



सीमा शुल्क के प्रधान आयुक्त कार्यालय (सामान्य)  
**OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS (GENERAL)**  
कस्टमब्रोकरअनुभाग, नवीनसीमाशुल्कभवन,  
**CUSTOMS BROKER SECTION, NEW CUSTOM HOUSE,**  
बेलार्डइस्टेट, मुंबई - I  
**BALLARD ESTATE, MUMBAI - I**

F. No. GEN/CB/138/2022 CBS

Date: .04.2024

DIN: 2024047700000000F230

**ORDER NO. 08/2024-25**

M/s. L.S. Khan Pvt. Ltd. (Custom Broker Licence no. 11/637, EDI License No. AABCL9168QCHOO1), 1/7, Awwal Manzil, Nawroji Hill Road No. 1, Mumbai - 400 009 (hereinafter referred as the Customs Broker/CB) is holder of Customs Broker License No. 11/637, 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. The license No. 11/637 held by M/s. L.S. Khan Pvt. Ltd. having lifetime validity, and Mr. Mustafa L. Khan is the Director of M/s L.S. Khan Pvt. Ltd.

**2.** On the basis of specific intelligence, SIIB, Nagpur Customs revealed that in-spite of the prohibition on export of Onion till 31.03.2024 vide notification no. 49/2023-DGFT dated 07.12.2023, some exporters with the help of customs broker were exporting onions under the cover of other fruits/vegetables from Nashik. On collecting further credible intelligence, it was gathered that the exporters, M/s Shree Sodev Impex (IEC-310052122), M/s M.G. Exports (IEC- 316980200) and M/s AMW Trading Company (IEC-APTPS7125J) with the assistance of employees of Customs Brokers M/s DJS Logistics and M/s L.S. Khan P. Ltd. were involved in illegal export of Onions from ICD Janori, Nasik.

**3.** On further investigation and data mining, two containers No. CICU8203470 and CICU8204455 pertaining to M/s Shree Sodev Impex and another two containers having Nos. TLLU1144380 and TLLU1144360 pertaining to M/s. AMW Trading Company were tracked and found to be lying in Nhava Sheva for on boarding and not exported out of India. Based on a reliable intelligence, it was learnt that they were carrying onion under the cover of tomatoes declared by them. Therefore, the Terminal Manager of Nhava Sheva, vide E-mail dated 11.02.2024, was requested to keep the said containers on hold and correspondence was taken up with SIIB, Nhava Sheva, (Exports). The Terminal Manager of Nhava Sheva kept the said container on hold and

transhipped the said containers to Speedy CFS Multimode Limited, Navi Mumbai, Taluka Uran, Dist. Raigad, Maharashtra - 410206 on 15.02.2024.

4. Meanwhile, to ascertain the documents such as purchase order, Legalised copy of invoice etc. and in order to collect the electronic evidence, search was required to conduct at the premises of all the three exporters and the two CB's. Accordingly, search operations were carried out at Mumbai and Nashik at the premises of exporters and CB's.

**5. SEARCH AT THE REGISTERED PREMISES OF THE EXPORTERS:**

5.1. The officers of SIIB, Customs Nagpur along with the officers of R&I New Customs House, Mumbai conducted searches at the premises of exporters namely M/s. Shree Sodev Impex and M/s. M.G. Exports on 13.02.2024 at their registered addresses in Mumbai. Simultaneous, search was conducted at the registered premise of M/s. AMW Trading Company in Nasik. The premises of M/s Shree Sodev Impex and M/s M.G. Exports were found to be closed and it was learnt that the offices were not opened/operated since last 3-6 months. The Proprietors of both the firms could not be found. In respect of search to be conducted at the registered premise of M/s AMW Trading Co, it was revealed that the same was a residential premises and that needed a lady officer for the search to be conducted and therefore, the search could be conducted only on 14.02.2024.

5.2 Statement of Shri Wasim Shaikh, Proprietor of M/s AMW Trading Co. was recorded u/s. 108 of the Customs Act, 1962 on 14.02.2024. In his preliminary statement he denied that the containers had anything else, except the declared commodity i.e. Tomatoes. He informed that the records pertaining to exports were available with his CB M/s DJS Logistics.

5.3 Preliminary statement of Shri Abdul Raheman Datte, working as freight forwarder for M/s DJS Logistics at ICD Janori, Nashik was recorded on 13.02.2024, wherein he interalia stated that cargo stuffing at ICD Janori for the clients of DJS Logistics was done under his supervision. He further stated that they have not cleared any consignment of Onion for M/s AMW Trading Company.

5.4. A letter was issued to Chief Executive Officer, Halcon ICD Janori, Nashik vide F.No.VIII(Cus)25-25/SIIB/MiscCoress/2023dated 13.02.2024 for providing the CCTV footage of camera installed at Entry Gate of ICD Janori and copy of Gate Entry Register maintained at the Entry Gate of ICD Janori. In response, the CEO, Halcon vide letter F.No.N5/HALCON/CUS/2023/18 dated 14.02.2024 informed that the CCTV was not functional and provided only the signed copies

of Gate Entry Register (Import & Export) for the period from 06.02.2024 to 08.02.2024.

**6. SEARCH AT THE REGISTERED PREMISES OF THE CUSTOMS BROKER:**

6.1 Search was conducted at the registered premises of the CB -M/s L.S. Khan Pvt. Ltd. on 14.02.2024. During the search at the registered address which was used as residence, no documentary evidence related to the instant case was found. During the course of search, it was observed that they had one more premise in CBD Belapur. Shri Mustafa L. Khan, Director of M/s L. S. Khan P ltd volunteered to take the officers to his other premises. During the search, one person by the name Vihang Gawde, came to the office of M/s L.S.Khan Pvt. Ltd. On Interrogation, he stated that he was the authorised signatory of M.G. Export, which was also under the scanner. He was also taken to the office of M/s L.S. Khan P ltd at CBD Belapur. During the course of journey from Mumbai Office to CBD Belapur, on interrogation Shri Vihang Gawde also admitted that he was the G-Card holder of M/s L.S. Khan. He agreed to co-operate with the investigation. During the course of search at the office premises of the CB at CBD Belapur, certain documents relevant in the case were withdrawn. Statement of Shri Vihang Gawde was also recorded on 14.02.2024, wherein he inter-alia admitted having hidden around 25 tonnes of onions in each five containers by declaring the cargo as Watermelon. He further stated that all the 5 consignments of Watermelons with Onions were kept on hold, 3 by DRI Gandhidham and 2 by SIIB, Nhava Sheva.

7. Simultaneous search was also conducted at the Office of M/s DJS Logistics. During the search at the registered address of CB M/s DJS Logistics on 14.02.2024, it was found that a sister concern by the name M/s Tanmayi Shipping & Logistics Pvt. Ltd. was also functional at the said address which was engaged in transportation and Logistics. A CPU, External Hard Disk and documents were withdrawn which appeared to be relevant during the course of search. Shri Mahajan, the G Card holder and authorised person of the CB agreed to call the exporter Shri Savan Bhanushali, Proprietor of M/s Shree Sodev Impex for furtherance of investigation. He informed that Shri Bhanushali will produce himself at the time of examination of the container at Speedy Multimodal CFS on 15.02.2024.

## **8. EXAMINATION OF THE EXPORT CONTAINERS:**

**8.1** During the examination of two containers having No. CICU8203470 and CICU8204455 pertaining to exporter M/s Shree Sodev Impex, 41952 Kgs. of onions was found concealed behind the cartons of tomatoes. Hence, the 41952 kgs. of onions and 3897 kgs. of tomatoes were seized under Panchnama dated 15.02.2024, as they appeared to be liable for confiscation under Section 113(d), 113(i), and 119 of the Customs Act, 1962 for violation of provisions of Notification No. 49/2023- DGFT dated 07.12.2023 and concealment of onions. The same were handed over to Shri Bhimsen Joshi, Manager of M/s Speedy CFS under Supratnama.

8.2 Further, during the examination of two containers having nos. TLLU1144380 and TLLU1144360 pertaining to M/s. AMW Trading Company, 40974 Kgs. of onions was found concealed behind the cartons of tomatoes. Hence, the 40974 kgs. of onions and 4708 kgs. of tomatoes were seized under Panchnama dated 15.02.2024, as they appeared to be liable for confiscation under Section 113(d), 113(i), and 119 of the Customs Act, 1962 for violation of provisions of Notification No. 49/2023- DGFT dated 07.12.2023 and concealment of onions. The same were handed over to Shri Bhimsen Joshi, Manager of M/s Speedy CFS under Supratnama.

## **9. FURTHER INVESTIGATION:**

**9.1** The Transporter who had provided the trailer to M/s Shree Sodev Exim was identified and the GPS location of both the trailers provided by him were called for. The same shows that the vehicle carrying container nos. CICU8203470 and CICU8204455 never entered the Janori Area and had directly moved from Pimpalgaon (Nasik) to Nhava Sheva thus confirming that the goods never reached the ICD.

**9.2.** Further investigations revealed that all the consignments of all the three exporters were shown as dock stuffed, despite the fact that the containers never reached the ICD Janori.

## **10. CONFESSIONARY STATEMENT-ROLE OF EXPORTERS:**

10.1. Backed by the fact that the export product was mis-declared and attempt was made to smuggle prohibited goods, the exporters and CB were confronted with the fact and accordingly statement was recorded.

**10.2.** Statement of Shri Bhanusali Savankumar Veljibhai, Proprietor of Shri Sodev Exim was recorded on 16.02.2024, under Section 108 of the Customs Act, 1962 wherein he interalia admitted that he tried to smuggle

onions hidden behind the boxes of tomatoes in containers having no. CICU8203470 and CICU8204455.. In his further statement recorded u/s 108 of the Customs Act, 1962 on 22.02.2024, he interalia admitted that Shri Taufik Patel (Supplier of Onions) received the customs seal from Customs Broker as per his directions. He further stated that CB M/s DJS Logistics was not aware of the contents of cargo and he had planned everything on his own, knowing that the on-wheel cargo was allowed clearance at ICD Janori merely on basis of photos of loading of goods being sent to the officers from the loading godown. He provided the details of the transporter who had provided the trailer for transport of the containers.

10.3. Statement of Shri Abdul Rahaman Datte, employec of DJS logistics was also recorded on 21.02.2024 wherein, he interalia admitted that in the instant case the Let Export Order was given without the containers having entered inside the ICD. On being asked how the same can happen as there was independent security at the entry of ICD Janori who makes entry and exit entries in the register, he replied that the Gate Security at ICD Janori does not verify the vehicle but the entry of the vehicle same was being made, based on the documents related to export submitted by the CB and his staff. He informed that normally the Customs seal was handed over to the CB and staff in advance. He had taken the seal in advance and given to one person by the name Shri Taufik Patel on instructions of the exporters M/s AMW trading co and M/s Shree Sodev Exim. He also stated that in both the cases the containers were directly routed from the Godown of Shri Taufik Patel to JNCH for loading on board.

10.4. Statement of Shri Wasim Isaq Shaikh, Proprietor of M/s AMW Trading Co was also recorded on 22.02.2024, wherein he interalia admitted that the statement given by him on 13.02.2024 was false and incorrect. He also stated that on-wheel Let Export Order was being issued by ICD Janori since years and taking advantage of the same, he attempted to hoodwink the department that he was exporting tomatoes. He had done the entire loading and no one else was involved in this racket. Taufik Patel, who happens to be his friend, had taken the seals from Shri Abdul Rahaman Datte- Employee of CB at ICD on his directions and sealed the containers when the same were on highway enroute from place of loading in Nasik to Nhava Sheva.

10.5. Statement of Shri Vihang Gawde, Authorised signatory of M/s M.G.Exports was also recorded on 27.02.2024 u/s 108 of the Customs Act, 1962 wherein he interalia admitted that Containers No. TEMU9183470 & TTNU8198415 covered under Shipping Bill No. 7034906 dated 25.01.2024 were kept on hold by DRI Gandhidham, Containers No. BMQU9814381 & BMOU9821586 covered under Shipping Bill No. 7153789 & 7153227 both dated 31.01.2024 were kept on hold by SIIB, Nhava Sheva and Container No. SZLU9137110 covered under Shipping

Bill No. 7034901 dated 25.01.2024 have been kept on hold at Jebel Ali by DRI, Gandhidham. Further, he admitted that he had stuffed sacks of onions behind the sacks of watermelon without the knowledge of Customs Officers and had cleared total 05 consignments of onions from ICD Janori after the ban on Onion export. He admitted that he had taken an office in ICD Janori on rent and had observed that goods were being cleared directly from Godown without entering ICD in many cases. Taking advantage of the same he had planned to fill the container with Onions and export to Dubai as he was getting good rate for the same.

10.6. Statement of Shri Yogesh Mahajan, G Card holder and authorised signatory of the CB-M/s DJS Logistics was recorded on 28.02.2024, wherein he stated that M/s. Shree Sodev Impex and M/s. AMW Trading Company were his clients. On being asked about the concealment of onions in the containers of his client he stated that he had no idea about the same.

**11. INFERENCE DRAWN FROM THE INVESTIGATION:**

Investigation conducted so far shows that an organized syndicate was misappropriating the gaps in the procedure in a stealth manner and the Exporters are directly related to the smuggling and have accepted their role. Moreover, the role of the CB in case of M/s. L.S. Khan P. Ltd. is undeniable.

**12. ROLE OF EXPORTER:**

From the investigations carried out so far it is seen that:-

- a. All the three exporters admitted that they took advantage of the loophole in on-wheel export permission and the fact that seals were handed over to the staff of CB and requirement of container for examination was not there at the ICD.
- b. All the exporters have admitted their role in the case.

**13. ROLE OF CB**

The CB M/s L.S.Khan P ltd is directly involved in the racket as the exporter M/s. M. J. Export and the G-Card holder of the CB is one and the same i.e. Shri Vihang Gawde. Shri Gawde in his statement given to Customs Officers under Section 108 of the Customs Act, 1962 had interalia admitted that when he was operating from ICD Janori, he observed the lapse and took advantage of the fact that neither the officers were attending dock stuffing of containers nor was the security concerned about the entry/exit of the vehicles.

14. **RESPONSIBILITY OF THE CB:**

The CB failed to carry out the KYC of the exporters as the premises were not used since last 3-6 months. Had the CB carried out the KYC and premises verification, the unscrupulous elements would not have exploited the system. In case of M/s M.J.Exports, Shri Vihang Gawde was not only the authorised person for the exporter but also the G-Card holder of the CB and thus his role in the entire racket is undeniable.

15. In view of the above statements and investigation report in the case, prima-facie it appears that the CB M/s. L.S. Khan Private Limited (Customs Broker License No. 11/637), Mumbai, has failed to comply with following regulations of the Customs Brokers Licensing Regulations 2018:-

*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;*

The CB appears to have not advised the exporter with respect to prohibition on export of Onion till 31.03.2024 vide notification no. 49/2023-DGFT dated 07.12.2023, instead actively connived with the exporter in illegal export of Onions.

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

*10(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;*

The CB failed to exercise due diligence and under the fact and such circumstances, it appears that the CB has actively connived to a syndicate who was engaged in illegal export of Onions.

Thus, it appears that the CB has violated the provisions of Regulation 10 (e) of the 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; ;*

The CB failed to carry out the KYC of the exporters as the premises were not used since last 3-6 months. Further, the Proprietors of the export firms could not be found and therefore, it appears that they were merely a front for carrying out the organized smuggling syndicate. Moreover, Shri Vihang Gawde, whose role in the organized smuggling syndicate has clearly brought out in the investigation- was not only the authorised person for the exporter M/s M.G. Exports but also a G-Card holder of the CB, simultaneously. Hence, the CB has

completely failed to verify the identity of his client and functioning of his client at the declared address by 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.

*13 (12) The Customs Broker shall exercise such supervision as may be necessary to ensure proper conduct of his employees in the transaction of business and he shall be held responsible for all acts or omissions of his employees during their employment;*

During the investigation it was revealed that Shri Vihang Gawde was not only the authorised person for the exporter M/s M.G. Exports but also the G-Card holder of the CB. Further, Shri Gawde in his statement given to Customs Officers Under section 108 of the Customs Act, 1962 had inter-alia admitted that when he was operating from ICD Janori, he observed the lapse in the clearance procedures and took advantage of the same. As such, the outcome of the investigation has clearly brought out the key role of Shri Gawde in running the organized smuggling syndicate. Regulation 13(12) of CBLR, 2018 not only stipulates the duty of the CB in ensuring proper conduct of his employees in the transaction of business but also makes them accountable for all acts or omissions of his employees during their employment. In the instant case, the investigation clearly brought out the key role of Shri Vihang Gawde, G Card holder of CB M/s L.S. Khan P Ltd, in execution of an organized smuggling syndicate, which the CB firm, M/s L.S. Khan P Ltd failed to stop from being executed. Moreover, it also appears that being the G Card in the CB firm, M/s L.S. Khan P Ltd was instrumental and facilitating for Shri Gawde in running the organized smuggling syndicate. The CB, M/s L.S. Khan P Ltd which is accountable for *for all acts or omissions of his employees during their employment* has grossly failed in his duty as mandated in Regulation 13(12) of CBLR, 2018 and as such found to be in violation of the same.

Thus, it appears that the CB has violated the provisions of Regulation 13 (12) of the CBLR, 2018.

**15.** From the above facts, it appears that prima facie, Customs Broker M/s. M/s L. S. Khan Pvt. Ltd. (Licence no. 11/637, EDI License No AABCL9168QCH001) had violated Regulation 10(d), 10(e), 10(n) & 13(12) 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 L. S. Khan Pvt. Ltd. (Licence no. 11/637, EDI License No AABCL9168QCH001) 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) & 13(12) of CBLR, 2018.

02. However, I offer the Customs Broker M/s L. S. Khan Pvt. Ltd. (Licence no. 11/637) an opportunity of personal hearing on 30/4/2024 at 12.30 noon hours in person or through video conferencing facility. Any written representation against this order should reach the undersigned before the date of hearing.

03. M/s L. S. Khan Pvt. Ltd. (Licence no. 11/637) 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. L.S. Khan Pvt. Ltd.**

(Custom Broker Licence no. 11/637,  
EDI License No. AABCL9168QCH001),  
1/7, Awwal Manzil, Nawroji Hill Road No. 1,  
Mumbai - 400 009

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
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