of CBLR, 2018. Thus, a prima facie case exists against the customs broker and if the customs broker M/s Sadguru Logistics Pvt. Ltd., is allowed to continue to operate, it would be detrimental to the interest of revenue and therefore it is necessary to take immediate action against the customs broker to prevent them from further misuse of the customs broker license and accordingly, I pass the following Order:

ORDER

13. In view of the discussion above and in exercise of the powers conferred under provisions of Regulation 16(1) of the customs broker Licensing Regulations, 2018, I order Suspension of the License No CHN/R-229/2012-CHA of M/s Sadguru Logistics Pvt. Ltd., with immediate effect, as an enquiry against the said customs broker is contemplated. However, all documents filed prior to this order will be allowed to be completed.

14. As per Regulation 16 (2) of CBLR, 2018, an opportunity of personal hearing is granted to the customs broker M/s. Sadguru Logistics Pvt. Ltd., on **24.06.2024 at 11.00 Hrs** before the undersigned at **3rd Floor, Krishna Block, Custom House, No.60, Rajaji Salai, Chennai – 600001.**

15. M/s. Sadguru Logistics Pvt. Ltd., are hereby directed to surrender all the original customs passes issued to their employees/partner/director/proprietor immediately.

16. This order is issued without prejudice to any other action that may be taken against the Customs Brokers and their employees/representatives, etc., in terms of the Customs Act, 1962, CBLR 2018 or any other law / Act for the time being in force in the Union of India.

**Signed by Ramavath
Srinivasa Naik**

(R.SRINIVASA NAIK)

Date: 11-06-2024 18:00:59

PR. COMMISSIONER OF CUSTOMS

(GENERAL COMMISSIONERATE)

To,

M/s Sadguru Logistics Pvt. Ltd.

(License No. CHN/R-229/2012-CHA&

PAN- AAICS5382C)

156, 2nd Floor,

Om Sakthi Vinayagar Koil Street,

MR Nagar, T H Road, Kodungaiyur

Copy to:

1. The Deputy/Assistant Commissioner of customs
Office of the Principal Commissioner of Customs (General)
Customs Broker Section, New Customs House,
Ballard Estate, Mumbai-01.
2. The Dy/Asstt Commissioner of Customs (CHS) for Notice Board.
- ✓ 3. The Dy/Asstt. Commissioner of Customs, EDI for n/a please.

