



सत्यमेव जयते

सीमा शुल्क आयुक्त (सामान्य) का कार्यालय
OFFICE OF THE COMMISSIONER OF CUSTOMS (GENERAL)
सीमा शुल्क कार्गो सेवा प्रदाता सेल,
Customs Cargo Service Provider (CCSP) Cell
जवाहरलाल नेहरू सीमा शुल्क भवन,
Jawaharlal Nehru Custom House
पो: शेवा, ता: उरण, नवी मुंबई ४००७०७,
PO: Sheva, Tal Uran, Navi Mumbai-400707



INDIAN CUSTOMS

फा. कर्मांक File no : GEN/922/2024-CCSP-O/O COMMR-CUS-GEN-NHAVA SHEVA

SCN No.: 566/2024-25/COMMR/CCSP/NS-G/CAC/JNCH, dated 14.06.2024.

DIN no. DIN कर्मांक: 20260278NU000000CF1B

आदेश कर्मांक Order no. : 391/2025-26/COMMR/CCSP/NS-G/CAC/JNCH

आदेश की तारीख **Date of Order : 18.02.2026**

जारी करने की तारीख Date of Issue : 18.02.2026

आदेश कर्ता Passed by : Smt. B. Sumidaa Devi, Commissioner of Customs (G), JNCH

पार्टी का नाम: Name of Party : M/s. Continental Warehousing Corporation (Nhava Seva) Private Limited

ORDER-IN-ORIGINAL

मूलआदेश

- The copy of this Order-in-Original is issued free of charge for the use of the person to whom it is issued.
- इस आदेश की मूल प्रती, जिस व्यक्ति को जारी की जाती है, उसके उपयोग के लिए निःशुल्क दी जाती है।
- 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.
- इस आदेश से व्यथित कोई भी व्यक्ति सीमा शुल्क अधिनियम, 1962 की धारा 129A के तहत इस आदेश के विरुद्ध सीईएसटीएटी, पश्चिम क्षेत्रीय बेंच, 34, पीडी. मेलो रोड ., मस्जिद (पूर्व), मुंबई - 400009 को अपील कर सकता है, जो उक्त अधिकरण के सहायक रजिस्ट्रार को संबोधित होगी।
- 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 lakhs. (c) Rs. Ten Thousand - Where amount of duty & interest demanded & penalty imposed is more than Rs. 50 Lakh.3.अपील दायर करने के संबंध में मुख्य बातें:

- फॉर्म – फॉर्म नंबर सीए3-, चार प्रतियों में, तथा उस आदेश की चार प्रतियां, जिसके खिलाफ अपील की गई है। इन चार प्रतियों में से कम से कम एक प्रति प्रमाणित होनी चाहिए।
- समय सीमा- इस आदेश के सुचना की तारीख से 3 महीने के भीतर।
- शुल्क:

(क) एक हजाररुपये -जहां मांगे गए शुल्क एवं ब्याज तथा लगाई गई शास्ति की रकम 5 लाख रुपयेया उससे कम है।

(ख) पांच हजा ररुपये - जहां मांगे गए शुल्क एवं ब्याज तथा लगाई गई शास्ति की रकम 5 लाख रुपये से अधिक परन्तु 50 लाख रुपयेसे कम है।

(ग) दस हजाररुपये - जहां मांगे गए शुल्क एवं ब्याज तथा लगाई गई शास्ति की रकम 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.

□ **भुगतान का तरीका:** सहायक रजिस्ट्रार, सीईएसटीएटी, मुंबई के पक्ष में राष्ट्रीयकृत बैंक से मुंबई में देय रेखांकित बैंक ड्राफ्ट।

□ 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 – नरल कानून के प्रावधानों तथा उपरोक्त और अन्य संबंधित मामलों के लिए सीमा शुल्क अधिनियम, 1962, सीमा शुल्क 1982 ,अपील) नियम) तथा सीमा शुल्क, उत्पाद शुल्क और सेवा कर अपीलीय न्यायाधिकरण 1982 ,प्रक्रिया) नियम) निर्दिष्ट किए जा सकते हैं।

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.

इस आदेश के विरुद्ध अपील करने का इच्छुक कोई भी व्यक्ति, अपील लंबित होने पर, **मांग किए गए शुल्क या** उसमें लगाए गए दंड का 7.5% जमा करेगा और अपील के साथ ऐसे भुगतान का प्रमाण प्रस्तुत करेगा, जिसमें विफल रहने पर अपील सीमा शुल्क अधिनियम, 1962 की धारा 129E के प्रावधानों का पालन न करने के कारण अस्वीकार किए जाने के लिए उत्तरदायी होगी।

BRIEF FACTS OF THE CASE

1.1 The Container Freight Station (CFS) of M/s. Continental Warehousing Corporation (Nhava Seva) Private Limited, located at Village - Khopta, Taluka - Uran, Dist.- Raigad, Maharashtra-400702 was declared as a Customs Area under Section 8 of the Customs Act, 1962 vide Notification No. 01/2006 dated 12.01.2006 and was appointed as Custodian vide Notification No. 02/2006 dated 12.01.2006.

1.2 Further, vide Notification No. 03/2010 dated 14.01.2010, 04/2015 dated 24.02.2015 and Public Notice No. 99/2020 dated 07.08.2020, M/s. Continental Warehousing Corporation (Nhava Seva) Private Limited in respect of its Notified area, had been appointed as Custodian and Customs Cargo Service Provider (CCSP) for the further period up to 13.01.2025. The said validity was further extended to 13.01.2030 subject to AEO-LO validity vide Public Notice No. 51/2022 dated 05.08.2022. Vide the same Public Notice, the name of the CFS was changed from Continental Warehousing Corporation (Nhava Sheva) Limited to Continental Warehousing Corporation (Nhava Sheva) Private Limited. The activities of the said 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. Continental Warehousing Corporation (Nhava Seva) Private Limited CFS, was appointed as a 'Customs Cargo Services Provider' subject to following conditions:

"The Custodian M/s. Continental Warehousing Corporation (Nhava Seva) Private Limited CFS, approved as Customs Cargo Services Provider for the said CFS and shall abide by all the provisions of The Customs Act, 1962 and the rules of the Handling of Cargo in Customs Areas Regulations 2009 ("HCCAR,2009"), other regulations, notifications and orders issued thereunder."

1.3 A letter dated 10.08.2023 was received from the CCSP seeking "Permission to revamp the gate complex". The CCSP was asked whether prior permission had been taken from Customs for "Demolition of Existing Gate Complex".

1.4 In their reply dated 12.03.2024, the CCSP admitted that the existing gate complex had been demolished without taking prior permission from Customs, stating that it was in dilapidated condition.

1.5 From CCTV Camera records of the CFS, it was found that the demolition work of the existing gate complex had been conducted between 29.07.2023 to 02.08.2023.

The CCSP had neither taken permission from Customs nor informed Customs before commencing demolition work. After demolition of existing gate complex, the CCSP had requested for "permission for revamping of gate complex" vide their letter dated 10.08.2023.

1.6 The demolition of any existing construction within a Customs notified area without prior permission of Customs appeared to be a violation of regulation 6(1)(n) of HCCAR, 2009 as Regulation 6(1)(n) of HCCAR, 2009 states that the CCSP shall "not make any alteration in the entry or exit points or boundary wall without the permission of the Commissioner of Customs."

1.7 Further, demolition of any existing construction within a Customs notified area without prior permission prima facie appeared to be a violation of the following conditions as mentioned in CFS notifications and Public Notices issued for the establishment and extending the validity of CFS:

- a) Condition 10 and 20 of Notification No. 02/2006 dated 12.01.2006.
- b) Condition 1, 10 and 20 of Notification No. 22/2006 dated 08.06.2006.
- c) Condition 1 of Notification No. 03/2010 dated 14.01.2010
- d) Condition 1 of Notification No. 04/2015 dated 24.02.2015
- e) Condition 3(i) of Public Notice No. 99/2020 dated 07.08.2020 and
- f) Condition 4(i) of Public Notice No. 51/2022 dated 05.08.2022

1.8 In view of the above, it appeared that the CCSP failed to follow regulation 6(1)(n) of HCCAR, 2009 as well as relevant conditions mentioned in various licence conditions. By violating the Regulations 6(1)(n) of HCCAR, 2009, the CCSP appeared to have violated the Section 141(2) of Customs Act, 1962 and thus liable to be penalized under Section 117 of Customs Act, 1962 as well as under Regulation 12 (8) of HCCAR 2009.

2. Relevant Provisions of Laws and Regulations: -

The legal framework applicable is as follows:

a. Regulation 6(1)(n) of the Handling of Cargo in Customs Areas, Regulations, 2009:

Responsibilities of Customs Cargo Service Provider:

The Customs Cargo Service Provider shall-

“not make any alteration in the entry or exit points or boundary wall without the permission of the Commissioner of Customs.”

b. Clause (q) of sub-rule (1) of regulation 6 of the Handling of Cargo in Customs Areas, Regulations, 2009:

Responsibilities of Customs Cargo Service Provider:

The Customs Cargo Service Provider shall- “abide by all the provisions of the Act and the rules, regulations, notifications and orders issued thereunder”.

c. Regulation 11 of the Handling of Cargo in Customs Areas, Regulations, 2009:

Suspension or revocation of approval for appointment of a Customs Cargo Service provider:

(1) 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 Act and the rules, regulations, notifications and orders made thereunder;

(2) Notwithstanding anything contained in sub-regulation (1), the Commissioner of Customs may, in appropriate cases where immediate action is necessary, suspend the approval granted to a Customs Cargo Service provider where an enquiry against such Customs Cargo Service provider is pending or contemplated.

d. Regulation 12 of the Handling of Cargo in Customs Areas, Regulations, 2009:

(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.

e. Section 141 of the Customs Act, 1962:

Conveyances and goods in a customs area subject to control of officers of customs-

Section 141 (2) of the Customs Act, 1962 provides that-

“The imported or export goods may be received, stored, delivered, dispatched or otherwise handled in a customs area in such manner as may prescribed and the responsibilities of persons engaged in the aforesaid activities shall be such as may be prescribed.”

f. Section 117-

“Penalties for contravention, etc., not expressly mentioned. —Any person who contravenes any provision of this Act or abets any such contravention or who fails to comply with any provision of this Act with which it was his duty to comply, where no express penalty is elsewhere provided for such contravention or failure, shall be liable to a penalty not exceeding [four lakh rupees]”.

3. Hence, the CCSP, M/s. Continental Warehousing Corporation (Nhava Seva) Private Limited was called upon to Show Cause vide Notice No. SCN no.:566/2024-25/COMMR/CCSP/NS-GEN/CAC/JNCH dated 14.06.2024 to the Commissioner of Customs (General) as to why:

a. Action should not be initiated under Regulation 11 of HCCAR, 2009 for suspension or revocation of their appointment as Customs Cargo Service Provider.

b. Penalty as per Regulation 12(8) of HCCAR, 2009 should not be imposed.

c. Penalty under Section 117 of the Customs Act, 1962 should not be imposed.

4. The Noticee submitted a written reply dated 14.08.2024 denying the allegations and asserting that they had not violated Regulation 6(1)(n) of the HCCAR. They contended that proper Entry & Exit arrangements were intact as was earlier, also no alteration was made to the boundary walls of the CFS.

- that the gate complex was in a dilapidated condition and they were in the process of obtaining various legal and other approvals required for demolition and revamping of the gate complex.

- that one night the gate complex started to fall wherein their management had to take a call and demolish the gate complex to avoid any casualty or damage to the in and out movement at the gate.

- Gate being the main entry/exit point the next day they immediately submitted letter to CCSP cell for revamping the gate complex.

5.1 In terms of Regulation 12 of HCCAR, 2009, the Assistant Commissioner of Customs, CCSP Cell, JNCH, was appointed as Inquiry Officer. The Noticee was granted personal hearing on 09.07.2025, and their written submissions dated 10.07.2025 and 16.07.2025 was taken on record.

5.2 During the inquiry and personal hearing, the Noticee's authorised representative reiterated these submissions, relied upon deposition of their Manager under Section 108 of the Customs Act, submitted layout plans and CCTV stills of the CFS, and argued that the SCN travelled beyond the scope of Regulation 6(1)(n).

a. that the allegations in the subject SCN have been made on the basis of incorrect inference drawn from existing facts. The "existing gate complex" was the structure which housed the Customs, security and the Gate staff and was not a part of the compound wall or the Entry and Exit gate.

b. That the gate complex in question had become structurally unsafe and posed a serious risk to personnel, operations and public safety.

c. that in the night of 9.8.23 a portion of the roof slab fell down, hence the decision to demolish the structure was taken the next morning.

d. that though no official communication had been sent to inform the CCSP Cell about the demolition, the demolition work was carried out in the presence of the gate officer.

e. that there was no alteration to the entry and exit points in terms of layout, location or access control and customs control over entry and exit gates was fully preserved.

f. That no grounds exist for actions under Regulation 11, 12(8) HCCAR 2009 or Section 117 Customs Act 1962; and prayed for dropping proceedings.

5.3 The salient points of the inquiry report dated 29.09.2025 of the inquiry officer are as follows:

a. The IO found that the existing gate complex was integral to the entry and exit arrangements of the CFS, functioning as the facility for Customs and security checks. Its demolition must therefore be treated as an alteration of the entry and exit system.

b. The demolition of the gate complex materially affected the regulation of ingress and egress because the infrastructure designated for gate control was removed without any approved replacement. Consequently, entry and exit operations were

adversely impacted.

c. The IO found that the demolition of existing gate complex without prior permission amounted to an alteration of the entry and exit arrangements of the CFS, which falls within the prohibition under Regulation 6(1)(n) of HCCAR, 2009. Hence, violation of this regulation is established.

d. The action also contravened the conditions of Notification Nos. 02/2006, 22/2006, 03/2010, 04/2015 and Public Notices Nos. 99/2020 and 51/2022, all of which mandate that no structural alteration shall be made within the notified customs area without prior approval. By undertaking demolition without such approval, the CCSP breached the licence conditions and contravened Section 141(2) of the Customs Act, 1962.

e. The IO found that the noticee failed to adhere to the statutory requirements, thereby undermining the regulatory control of Customs over the CFS and therefore held them to be liable for action under Regulation 11 and penal action under Regulation 12(8) of HCCAR, 2009 and Section 117 of the Customs Act, 1962.

6. The CCSP subsequently raised objections to the Inquiry Report on 27.11.2025 on the following grounds:

- a. Lack of evidentiary foundation for the findings
- b. Misapplication of Regulation 6(1)(n) arguing that the gate complex was an ancillary structure not constituting the entry/exit point
- c. Violation of principles of natural justice
- d. No mens rea or operational disruption

Record of Personal Hearing

7.1. Personal Hearing in this matter was fixed on 10.12.2025. It was attended by Mr. Manoj Das (Authorized Consultant of M/s Continental Warehousing Corporation (Nhava Sheva) Pvt. Ltd.) and Mr. Shaikh Anurarddin, Manager (Operations), M/s Continental Warehousing Corporation (Nhava Sheva) Pvt. Ltd.

7.2. They submitted that in July 2023, the CCSP had taken permission from Gram Panchayat for repair of the gate complex. In August, 2023 due to incessant rains the gate caved in, Demolition of gate complex started on 08.08.2023 and on 10.08.2023

they had sought acceptance to rebuild the gate premises from the Jurisdictional Commissioner.

- that they had written 5 letters to the CCSP cell dated 10.08.2023, 13.09.2023, 18.10.2023, 13.02.2024 and 12.03.2024 seeking permission to revamp the aforementioned gate complex.

- that the gate complex was within the premises of the CFS and beyond the gate where the vehicles are stopped. He submitted that their contentions to this effect have not been considered by the inquiry officer.

- that they were not required to seek permission for rebuilding the gate complex; however, as a matter of abundant precaution they have sought permission.

- that the CCSP had not sought permission but had informed the Jurisdictional Commissioner about the fact of rebuilding the gate, to which they agreed.

7.3. They reiterated that their written submissions dated 27.11.2025 in this regard and requested to drop the SCN.

DISCUSSION AND FINDINGS

8.1. I have gone through the brief facts of the case, show cause notice served to M/s. Continental Warehousing Corporation (Nhava Seva) Private Limited (hereinafter referred to as the noticee/CCSP), reply to the SCN, oral submissions of the Noticee in the personal hearings granted to them and the Inquiry report.

8.2. The primary issues for consideration before me are:

i. Whether the noticee has contravened the provisions of the Handling of Cargo in Customs Areas Regulations, 2009 and the Customs Act, 1962 as alleged in the SCN attracting penal provisions under Regulation 12(8) of HCCAR, 2009 and Section 117 of the Customs Act, 1962; and

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

8.3. I find that the subject Show Cause Notice was issued on the grounds that the CCSP had demolished an existing constructed structure within a Customs notified area without prior permission of Customs thereby violating regulation 6(1)(n) of

Handling of Cargo in Customs Areas Regulations, 2009 and Condition 10 and 20 of Notification No. 02/2006 dated 12.01.2006, Condition 1, 10 and 20 of Notification No. 22/2006 dated 08.06.2006, Condition 1 of Notification No. 03/2010 dated 14.01.2010, Condition 1 of Notification No. 04/2015 dated 24.02.2015, Condition 3(i) of Public Notice No. 99/2020 dated 07.08.2020 and Condition 4(i) of Public Notice No. 51/2022 dated 05.08.2022.

8.4. For ease of reference, the relevant condition 3(i) of Public Notice No. 99 /2020 dt 7.8.2020 is reproduced below:

“Further, in exercise of the powers conferred on me under Regulation 10 of the ‘Handling of Cargo in Customs Areas Regulations 2009’ hereby renew the approval of M/s. Continental Warehousing Corporation (Nhava Sheva) Limited as the ‘Customs Cargo Services Provider’ for CFS M/s. Continental Warehousing Corporation (Nhava Sheva) Limited subject to the following conditions: (i) The Custodian M/s. Continental Warehousing Corporation (Nhava Sheva) Limited approved as ‘Customs Cargo Services Provider’ shall abide by all the provisions of the Customs Act, 1962, the rules of the ‘Handling of Cargo in Customs Areas Regulations, 2009’ and other regulations, notifications, orders issued there under. “

8.5. The condition basically exhorts the CCSP to adhere to all the provisions of the Customs Act, 1962 and the Regulations, Notifications and orders issued thereunder and nothing specific regarding demolition of structures within the customs notified area is mentioned. Also, the other conditions referred to in various notifications and Public Notices cited in para 9.3 are similar in that they place the responsibility on the CCSP to adhere to the provisions of the Customs Act, 1962 and various regulations and orders issued thereunder.

8.6. I observe that the allegation in the Show Cause Notice is that the demolition of the existing “gate complex” was conducted between 29.7.2023 to 02.08.2023 as per CCTV camera records. However, as pointed out by the CCSP, such CCTV camera records have not been relied upon in the SCN. The Inquiry Officer in his report reiterates that **the Show Cause Notice has established that the demolition of** the existing gate complex took place between 29.07.2023 and 02.08.2023 but has not adduced any further evidence for the same. However, the fact remains that the gate complex was demolished, a fact that the noticee agrees to. The question before me is then whether the demolition of any existing construction **within** a Customs notified area without prior permission of Customs is a violation of regulation 6(1)(n) of HCCAR, 2009.

8.7. Regulation 6(1)(n) of the Handling of Cargo in Customs Areas Regulations,

2009 casts a responsibility on the Customs Cargo Service Provider to not make any alteration in the entry or exit points or boundary wall without the permission of the Commissioner of Customs. Although the Inquiry Officer contends that the gate complex was not merely an “*ancillary building*” but an integral part of the entry/exit control system of the CFS, the demolition of which directly altered the manner in which entry and exit were supervised, I find that the gate complex was situated within the customs notified area, as has been mentioned in the SCN, beyond the entry and exit points. I therefore find that demolition of the gate complex did not constitute a change in the entry and exit points. I also find that there is no allegation in the SCN that alternate arrangements were **not** in place to ensure continuity of Customs control, officer safety, cargo security, or regulated access during or after the demolition. Neither has the Inquiry Report brought out any specific instance of cargo security being compromised because of the demolition of the gate complex.

8.8. I, therefore, find that the demolition of the gate complex which was an existing constructed structure within the customs notified area as mentioned in the SCN does not constitute any alteration in the entry/exit points or boundary wall covered under Regulation 6(1)(n) of the Handling of Cargo in Customs Areas Regulations, 2009 requiring the permission of Commissioner of Customs as the same remained unaltered. And I find that no other ground for violation of regulation 6(1)(q) of HCCAR, 2009 which requires the CCSP to abide by all the provisions of the Act and the rules, regulations, notifications and orders issued thereunder is made out in the SCN.

8.9. I find that since the main allegation of violation of the Handling of Cargo in Customs Areas Regulations, 2009 by not obtaining prior permission for demolition of gate complex is not proved, therefore the proposal for action under Regulation 11 and penal action under Regulation 12 of HCCAR, 2009 and section 117 of the Customs Act, 1962 must consequently fail.

Accordingly, I pass the following order:

ORDER

9. I drop all proceedings initiated vide Show Cause Notice No. 566/2024-25/COMMR/CCSP/NS-G/CAC/JNCH dated 14.6.2024.

This order is issued without prejudice to any other action that may be initiated against the noticee 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.

(B. Sumidaa Devi)
Commissioner of Customs
(NS General), JNCH

To,

M/s. Continental Warehousing Corporation (Nhava Seva) Pvt. Ltd.
Village - Khopta, Taluka- Uran,
Dist Raigarh,
Maharashtra- 400702.

Copy to:

1. The Chief Commissioner of Customs, Mumbai Customs, Zone-II, JNCH.
2. M/s. Continental Warehousing Corporation (Nhava Seva) Pvt. Ltd.
3. The DC/AC, CRAC, Mumbai-II, JNCH.
4. The DC/AC, CRRC, JNCH.
5. The DC/AC, AEO section, NS III, JNCH.
6. Superintendent (P), CHS Section, JNCH – For display on JNCH Notice Board.
7. Office Copy