

	<p>सीमाशुल्कआयुक्तकाकार्यालय (सामान्य)/ OFFICE OF THE COMMISSIONER OF CUSTOMS, (GENERAL) सीसीएसपीविभाग/CCSP SECTION, जवाहरलालनेहरूसीमाशुल्कमवन / JAWAHARLAL NEHRU CUSTOM HOUSE, न्हावा-शेवा /NHAVA-SHEVA रायगढ़, महाराष्ट्र/, RAIGAD, MAHARASHTRA – 400707 ई-मेल:/E-mail Id: <a href="mailto:ccsp.jnch@gov.in">ccsp.jnch@gov.in</a></p>	 <p>सत्यमेव जयते</p>
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फा. क्रमांक/ F.No. : CUS/1304/2024-CCSP-O/O COMMR-CUS-GEN-NHAVA SHEVA  
 SCN No. : 327/2024-25/CCSP/CAC/JNCH dated 21.05.2024  
 DIN क्र. / DIN No. : 20260178NU0000920078  
 आदेशक्र./Order No. : 368/2025-26/COMMR/CCSP CELL/NS-GEN/CAC/JNCH  
 आदेश की तारीख/ : 28.01.2026  
 Date of Order  
 जारी करने की तारीख/ : 28.01.2026  
 Date of Issue  
 आदेशकर्ता / Passed By : Smt. B. Sumidaa Devi,  
 Commissioner of Customs (General), JNCH  
 पार्टी का नाम/ Party name : M/s. JWR Logistics Pvt. Ltd.

**ORDER-IN-ORIGINAL**

**मूलआदेश**

- The copy of this order in original is granted free of charge for the use of the person to whom it is issued.
1. इस आदेश की मूलप्रति, जिस व्यक्ति को जारी की जाती है, उसके उपयोग के लिए निःशुल्क दी जाती है।  
2. Any Person aggrieved by this order can file an Appeal against this order to CESTAT, West Regional Bench, 34, P D'Mello Road, Masjid (East), Mumbai - 400009 addressed to the Assistant Registrar of the said Tribunal under Section 129 A of the Customs Act, 1962.  
2. इस आदेश से व्यथित कोई भी व्यक्ति सीमाशुल्क अधिनियम, 1962 की धारा 129 (ए) के तहत इस आदेश के विरुद्ध सी ई एस टी ए टी, पश्चिमी प्रादेशिक न्यायपीठ(वेस्ट रीजनल बेंच), 34, पी. डी.मेलोरोड, मस्जिद(पूर्व), मुंबई- 400009 को अपील कर सकता है, जो उक्त अधिकरण के सहायक रजिस्ट्रार को संबोधित होगी।
3. Main points in relation to filing an appeal: Form -Form No. CA3 in quadruplicate and four copies of the order appealed against (at least one of which should be certified copy). Time Limit - Within 3 months from the date of communication of this order. Fee: (a) Rs. One Thousand - Where amount of

duty & interest demanded & penalty imposed is Rs. 5 Lakh or less. (b) Rs. Five Thousand - Where amount of duty & interest demanded & penalty imposed is more than Rs. 5 Lakh but not exceeding Rs. 50 lakh. (c) Rs. Ten Thousand - Where amount of duty & interest demanded & penalty imposed is more than Rs. 50 Lakh.

### 3. अपील दाखिल करने संबंधी मुख्य मुद्दे:

- **फार्म** – फार्मसीए 3, चार प्रतियों में तथा उस आदेशकी चार प्रतियाँ, जिसके खिलाफ अपील की गई ह((इन चार प्रतियों में से कम से कम एक प्रति प्रमाणित होनी चाहिए)।
  - **समयसीमा** – इस आदेश की सूचना की तारीख से 3 महीने के भीतर।
  - **फीस** –
    - (क) एकहजाररुपये– जहाँ माँगे गए शुल्क एवं ब्याज तथा लगाई गई शास्तिकीर कम 5 लाख रुपये या उससे कम है।
    - (ख) पाँचहजाररुपये– जहाँ माँगे गए शुल्क एवं ब्याज तथा लगाई गई शास्तिकीर कम 5 लाख रुपये से अधिक परंतु 50 लाख रुपये से कम है।
    - (ग) दसहजाररुपये जहाँ माँगे गए शुल्क एवं ब्याज तथा लगाई गई शास्तिकीर कम 50 लाख रुपये से अधिक है।
  - **Mode of Payment:** A crossed Bank draft, in favour of the Asstt. Registrar, CESTAT, Mumbai payable at Mumbai from a nationalized Bank.
  - **भुगतानकीरीति** - क्रॉस बैंक ड्राफ्ट, जो राष्ट्रीयकृत बैंक द्वारा सहायक रजिस्ट्रार, सी ई एस टी ए टी, मुंबई के पक्ष में जारी किया गया हो तथा मुंबई में देय हो।
  - General For the provisions of law & from as referred to above & other related matters, Customs Act, 1962, Customs (Appeal) Rules, 1982, Customs, Excise and Service Tax Appellate Tribunal (Procedure) Rules, 1982 may be referred.
- सामान्य** - विधि के उपबंधों के लिए तथा ऊपर यथा संदर्भित एवं अन्य संबंधित मामलों के लिए सीमा शुल्क अधिनियम, 1962, सीमाशुल्क(अपील) नियम, 1982, सीमाशुल्क, उत्पाद शुल्क एवं सेवा कर अपीलीय अधिकरण(प्रक्रिया) नियम, 1982 का संदर्भ लिया जाए।
4. Any person desirous of appealing against this order shall, pending the appeal, deposit 7.5% of duty demanded or penalty levied therein and produce proof of such payment along with the appeal, failing which the appeal is liable to be rejected for non-compliance with the provisions of Section 129E of the Customs Act 1962.
4. इस आदेश के विरुद्ध अपील करने के लिए इच्छुक व्यक्ति, अपील अनिर्णीत रहने तक उसमें माँगे गए शुल्क अथवा उद्गृहीतशास्तिका 7.5% जमा करेगा और ऐसे भुगतान का प्रमाण प्रस्तुत करेगा। ऐसा न किए जाने पर अपील सीमाशुल्कअधिनियम, 1962 की धारा 129E के उपबंधों की अनुपालना किए जाने के लिए ना मंजूर किए जाने की दायी होगी।

### BRIEF FACTS OF THE CASE

The Container Freight Station of M/s. JWR Logistics Private Limited (hereinafter

referred to as CCSP/Noticee) located at 15-45, National Highway, 4B, Panvel- JNPT Highway, Village - Padeghar, Panvel - 410206, Maharashtra having area 76,654 Sq. Mtr. was declared as a Customs Area under Section 8 of the Customs Act, 1962 vide Notification No. 22/2013 dated 26.08.2013 and was appointed as Custodian vide Notification No. 01/2014 dated 04.02.2014.

1.2. Further, an additional area of 37,235 Sq. Mtr. was notified as a 'Customs Area' under Section 8 of the Customs Act, 1962 vide Notification No. 28/2015 dated 07.07.2015. Vide Notification No. 01/2016 dated 22.03.2016, M/s. JWR Logistics Private Limited, in respect of its Notified area, had been appointed as Custodian and Customs Cargo Service Provider

1.3. Further, an additional area of 19,451 Sq. Mtr. was notified as a 'Customs Area' under Section 8 of the Customs Act, 1962 vide Notification No. 09/2019 dated 01.07.2019. Vide Notification No. 90/2021 dated 21.10.2021, M/s. JWR Logistics Private Limited, in respect of its Notified area, had been appointed as Custodian and Customs Cargo Service Provider(CCSP) for the further period of ten (10) years from 04.02.2021 subject to the validity of AEO –LO status.

1.4. The activities of the CCSP are regulated in terms of 'Handling of Customs Cargo in Customs Areas Regulations 2009 (HCCAR, 2009), read with the relevant provisions of the Customs Act, 1962. M/s. JWR Logistics Private Limited CFS was appointed as a 'Customs Cargo Services Provider' subject to following conditions:

*(a) "The Customs Cargo Services Provider, M/s. JWR Logistics Pvt. Ltd. shall discharge all the responsibilities prescribed under regulation 6 of "Handling of Cargo in Customs Areas Regulations 2009".*

*(b) "The Custodian M/s. JWR Logistics Pvt. Ltd hereby approved as Customs Cargo Services Provider for the said CFS shall be responsible for fulfilment of the conditions of the regulations prescribed in "Handling of Cargo in Customs Areas Regulations 2009" in respect of Customs Cargo Services Provider working on their behalf or with their permission in the said CFS".*

1.5. As per the Inspection/Audit Plan, approved by the competent authority in the File No. S/5-Gen-14/2023-24/CCSP Cell on 01.09.2023, the Inspection/Audit of M/s. JWR Logistics Private Limited was conducted by the team of CCSP Officers on 17.01.2024 to 19.01.2024 & 22.01.2024 to 25.01.2024.

1.6. The said Inspection was conducted as per CBIC Circular No. 44/2020-dated 08.10.2020. Thereafter, an Inspection Report dated 13.02.2024 was submitted by the Inspection Team. Along with Inspection Report, relevant photographs were also submitted. As per observations made by the Inspection Team, two major violations were noticed

during the said inspection:

i) It was found that hazardous cargo were kept at various locations along with general cargo in general shed specially in shed H and shed I. Approx. 10 lots of hazardous cargo were found lying in the open space which is out of the demarcated shed for hazardous cargo. Approx. 180 lots of export hazardous cargo were found lying in the general export shed, especially in H & I warehouses.

ii) The CCSP has executed a bond of lesser amount than required as per calculations based on the average amount of duty involved on the imported goods and 10% of value of export goods likely to be stored in the said customs area as per Regulation 5(3) and 5(4) of HCCAR, 2009. As per the calculations according to the TEUs handled by the CCSP, the bond amount to be executed under Reg. 5(3) should be Rs. 81 crore and under Reg. 5(4) it should be Rs. 65.41 crore. However, the CCSP has executed a bond of Rs. 3 crore under Reg. 5(3) and of Rs. 57 crore under Reg. 5(4) of HCCAR-2009.

1.7. From the above foregoing facts and relevant provision of Law, it can be inferred that:

- i. The permission for Handling of Hazardous Cargo at nominated area (total 21,470 sq. feet) was renewed vide permission dated 08.03.2023 granted vide File No. S/5-Gen-18/2015 CFS M Cell PART-III. However, during inspection it was observed that besides the permitted area, the CCSP had stored approx 190 lots of Hazardous export Cargo in General Sheds and open space also. It is clear violation of:
  - a. Para 8 of the said permission. As per para 8 of the said permission:
 

*“As the MPCB has included isolated storage of hazardous chemicals in its consent.....”*
  - b. The Rule 4 (b) of MSIHC Rules, 1989 which mandates *“isolated storage of a hazardous chemical listed in Schedule 2”*
  - c. The general condition no. 15 of MPCB consent no. 0000111987/CR- 2112001407 dated 24.12.2021 and valid upto 31.03.2026. As per this condition: *“ Separate storage yard shall be earmarked for chemical storage.”*
  - d. Para 1 of Annexure A of CBIC Board Circular No. 4/2011-Customs dated 10th January, 2011 which states: *“The imported goods or export goods which are hazardous in nature, shall be stored at the approved premises of the CCSP in isolated place duly separated from other general cargo”*
  - e. Regulation 6(1)(i) of HCCAR, 2009 which states *“ The Customs Cargo Service Provider shall be responsible for the safety and security of imported and export*

*goods under its custody;”*

- f. Regulation 6(1)(q) of HCCAR, 2009 (Handling of Cargo in Customs Area Regulations) which states: *“The Customs Cargo Service Provider shall be abide by all the provisions of the Act and the rules, regulations, notifications and order issued there under.”*
- ii. As submitted at para 1 of Annual Audit Report for FY 2022-23, by executing a bond of less than necessary amount, the CCSP has violated:
- a. The Regulation 5(3) of HCCAR, 2009 which states, *“The Customs Cargo Service provider for custody of imported goods or export goods and for handling of such goods in a customs area shall execute a bond equal to the average amount of duty involved on the imported goods and ten per cent of value of export goods likely to be stored in the customs area during a period of [ten]days and furnish a bank guarantee or cash deposit, equivalent to ten per cent of such duty: Provided that the condition of furnishing of Bank Guarantee or cash deposit shall not be applicable to ports notified under the Major Ports Act, 1962 (38 of 1963) or to the Central Government or State Governments or their undertakings;”*
- b. The Regulation 5(4) of HCCAR, 2009 which states, *“The Customs Cargo Service provider for custody of imported goods or export goods and for handling of such goods in a customs area shall execute a separate bond for an amount equal to ten percent of value of export goods with a bank guarantee for an amount equal to ten per cent of the value of the bond, towards the export goods transported from the customs area to any other customs area for export or transshipment, as the case may be;*  
*[Provided that the condition of furnishing of bank guarantee shall not be applicable to ports notified under the Major Ports Act, 1962 (38 of 1963) or to the Central Government or State Governments or their undertakings or to the customs cargo service provider authorised under Authorised Economic Operator Programme.]”*
- c. Regulation 6(1)(q) of HCCAR, 2009 (Handling of Cargo in Customs Area Regulations) which states: *“The Customs Cargo Service Provider shall be abide by all the provisions of the Act and the rules, regulations, notifications and order issued there under.”*

1.8. In view of the above violations, a Show Cause Notice No.327/2024-25/CCSP/CAC/JNCH dated 21.05.2024 was issued to CCSP i.e. M/s. JWR Logistics Private Limited calling upon to Show Cause to the Commissioner of Customs (General) through the Assistant/Deputy Commissioner of Customs, CCSP Cell, Jawaharlal Nehru Customs House, Nhava-Sheva, Maharashtra, within 30 days of receipt of the said Notice, as to why:

- i. Action should not be initiated under regulation 11 of HCCAR, 2009 for suspension or revocation of their appointment as Customs Cargo Service Provider;
- ii. Penalty as per Regulation 12(8) of the Handling of Cargo in Customs Areas Regulations (HCCAR), 2009 read with 158(2) of the Customs Act, 1962 should not be imposed on the CCSP; and
- iii. Penalty under Section 117 of the Customs Act, 1962 should not be imposed on the CCSP.

Also, the Assistant Commissioner of Customs, CCSP Cell, JNCH was nominated to hold inquiry in accordance with the HCCAR, 2009.

#### **1.9. Relevant legal provisions applicable in the subject case:**

The relevant legal provisions under the Customs Act 1962 and HCCAR-2009 applicable in subject case are summarised as under:

- i. As per Section 141(2) of Customs Act 1962,  
*“The imported or export goods may be received, stored, delivered, dispatched or otherwise handled in a customs area in such manner as may be prescribed and the responsibilities of persons engaged in the aforesaid activities shall be such as may be prescribed.”*
- ii. As per section 117 of Customs Act 1962,  
*“any person who contravenes any provision of this act or abets any such contravention or who fails to comply, where no express penalty is elsewhere provided for such contravention or failure, shall be liable to penalty not exceeding four lakh rupees.”*
- iii. As per section 158(2) of Customs Act 1962,  
*“any rules or regulations which the Central Government or Board is empowered to make under this act may provide that any person who contravenes any provision of a rule or regulation or abet such contravention or who fails to comply with any provision of a rule or regulation with which it was his duty to comply, shall be liable to a penalty which may extend to two lakh rupees.”*
- iv. The Regulation 5(3) of HCCAR, 2009 states, *“The Customs Cargo Service provider for custody of imported goods or export goods and for handling of such goods in a customs area shall execute a bond equal to the average amount of duty involved on the imported goods and ten per cent of value of export goods likely to be stored in the customs area during a period of [ten] days and furnish a bank guarantee or cash*

*deposit, equivalent to ten per cent of such duty: Provided that the condition of furnishing of Bank Guarantee or cash deposit shall not be applicable to ports notified under the Major Ports Act, 1962 (38 of 1963) or to the Central Government or State Governments or their undertakings;”*

- v. The Regulation 5(4) of HCCAR, 2009 states, *“The Customs Cargo Service provider for custody of imported goods or export goods and for handling of such goods in a customs area shall execute a separate bond for an amount equal to ten per cent of value of export goods with a bank guarantee for an amount equal to ten per cent of the value of the bond, towards the export goods transported from the customs area to any other customs area for export or transshipment, as the case may be; [Provided that the condition of furnishing of bank guarantee shall not be applicable to ports notified under the Major Ports Act, 1962 (38 of 1963) or to the Central Government or State Governments or their undertakings or to the customs cargo service provider authorised under Authorised Economic Operator Programme.]”*
- vi. Regulation 6(1)(i) of HCCAR, 2009 (Handling of Cargo in Customs Area Regulations) states: *“the Customs Cargo Service provider be responsible for the safety and security of imported and export goods under its custody.”*
- vii. Regulation 6(1)(q) of HCCAR, 2009 (Handling of Cargo in Customs Area Regulations) states: *“the Customs Cargo Service Provider shall abide by all the provisions of the Act and the rules, regulations, notifications and order issued there under.”*
- viii. Regulation 11 of HCCAR, 2009 (Handling of Cargo in Customs Area Regulations) states: *“The Commissioner of Customs may, subject to the provisions of these regulations, suspend or revoke the approval granted to the Customs Cargo Service provider subject to the observance of procedure prescribed under regulation 12 and also order for forfeiture of security, if any, for failure to comply with any of the provisions of the Acts and the rules, regulations, notifications and orders made under there.”*
- ix. Regulation 12 of HCCAR, 2009 (Handling of Cargo in Customs Area Regulations) prescribes procedure for suspension or revocation of approval and imposition of penalty.

## 2.. SUBMISSIONS ON BEHALF OF CCSP TO SCN

(i) CCSP denied each and every allegation made in the said SCN as being vague, baseless and lacking any corroborative evidence.

(ii) It was submitted that they have been incorporated in the year 2010, and around 69 acres of their land has been developed into a container freight station. Their entire facility is a notified Customs Area under security and CCTV surveillance. They have been in this line of business for 14 years and have never violated any rules and/or regulations and have conducted their business in accordance to the provisions of Customs Act, 1962.

(iii) that they have consistently adhered to all rules, regulations, notifications, and provisions as prescribed under the Customs Act, 1962, without any breach or violation. They have been given permission to handle hazardous cargo at their CFS and said permission was valid till 15.09.2024. They have always been committed to ensure the safe handling of hazardous goods, a practice which they have diligently maintained. That they have a dedicated safety team to tackle any eventuality. They further submitted that hazardous goods have consistently been stored in a separate storage shed, away from general cargo. Therefore, the alleged violation of the provisions is unsustainable.

(iv) The CCSP relied upon the decision of the Hon'ble Tribunal (Mumbai) in ***APM Terminals India Pvt Ltd (Annex) CFS and main vs. Commissioner of Customs (General), Raigad, 12024 (6) TIII 4 — CESTAT Mumbai***, wherein it was found that customs authorities might not have the right expertise or jurisdiction to enforce compliance with environmental regulations regarding hazardous chemicals and ruled in favour of the appellant due to procedural and jurisdictional issues. The relevant paragraph of the judgement was reproduced as under:

*It can be seen that the legislative framework does not envisage the tax administration — patently lacking in domain competence and domain exposure to address and enforce environmental concerns — to undertake oversight of compliance with Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989 (MSIHCR, 1989). That is best left to the designated authorities under the relevant laws instead of claiming overarching authority merely from control of customs areas. The lack of jurisdiction and of domain competence precludes such inappropriate institution of proceedings. On this ground alone, the impugned order fails."*

(v) They submitted that any allegation should not solely stem from the discovery of hazardous goods within the general shed during the office's inspection, without considering the circumstances prevailing on the day of inspection. They stated that the hazardous cargo found in the general shed during the inspection was scheduled for export as part of the consolidation process. These goods were appropriately sealed, packed, and awaiting loading into the console container on the same day. This fact was brought to the notice of the auditing officers as well. Therefore, they have not violated any provisions and have consistently complied with regulatory requirements.

(vi) The CCSP relied on the Annual Audit Report for FY 2022-23 wherein it was mentioned that the CCSP has taken proper precautions such as placing safety instructions in

hazardous areas and it was also acknowledged that the staff handling the hazardous cargo are well acquainted with the same. Further the said Audit Report also mentioned that provisions have been made for storage, separately for imported goods, exported goods and transshipment goods. This clearly indicates that the CCSP has been following precautions while dealing with the hazardous goods and have in no way left hazardous goods unattended but only while the export of the goods they had left the same in the general shed, fully packed and ready to be loaded onto the vessel. They have been handling the hazardous cargo with utmost safety by demarcating them separately and storing them in their designated area.

(vii) They had vide letter dated 19.03.2024 asked for permission for constructing a fire resistant wall in the existing warehouse no. H & I thereby creating exclusive spaces for handling hazardous cargo. They took the aforementioned step in compliance to the Para 2 of the CBIC Board Circular No. 40/2016 — Cus dated 26.08.2016 which acts as an amendment to the guidelines prescribed vide Circular No. 4/2011-Cus dated 10.01.2011. They have diligently complied with all the requirements as needed and never have breached any provisions. A copy of the CBIC Board Circular No. 40/2016 — Cus dated 26.08.2016 was enclosed.

(viii) That in respect to the second allegation pertaining to the furnishing of the requisite Bond, they submitted that as soon as they were made aware of the Annual Audit Report for FY 2022-23, they had furnished a bond for Rs. 81 Crores and Rs. 65.41 Crores on 07.03.2024. As soon as they were made aware about the irregularity, they resolved it by furnishing the bonds which shows their *bonafide*. Therefore, they are not in violation of Regulation 5(3) and Regulation 5(4) of the HCCAR, 2009 as on the date of receipt of the SCN.

(ix) Penalty has been proposed under regulation 12(8) of the HCCAR, 2009 read with Section 158 of the Customs Act, 1962 to which the CCSP submitted that neither have they contravened any provisions nor have they failed to comply with any provision and therefore, penalty under Section 158 of the Customs Act, 1962 should not be imposed upon them.

(x) It was submitted that Regulation 12(8) providing for penalty does not say that penalty is impossible on each of the contraventions but it says that if the CCSP contravenes any of the provisions of the Regulations, then they are liable to penalty to the extent of Rs. 50,000/-. If the intention of the legislature was to provide for imposition of penalty for each of the contravention, the legislature would have said so specifically. Therefore, imposition of penalty of more than Rs. 50,000/- is not permitted under the law. Moreover, Section 117 of the Customs Act, 1962. lays down that for any other contravention of the Customs Act for which express penalty has not been provided elsewhere, the person liable can be charged with a penalty not exceeding one lakh rupees. That

being the Position, the question of imposition of penalty under Section 117 of the Customs Act, 1962 would not arise at and is clearly unsustainable in law.

(xi) The CCSP relied upon the decision of the Hon'ble Tribunal (Mumbai) in *Central Warehousing Corporation versus Commissioner of Customs (Export) Nhava Sheva [Appeal No. C/86123/20141* wherein imposition of penalty under Section 117 of the Customs Act, 1962 was set aside as Penalty under Regulation 12(8) of HCCAR, 2009. For ease of reference, the relevant paras were reproduced as under:

*"As regards the penalty imposed under Section 117, the said provision would apply only if there is no other penalty provide for violations of the provisions of the Handling of Cargo in Customs Area Regulations. Penalty is specified under Regulation 12(8). That being the position, the question of imposition of penalty under Section 117 would not arise at all. Therefore, the penalty imposed under Section 117 is clearly unsustainable in law."*

(xii) It was submitted that they have been diligent in discharging their duties and obligations under the prevailing Customs Laws and HCCAR, 2009. Both the allegations as raised did not stand any ground in the present circumstances and hence, the proceedings initiated should not be proceeded with.

(xiii) In view of the above, the action alleged to be initiated under Regulation 11 of HCCAR, 2009 and Penalty alleged to be imposed upon our as per Regulation 12(8) of the HCCAR. 2009 read with 158(2) of the Customs Act,1962 and Penalty under Section 117 of the Customs Act, 1962 ought not to be imposed and the Notice be withdrawn.

### 3. **Inquiry Officer's Report:**

The Inquiry Officer submitted his report dated 26.11.2025 after granting a personal hearing to the CCSP on 8.10.2025. The findings of the Inquiry Officer are as follows:

(i) The Inquiry Officer found that the inspection of the CCSP, M/s JWR Logistics Pvt. Ltd., was carried out between 17.01.2024 and 25.01.2024 as per the approved Inspection/Audit Plan and in accordance with CBIC Circular No. 44/2020-Cus dated 08.10.2020. The basis of the present Show Cause Notice is the Inspection Report dated 13.02.2024, supported with photographic evidence, which clearly records two major non-compliances:

(a) Storage of hazardous cargo outside the designated hazardous area, and

(b) Execution of a bond of lesser value than what is required under Regulation 5(3) and 5(4) of HCCAR, 2009.

(ii) As regards to the issue mentioned at 3(i) (a) above, on scrutinising the photographs and the observations of the inspection team, IO found that approximately 10 lots of hazardous cargo were stored in open areas outside the MPCB-approved hazardous storage zone, and approximately 180 lots of hazardous export cargo were stored inside the general sheds (H & I), intermingled with non-hazardous cargo. This factual position remained undisputed on record and has also been acknowledged in the Annual Audit Report for FY 2022–23. It was found that the manner in which hazardous cargo was stored in the CFS constitutes a clear and substantial violation of multiple statutory and regulatory requirements. Hazardous cargo was found not only outside the demarcated hazardous storage area but also mixed with general cargo in Sheds H and I and kept in certain open spaces. This practice is in direct contravention of the Hazardous Cargo Permission dated 08.03.2023, particularly Para 8, which mandates that storage of hazardous chemicals must strictly adhere to the conditions prescribed by the Maharashtra Pollution Control Board (MPCB). Further, Rule 4(b) of the MSIHC Rules, 1989 mandates isolated storage of hazardous chemicals listed in Schedule 2, with the objective of minimising the risk of accidental release, spillage, fire, or unsafe interactions with incompatible substances. This obligation is statutory, absolute, and leaves no discretion to the custodian to adopt temporary, interim, or convenience-based storage practices. Additionally, General Condition No. 15 of the MPCB Consent dated 24.12.2021 requires the CFS to earmark a separate, dedicated storage yard for hazardous chemicals. This condition is an essential safety mandate meant to prevent contamination, reduce fire hazards, and ensure that emergency response measures remain effective. Any deviation from this requirement results not only in a breach of the consent conditions but also undermines the wider regulatory framework governing hazardous substances. Moreover, Para 1 of Annexure A to CBIC Circular No. 4/2011-Cus reiterates that hazardous imported or export goods “*shall be stored at the approved premises of the CCSP in an isolated place duly separated from other general cargo.*” This circular forms part of the operational guidelines binding on all Customs Cargo Service Providers. In terms of Regulation 6(1)(q) of HCCAR, 2009, compliance with such circulars is mandatory and non-negotiable. Taken together, it was found that these statutory rules, consent conditions, and CBIC guidelines constitute an integrated compliance framework that mandates strict segregation, specialised storage arrangements, and enhanced safety protocols for hazardous cargo. The presence of nearly 180 lots of hazardous cargo in general sheds and in open spaces, as recorded in the Inspection

Report, represents a serious deviation from these norms. Such non-compliance exposes the CFS to heightened risks, including fire, chemical reaction, environmental contamination, and operational hazards, thereby undermining the safety requirements imposed under Regulation 6(1)(i) of HCCAR, 2009. Accordingly, IO found that the storage of hazardous cargo in general sheds and open areas is in direct violation of Regulation 6(1)(i) of HCCAR, 2009, which casts a strict and non-delegable responsibility on the CCSP to ensure the safety and security of all imported and export goods under its custody. Additionally, failure to comply with the various statutory provisions, approvals, permissions, and CBIC circulars constitutes a violation of Regulation 6(1)(q) of HCCAR, 2009, which requires the CCSP to abide by all rules, regulations, notifications, and orders issued thereunder.

(iii) As regards the second violation mentioned at 3(i) (b) above, IO found that the Inspection Report clearly established that the CCSP had executed a bond of Rs. 3 Crores under Regulation 5(3), whereas the required amount was Rs. 81 Crores, and a bond of Rs. 57 Crores under Regulation 5(4), whereas the required amount was Rs. 65.41 Crores, calculated on the basis of average duty involved on imported cargo and 10% value of export cargo stored for ten days. The requirement under Regulation 5(3) and 5(4) is explicit, mandatory and not subject to subjective interpretation and therefore executing a bond of lesser amount effectively undermines the security mechanism prescribed under HCCAR, 2009 and exposes revenue and cargo safety to risk.

(iv) Inquiry Officer found that the CCSP has argued that the hazardous cargo found in the general shed was “meant for same-day export,” was “sealed and ready for stuffing,” and therefore its temporary placement in non-designated areas should not be treated as a violation. This defence is not legally sustainable. The regulatory framework governing hazardous chemicals—comprising the MSIHC Rules, 1989, the MPCB Consent Conditions, and CBIC Circulars—does not draw any distinction between *temporary*, *short-term*, or *long-term* storage. The requirement for isolated, segregated, and designated storage is absolute; applying from the moment hazardous cargo enters the premises until it leaves the CFS. The MSIHC Rules mandate isolated storage irrespective of the duration of stay, because even a brief lapse can result in fire, leakage, or chemical reaction—risks that do not depend on how long the materials remain at a particular location. Similarly, Para 1 of Annexure A of CBIC Circular No. 4/2011-Cus clearly stipulates that hazardous goods “shall be stored in an isolated place duly separated from other general cargo,” and further prescribes that hazardous cargo must be stored at least 200 metres away from general cargo areas, administrative blocks, and other operational spaces. This requirement forms part of the safety protocol for

Customs Cargo Service Providers and is intended to ensure effective segregation and minimise risk of fire, chemical exposure, and accidental contact with incompatible materials. The CCSP has relied on CBIC Circular No. 40/2016-Cus dated 26.08.2016, contending that the earlier 200-metre stipulation has been modified and that alternative arrangements may be made for hazardous cargo handling. However, Board's Circular 40/2016 does not dispense with the fundamental requirement of segregation, isolation, and designated storage. The circular merely recognises that practical limitations at certain port premises may require structural modifications (such as creating fire-resistant partitions, designated bays, or segregated enclosures) within existing warehouses—not that hazardous cargo may be kept in general sheds pending stuffing or transit. The Circular 40/2016 thus does not authorise intermingling of hazardous cargo with general cargo, nor does it permit “temporary parking,” “staging,” or “same-day export placement” of hazardous goods in non-designated areas. Thus, even after the issuance of Circular 40/2016, the core requirement remains unchanged: hazardous cargo must be physically segregated, stored in an isolated and approved zone, and kept away from general cargo at all times. The modified circular cannot be interpreted to legitimise the placement of 180 lots of hazardous cargo inside general sheds (H & I), nor the 10 lots found in open areas outside the designated MPCB-approved zone. Circular 40/2016 only provides procedural flexibility for creating compliant infrastructure, not for relaxing the statutory and regulatory obligations governing hazardous cargo. More importantly, the fundamental objective of the hazardous-cargo regulatory framework is risk elimination, not risk management based on time. Even a few minutes of improper storage in a congested shed—especially among other incompatible materials—creates immediate safety, environmental and operational hazards. Therefore, the CCSP cannot justify non-compliance by claiming that the goods were to be exported on the same day. Compliance with hazardous-cargo protocols is required at all times, and not merely during prolonged storage.

(v) Inquiry Officer found that the CCSP has relied upon the decision of the Hon'ble CESTAT, Mumbai in the case of APM Terminals India Pvt. Ltd. v. Commissioner of Customs. In this regard, it is stated that although the Tribunal observed that Customs authorities may not have jurisdiction to independently enforce provisions of the MSIHC Rules, 1989, the said decision has not attained finality, as the Department has already preferred appeals before the Hon'ble High Court vide Appeal Nos. C/86938/2023 (DB) and C/86939/2023 (DB), and the matter remains sub judice. Further, the reliance placed by the CCSP on the said decision is misplaced in the present factual context. Here, the violations are not being examined solely under the MSIHC Rules; rather, the deviations from MSIHC

requirements constitute a direct and consequential breach of the conditions of approval granted to the CCSP and the statutory obligations under Regulations 6(1)(i) and 6(1)(q) of the HCCAR, 2009. These regulations mandate the CCSP to ensure the safety and security of goods under its custody and to strictly comply with all applicable laws, rules, regulations, notifications and orders. Accordingly, the jurisdiction of Customs to act under HCCAR, 2009 remains intact.

(vi) Regarding the bond irregularity, Inquiry Officer found that the CCSP has submitted that the deficiency was rectified by executing the correct bond on 07.03.2024. While rectification is noted, the fact remains that the CCSP was operating for a substantial period without executing the mandatory bond amounts prescribed under Regulation 5(3) and 5(4). Subsequent compliance does not erase past violation nor extinguish liability for non-compliance during the period of deficiency. The submissions that the CCSP has a good compliance history, has employed safety measures, and has constructed fire-resistant partitions are noted, but these claims do not refute the factual findings recorded during the inspection. Claims of compliance or intention to comply do not mitigate violations that have already occurred.

(vii) Accordingly, Inquiry Officer found that the charges framed in the Show Cause Notice No. 327/2024-25/CSP/CAC/JNCH dated 21.05.2024 stand duly proved and established. The inquiry has conclusively demonstrated that the CCSP stored hazardous cargo in general sheds and open areas, outside the MPCB-approved hazardous storage zone, in violation of the Hazardous Cargo Permission, MSIHC Rules, 1989, MPCB Consent Conditions, and CBIC Circulars governing hazardous goods. Such storage practices constitute a clear breach of the obligations under Regulation 6(1)(i) and 6(1)(q) of the Handling of Cargo in Customs Areas Regulations, 2009, which mandate that the CCSP must ensure safety and security of goods under its custody and comply with all applicable laws, rules, regulations and orders. It is further established that the CCSP failed to execute the mandatory bonds as required under Regulation 5(3) and 5(4) of HCCAR, 2009, thereby operating for a substantial period without meeting the prescribed financial safeguards. The subsequent rectification of the bond amount does not absolve the earlier non-compliance. Thus, Inquiry Officer concluded that the CCSP has failed to discharge the statutory and regulatory responsibilities cast upon them as a Customs Cargo Service Provider. The violations are serious in nature, involving lapses in hazardous-cargo management and non-adherence to mandatory bond requirements, both of which compromise regulatory control and operational safety within the Customs Area. The

CCSP is, therefore, held liable for action under the relevant provisions of HCCAR, 2009 and the Customs Act, 1962.

#### **4. SUBMISSIONS OF CCSP TO THE INQUIRY REPORT**

(i) The CCSP repeated and reiterated their submissions as made in the Reply dated 14.06.2024 to the captioned SCN.

(ii) The CCSP submitted that in the Inquiry Report, it has been alleged that the Noticee's defence that the hazardous cargo found in the general shed, which was meant for export on the same day, should not be considered as a violation, is not legally sustainable as the regulatory framework governing hazardous chemicals comprising MSIHC Rules, 1989, the MPCB Consent Conditions, and CBIC Circulars does not draw any distinction between temporary, short-term or long term storage. In this regard, they submitted that the hazardous cargo found in the general shed during the Audit was scheduled for export and was appropriately sealed, packed, and awaiting loading into the console container on the same day. The aforesaid fact was brought to the notice of the auditing officers as well. They also placed reliance upon the Annual Audit Report for F.Y. 2022-23 wherein it was mentioned that the Noticee had taken proper precautions with respect to hazardous cargo. They also submitted that vide their Letter dated 19.03.2024 (before issuance of the captioned SCN), they had sought permission to construct a fire-resistant wall in the existing warehouse No. H & I, thereby creating exclusive spaces for handling hazardous cargo. In view of the aforesaid facts and circumstances, the allegation so made in the Inquiry Report ought not to sustain.

(iii) In the captioned SCN, the Noticee had placed reliance upon the decision of the Hon'ble Mumbai Tribunal in the matter of *APM Terminals India Pvt. Ltd. (Annex) CFS and main vs. Commissioner of Customs (General), Raigad, 12024 (6) TMI 41* wherein it was observed that the Customs Authorities may not have jurisdiction to enforce compliance with environmental regulations regarding hazardous chemicals and ruled in favour of the Appellant therein due to procedural and jurisdictional issues. The Inquiry Report has sought to distinguish the judgment by holding that the decision has not attained finality as the Department has preferred an appeal against the aforesaid decision before the Hon'ble Supreme Court. In this regard, the Noticee places reliance upon the decision of the Hon'ble Supreme Court in the matter of *Union of India vs. Kamalakshi Finance Corporation Ltd. 11991 (55) E.L.T. 4331* wherein it has been held that the mere fact that order of the appellate authority which is a subject matter of an

appeal can furnish no ground for not following it unless its operation has been suspended by a competent court. Therefore, the Hon'ble Mumbai Tribunal's judgment is binding as there is no stay on the same as of date.

(iv) That in respect to the second allegation pertaining to the furnishing of the requisite Bond, the Noticee submitted that as soon as they were made aware of the Annual Audit Report for FY 2022-23, they had furnished a bond for Rs. 81 Crores and Rs. 65.41 Crores on 07.03.2024. The Noticee submitted that as soon as they were made aware of the irregularity, they resolved it by furnishing the bonds which show their *bonafide*. Therefore, the Noticee submitted that they are not in violation of Regulation 5(3) and Regulation 5(4) of the HCCAR, 2009, as on the date of receipt of the above-captioned SCN.

(v) In view of the aforesaid, the Noticee placed reliance upon the decision of the Hon'ble Supreme Court in the matter of *Hindustan Steel Ltd. vs. State of Orissa 11978 (2) E.L.T. (J 159)1* wherein it was observed that no penalty should be imposed for technical or venial breach of legal provisions or where the breach flows from the *bonafide* belief that the offender is not liable to act in the manner prescribed by the statute.

(vi) Penalty has been imposed under regulation 12(8) of the HCCAR, 2009 read with Section 158 of the Customs Act, 1962 which states that any person who contravenes any provisions of a rule or regulation or abets such contravention or who fails to comply with any provision of a rule or regulation which it was his duty to comply, shall be liable to a penalty which may extend to fifty thousand rupees. The CCSP submitted that neither have they contravened any provisions nor have they failed to comply with any provision and therefore, penalty under Section 158 of the Customs Act, 1962 should not be imposed upon the CCSP.

(vii) The Noticee placed reliance upon the decision of the Hon'ble Chennai Tribunal in the matter of *M/s Air India Ltd. vs. Commissioner of Customs [Customs Appeal No. 40035 of 20211* wherein the Hon'ble Tribunal has set aside the penalties imposed upon the Appellant as the department had failed to provide any evidence to support their allegations and minor shortcomings were indeed a condonable lapse.

(viii) It was submitted that Regulation 12(8) providing for penalty does not say that penalty is imposable on each' of the contraventions but it says that if the CCSP contravenes any of the provisions of the Regulations, then they are liable to penalty to the extent of Rs. 50,000/-. If the intention of the legislature was to provide for imposition of penalty for each of the contravention, the legislature would have said so specifically. Therefore, imposition of

penalty of more than Rs. 50,000/- is not permitted under the law. Moreover, Section 117 of the Customs Act, 1962, lays down that for any other contravention of the Customs Act for which express penalty has not been provided elsewhere, the person liable can be charged with a penalty not exceeding four lakh rupees. That being the position, the question of imposition of penalty under Section 117 would not arise at all. Therefore, the penalty imposed under Section 117 is clearly unsustainable in law.

(ix) The Noticee submitted that they have not violated any provision of the Customs Act, and the Inquiry Report does not allege any violation of the same. In view of the aforesaid, the Noticee placed reliance upon the decision of the Hon'ble Mumbai Tribunal in the matter of *M/s Ajanta Pharma Ltd. vs. Commissioner of Customs (Air Cargo Export)* [Customs Appeal No. 87540 of 20221 wherein the Hon'ble Tribunal has set aside penalty under Section 117 of the Act, as no provision of the Act had been violated or even alleged to have been violated.

(x) The Noticee submitted that they have been diligent in discharging their duties and obligations under the prevailing customs laws and HCCAR, 2009. The Noticee also submitted that both the allegations did not stand any ground in the present circumstances and hence, the proceedings initiated should not be proceeded with.

(xi) In view of the above, the Noticee submitted the action proposed to be initiated under regulation 11 of HCCAR, 2009 and Penalty proposed to be imposed upon them as per Regulation 12(8) of the HCCAR, 2009 read with 158(2) of the Customs Act, 1962 and Penalty under Section 117 of the Customs Act, 1962 ought not to be imposed and the proceedings so initiated ought to be dropped.

## 5. **RECORD OF PERSONAL HEARING**

A personal hearing was granted to CCSP, as requested. Ms. Alex Renita Ann, Advocate and authorized representative of CCSP, appeared for personal hearing virtually held on 19.01.2026 at Webex platform. With regard to the allegations of finding hazardous cargo along with general cargo in general shed, she submitted that the goods kept at various locations along with general cargo in the general shed, particularly in Shed H and Shed I, were meant for export and were exported on the same day, i.e., the day of inspection by the CCSP Cell Officers. Regarding allegations of execution of bond of lesser amount than required, she accepted that the bond amount was not in accordance with the conditions

prescribed under HCCAR, 2009, although the CFS had submitted a corrected bond prior to the issuance of the instant SCN. Further, she reiterated her written submissions dated 14.06.2024 and 19.12.2025.

## 6. **DISCUSSIONS AND FINDINGS**

6.1 I have carefully considered the Show Cause Notice No. 327/2024-25/CCSP/CAC/JNCH dated 21.05.2024, the reply dated 14.06.2024 submitted by CCSP, Inquiry Officer's Report dated 26.11.2025 and the CCSP's submissions dated 19.12.2025.

6.2. The primary issues for consideration before me are:

(i) Whether M/s. JWR Logistics Pvt. Ltd., as an approved Customs Cargo Service Provider (CCSP), failed to discharge its statutory obligations under the Handling of Cargo in Customs Areas Regulations, 2009 (HCCAR, 2009) and contravened the provisions thereof, and the Customs Act, 1962, as alleged in the Show Cause Notice attracting penal provisions under Regulation 12(8) of HCCAR, 2009 read with Section 158(2) and/or Section 117 of the Customs Act, 1962, in relation to improper storage of hazardous cargo outside the designated hazardous cargo area and intermingled with general cargo; and execution of bonds of lesser amount than mandatorily prescribed under Regulation 5(3) and 5(4) of HCCAR, 2009

(ii) Whether the approval granted to the CCSP as Customs Cargo Service Provider (CCSP) is liable for suspension or revocation under Regulation 11 of HCCAR, 2009

6.3. Regarding first issue for consideration, I find that the Inspection Report dated 13.02.2024, supported by photographic evidence, shows that approximately 10 lots of hazardous cargo were found stored in open areas outside the MPCB-approved hazardous storage zone; and approximately 180 lots of hazardous export cargo were found stored inside general sheds H and I, intermingled with non-hazardous cargo. These facts are not disputed by the Noticee. The presence of hazardous cargo in general sheds is also acknowledged in the Annual Audit Report for FY 2022–23. The CCSP was granted permission to handle hazardous cargo subject to strict compliance with conditions stipulated in:

- Hazardous Cargo Permission dated 08.03.2023, particularly Para 8 thereof;
- Rule 4(b) of the MSIHC Rules, 1989 mandating isolated storage of hazardous chemicals;

- General Condition No. 15 of the MPCB Consent dated 24.12.2021 requiring a separate storage yard for chemicals;
- Para 1 of Annexure A to CBIC Circular No. 4/2011-Cus dated 10.01.2011 mandating isolated storage of hazardous cargo, duly separated from general cargo;
- Regulation 6(1)(i) of HCCAR, 2009, casting a strict responsibility on the CCSP to ensure safety and security of goods under its custody; and
- Regulation 6(1)(q) of HCCAR, 2009, mandating compliance with all applicable laws, rules, regulations, notifications and orders.

These provisions form an integrated and mandatory safety framework governing hazardous cargo. The CCSP has contended that the hazardous cargo found in general sheds was meant for same-day export, was sealed and packed, and was temporarily placed pending consolidation and stuffing. I find that this defence is not legally tenable. The regulatory framework governing hazardous cargo does not recognise or permit any distinction between temporary, short-term or long-term storage. The obligation of isolated and segregated storage applies from the moment hazardous cargo enters the customs area until it exits the premises. The risks associated with hazardous chemicals—such as fire, leakage, explosion or chemical reaction—are immediate in nature and are not dependent on the duration of storage. Further, CBIC Circular No. 40/2016-Cus dated 26.08.2016, relied upon by the CCSP, does not dilute the fundamental requirement of segregation and isolation. In fact, pursuant to the decision of the High Court in the Writ Petition No. 3651/2011, a joint Technical Committee comprising of Members from MOEF, Ministry of Shipping, CBEC, Port Trust, etc., was constituted to give recommendations on the distance(s) to be maintained between the hazardous cargo and the general cargo in the customs area on one hand and between the hazardous cargo and the administrative building on the other, and the aforesaid circular prescribed the guidelines in so far as prescribing the distance to be maintained between hazardous cargo including explosives and general cargo or administrative building in a Customs area and does not authorize intermingling of hazardous cargo with general cargo or storage in open areas. The argument of the CCSP that they had complied with Circular 40/2016 which acts as an amendment to the guidelines prescribed vide Circular No. 4/2011-Cus dated 10.01.2011 by applying for permission for constructing a fire resistant wall in the existing warehouse no. H & I thereby creating exclusive spaces for handling hazardous cargo vide letter dated 19.03.2024 is misplaced as the use of these warehouses for storing hazardous cargo was found during audit which took place from 17.1.2024 to 25.1.2024 much before the CCSP had applied for permission for construction of fire resistant wall.

6.4 The CCSP has relied upon the decision of the Hon'ble CESTAT, Mumbai in *APM Terminals India Pvt. Ltd.* to argue lack of jurisdiction of Customs authorities over environmental regulations. I find that such reliance is misplaced in the present case. The present proceedings are not an independent enforcement of MSIHC Rules or environmental laws per se. The Handling of Cargo in Customs Areas Regulations, 2009 (HCCAR) were examined by the Parliamentary Committee on Subordinate Legislation and it was recommended by the Committee that conditions under Regulation 5 which concerns overall safety and security of the premises may not be subjected to exemption by any authority and these suggestions of the Parliamentary Committee on Subordinate Legislation have been accepted by CBIC. Accordingly, it was decided that no relaxation or exemption from requirements on safety and security of premises shall be allowed by Commissioners of Customs to the Custodians or Cargo Service Providers and CBIC had framed guidelines on safety and security of premises where imported or export goods are loaded, unloaded, handled or stored, which are set out at Annexure-A to the CBIC Circular 4/2011 dated 10.1.2011, the first of which is

“ (1) The imported goods or export goods which are hazardous in nature, shall be stored at the approved premises of the CCSP in isolated place duly separated from other general cargo, depending upon classification of its hazardous nature...”

Therefore, I find that the current issue at hand is different from the CESTAT's decision in the case of APM Terminals which dealt with storage of hazardous cargo beyond permissible limits. The obligation under HCCAR, 2009, for safe storage of cargo has been buttressed by the recommendations of the Parliamentary Committee on Subordinate Legislation which has been implemented by CBIC by framing guidelines which enjoin CCSPs to segregate hazardous and general cargo. Hence, I find the CCSP to be in violation of Regulations 6(1)(i) and 6(1)(q) of HCCAR, 2009 for endangering the safety and security of imported and export goods under its custody by wilfully mixing the hazardous and general cargo and failing to abide by guidelines issued by CBIC in this regard.

6.5. Regarding issue No. (ii) for consideration, I find that the Inspection Report shows that the Noticee had executed a bond of Rs. 3 Crores under Regulation 5(3) against the required amount of Rs. 81 Crores; and a bond of Rs. 57 Crores under Regulation 5(4) against the required amount of Rs. 65.41 Crores. The CCSP has not disputed the shortfall and has admitted that the correct bonds were executed only on 07.03.2024, after the audit objection. Regulations 5(3) and 5(4) of HCCAR, 2009 are explicit, mandatory and leave no discretion to the CCSP. Execution of bonds of the prescribed amount is a pre-condition for lawful

operation as a Customs Cargo Service Provider. Operating for a substantial period with inadequate bond coverage undermines the revenue safeguards and statutory control mechanism envisaged under HCCAR. Subsequent rectification of the bond deficiency does not obliterate or condone the violation that existed during the relevant period. Compliance after detection cannot absolve past non-compliance. I therefore hold that the CCSP has violated Regulations 5(3) and 5(4) of HCCAR, 2009, and consequently Regulation 6(1)(q), by operating with insufficient bond coverage for a considerable period.

6.6. In view of the above, I find that the CCSP has violated Regulations 6(1)(i) and 6(1)(q) of HCCAR, 2009 by storing hazardous cargo in general sheds and open areas outside the approved hazardous storage zone. The CCSP has also violated Regulations 5(3) and 5(4) of HCCAR, 2009 by executing bonds of lesser amount than mandatorily prescribed. The violations are serious and substantive in nature and attract penalty under Regulation 12(8) of HCCAR, 2009 read with Section 158(2) of the Customs Act, 1962. However, taking into account the subsequent compliance and the fact that no loss to revenue has been alleged, I refrain from suspension or revocation of approval granted as CCSP under Regulation 11 of HCCAR, 2009, and consider monetary penalty to be an adequate deterrent at this stage.

6.7. The CCSP has stated that Regulation 12(8) providing for penalty does not say that penalty is imposable on each of the contraventions but it says that if the CCSP contravenes any of the provisions of the Regulations, then they are liable to penalty to the extent of Rs. 50,000/-. They have further submitted that if the intention of the legislature was to provide for imposition of penalty for each of the contravention, the legislature would have said so specifically. Therefore, imposition of penalty of more than Rs. 50,000/- is not permitted under the law.

Regulation 12(8) is reproduced hereunder:

“(8) If any Customs Cargo Service provider contravenes any of the provisions of these regulations, or abets such contravention or who fails to comply with any provision of the regulation with which it was his duty to comply, then, he shall be liable to a penalty which may extend to fifty thousand rupees.”

I, therefore, find that for contravention or failure to comply with **any** regulation, penalty upto fifty thousand rupees can be imposed. I therefore, proceed to impose penalty of Rs. 50,000/- for failing to ensure the safety of cargo as set out in Regulation 6 (1)(i) and Rs. 50,000/- for failing to execute bond of requisite amounts as set out in Regulations 5(3) and 5(4) of HCCAR, 2009 on the CCSP. For failing to follow the guidelines of CBIC in respect of

storage of hazardous cargo in designated areas, I proceed to impose penalty under Section 117 of the Customs Act, 1962 on the CCSP.

7. In view of the foregoing discussion and findings, I hereby pass the following Order:

### **ORDER**

7.1. I refrain from taking any action under Regulation 11 of the Handling of Cargo in Customs Areas Regulations, 2009 for suspension or revocation of approval granted as Customs Cargo Service Provider to M/s. JWR Logistics Pvt. Ltd.

7.2. I impose a penalty of Rs. 1,00,000/- (Rupees one lakh only) under Regulation 12(8) of the Handling of Cargo in Customs Areas Regulations, 2009 read with Section 158(2) of the Customs Act, 1962 and Rs. 4,00,000/- (Rupees Four lakh only) under Section 117 of the Customs Act, 1962 on M/s. JWR Logistics Pvt. Ltd.

7.3. This order is issued without prejudice to any other action that may be initiated against the CCSP or any other person under the provisions of the Customs Act, 1962 or any other law for the time being in force in the Republic of India.

Digitally signed by  
Bhetanabhotla Sumidaa Devi  
Date: 28-01-2026 15:38:14

**(B. SUMIDAA DEVI)**  
Commissioner of Customs  
NS- General/JNCH

To

M/s. JWR Logistics Pvt. Ltd.  
15-45, National Highway,  
4 B Panvel-JNPT Highway,  
Village Padeghar, Panvel – 410 206.

Copy to:

1. The Chief Commissioner of Customs, Mumbai Customs Zone-II, JNCH
2. DC/AC, M/s. JWR Logistics Pvt. Ltd.

3. DC/AC, CAC, JNCH
4. DC/AC, CRRC, JNCH
5. DC/AC, AEO Section, NS-III, JNCH
6. The Superintendent (P), CHS Section – for display on JNCH Notice Board.
7. Office Copy

