



आयुक्त (सामान्य) सीमाशुल्क का कार्यालय

OFFICE OF THE COMMISSIONER OF CUSTOMS (GENERAL)

कस्टम ब्रोकर अनुभाग, नवीन सीमाशुल्क भवन, बेलार्ड इस्टेट, मुंबई - I

**CUSTOMS BROKER SECTION, NEW CUSTOM HOUSE, BALLARD
ESTATE, MUMBAI - 400001**
Email-Id: cbsec.nch@gov.in

**F. No. GEN/CB/451/2025-CBS
DIN:**

Order Date: 07-01-2026

ORDER NO. 21 /2025-26 CBS

M/s. M.D. Shipping Agency, CHA 11/ 1016, having registered address: 52 MINT BACK ROAD, DOUBLE VIEW BL2ND FLOOR, R.N.16/17, FORTMUMBAI-400-001 (hereinafter referred to as the Customs Broker/CB), is the holder of Customs Broker License No. (11/1016), 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.

An offence report regarding the offence made by the CB, issued by the Addl. Commissioner of Customs, CAC(Drawback)/NS-II, JNCH vide F. No. S-10-57/2010/ADJ(X) was received in the Customs Broker Section, NCH, Zone-I, Mumbai, with all the RUDs on 29.10.2025.

Brief facts of the case

Intelligence was developed by the Headquarters Investigation Unit (HQIU) of R&I Division, indicating that several exporters were engaged in fraudulent exports of sub-standard goods under the Duty Drawback Scheme by highly inflating the declared FOB value of goods with the sole intention of availing ineligible drawback amounts. It was further gathered that such exporters typically procure residential premises on rent, obtain IEC registration, arrange exports for a short period of time, claim drawback, and subsequently vacate the premises without realizing export proceeds, making revenue recovery impossible at a later stage.

2. Based on specific inputs, enquiries were initiated against M/s. Target International (IEC No. 0304059692), showing the declared address as 407,

A-Wing, Building No. C/3, Kanya Pada, Film City Road, Goregaon (East), Mumbai-400063. The exporter had filed a total of 40 Shipping Bills for export of readymade garments from Jawaharlal Nehru Port, Nhava Sheva. The Customs Brokers utilized for filing Shipping Bills were identified as:

M/s. Franc Cargo Clearing Services, CHA No. 11/964

M/s. Sunil Shipping Agency, CHA No. 11/616

M/s. Rishad Shipping & Clearing Agency Pvt. Ltd., CHA No. 11/1149

M/s. M.D. Shipping Agency, CHA No. 11/1016

3. Initial enquiry revealed that no exporter existed at the declared address. Accordingly, summonses were issued to the proprietor of M/s. Target International, Shri Manoj Puneet Agarwal, on multiple occasions, to secure his presence and obtain his statement. Summonses dated 26.10.2006, 17.11.2005, 02.02.2008 and 01.04.2008 were issued; however, all summonses were returned undelivered by the postal authorities with the remark "Not Known", indicating that the firm and proprietor were non-traceable.

4. Investigation revealed that a total of 40 Shipping Bills were filed in the name of M/s. Target International, out of which 25 consignments were actually exported and Let Export Orders (LEO) were granted, while 15 Shipping Bills remained un-shipped. The total declared FOB value of the exported goods was ₹3,72,60,232/- and the total drawback claimed amounted to ₹26,10,660/. No Bank Realisation Certificates (BRCs) were submitted in respect of the exported consignments, and the exporter was non-traceable, indicating that the exporter appeared to be fictitious.

5. Statement of Shri Manoj Rane/ Branch manager, HDFC Bank, Goregaon (E) was recorded by HQIU, R&I on 06.12.2005 wherein he inter-alia stated that the current account of M/s. Target International was opened with an initial deposit of ₹10,000/- on 24.10.2004 based on PAN card and Shop & Establishment documents submitted by Shri Manoj Puneet Agarwal and that no documents relating to foreign remittance or realization of export proceeds were ever submitted by the party.

6. Statement of Shri Deepak Kantilal Joshi, Partner of M/s. M.D. Shipping Agency, CHA 11/ 1016 was recorded under Section 108 of the Customs Act 1962, on 16.10.2006, wherein he stated that the job of clearance of export was given to him by one Mr. Ashwin Daiya, staying at Mulund; that he knew Mr. Ashwin Daiya for the last two years when he (Daiya) was not having any CHA licence, therefore, he offered him clearance of two jobs; that he gave him authority letter on the letter head of M/s. Target International, signed by the proprietor but could not recognize the

signature of the proprietor ; that Shri Ashwin Daiya had given him invoice and Annexure of two consignments duly signed which were submitted by his employee to CMC for checklist and S/Bill Nos; that afterwards goods were carted at CWC, D,Node Shed No.4 by his employee; that he has made entry in their job register of two Shipping Bills. He further stated that he did not know the address of M/s. Target International and proprietor Shri Manoj Puneet Agarwal; that he did ask Shri Ashwin Daiya about the exporter's authority letter, to which he told him that the exporter is genuine party having his office at Goregaon (E), Mumbai; that he has given him a copy of IEC alongwith authority letter; that he does not know his employee's name; that Shipping Bills Nos. 3705919 and 3705913 both dated 09.09.05 were cleared by him and he submitted Xerox copies of Shipping Bills No. 3705913 and 3705919 both dated 09.09.05 and E.P. copy for the same alongwith invoice and authority letter of M/s. Target International dated 03.09.05.

6.1. Further Statement of Shri Shri Deepek Kantilal Joshi, CHA was recorded under Section IC)8 of the Customs Act, 1962 on 24.05.2010 wherein he stated that the transportation and carting was arranged by Shri Ashwin Daiya and his employee; that he is not touch with Shri Ashwin Daiya for the past one and a half year, that he never met Shri Manoj Puneet Agarwal.

7. Statement of Shri Ashwin Odhanji Daiya was recorded under Section 108 of the Customs Act, 1962 on 05.01.07, wherein he interalia stated that earlier he was working with M/s. Vecha Shipping & Transport Pvt. Ltd.; that due to lack of work he left that job in the year 1999; that on being questioned as to how he came in contact with CHA partner Mr. Deepak Joshi of M/s M.D. Shipping Agency he stated that they were staying at the same place i,e. Mulund; that thus he came in contact with Deepak Joshi and that he was knowing that Deepak Joshi was in C.H. A. business; that he does not know Shri Punit Agarwal Proprietor of M/s. Target International nor he knows his address; that he came in contact with one Mr. Santosh Mishra ; that in the month of September 2005 Mr. Santosh Mishra asked him whether he knew some C.H. A who can clear export consignment, which were very urgent to which he told him that he had to asked one Mr. Deepak Joshi of M/s. M.D. Shipping Agency for the job and agreed to do the said job. He further stated that in the first week of September 2005, Mr. Santosh Mishra handed over him the sample and documents of M/s. Target International which was given to Mr. Deepak Joshi of M/s. M.D. Shipping Agency. He further stated that Mr. Santosh Mishra told him that M/s. Target International is a genuine Exporter having his office at Goregaon East; that on being questioned as to where Mr. Santosh Mishra was working and what was his

connection with M/s. Target International, he stated that the said Mishra had told him that he was working with some garment exporter but he did not know his place of work and he only handed over him the documents of M/s. Target international; that he did not have any information about Mr. Santosh Mishra. Since no further information about Shri Santosh Mishra was given by any other person, no further enquiry could be conducted to locate the said person.

8. Summary:-

This is a case involving fraudulent availment of duty drawback by an exporter firm M/s. Target International, which was a fictitious entity deliberately floated by Shri Manoj Puneet Agarwal with the sole intention of fraudulently availing duty drawback benefits. The exporter systematically inflated the value of exported garments to claim higher drawback amounts and, thereafter, ensured that no export proceeds were realized from abroad. By creating a non-existent business entity and evading financial traceability, the exporter rendered recovery of the drawback impossible. These acts constitute serious violations of Section 113 and Section 114 of the Customs Act, 1962, Rule 16A of the Customs and Central Excise Duties Drawback Rules, 1995, as well as provisions governing mandatory realization of export proceeds, thereby causing intentional loss to the Government exchequer. Shri Deepak Kantila1 Joshi, Partner of M/s. M.D. Shipping Agency, CHA 11/ 1016 aided and abetted in implementing the scheme of fraudulent duty drawback claim by clearing export consignments of 2 Shipping Bills of M/s Target International. Statement of Shri Deepak Kantila1 Joshi, Partner of M/s. M.D. Shipping Agency, CHA 11/ 1016 recorded on 16.10.2006 confirms that he confirmed that these were handled by him and the same were signed by him; that he does not know the proprietor of M/s Target International and Iris office address; that nobody came to him to handle the work of M/s. Target International and the job was done by himself with the help of his staff. Shri Deepak Kantila1 Joshi, Partner of M/s. M.D. Shipping Agency, CHA 11/ 1016, by his acts of omission and commission, has rendered himself liable for penal action under the provisions of Section 114 of the Customs Act, 1962. In view of the foregoing, and considering the grave violations and deliberate fraudulent availment of duty drawback, it is evident that the Customs Broker had engaged in the fraudulent activity floated by the exporter M/s. Target International. These actions, carried out by CB Shri Deepak Kantilal Joshi, Partner of M/s. M.D. Shipping Agency, CHA 11/ 1016 constitute a serious offence and warrants strict legal action under the Customs Broker Licensing Regulations (CBLR), 2018 and other applicable statutory provisions. Even he failed to keep vigil on his staff to monitor about what the employee is doing on behalf of the company.

9. Role of Customs Broker: -

It is evident that the Customs Broker Shri Deepak Kantilal Joshi, Partner of M/s. M.D. Shipping Agency, CHA 11/ 1016, have failed to fulfil their obligations laid down under Customs Broker Licensing Regulations (CBLR), 2018. The CB appears to have engaged in the fraudulent activity floated by the exporter. In view of the above, the relevant provisions of CBLR, 2018 outlining the obligations of customs brokers, are extracted below:

i. Sub-regulation 10 (d) of the CBLR, 2018 which reads as:

"advise his client to comply with the provisions of the Act, other allied Acts and the rules and regulations thereof, and in case of noncompliance, shall bring the matter to the notice of the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be;"

In the instant case, CB did not advise the exporter and the investigation agency has brought out that the CB has aided and abetted in implementing the scheme of fraudulent duty drawback claim by clearing export consignments of 2 Shipping Bills of M/s Target International. Even while clearing the export consignments with F.O.B. value of Rs. 1,18,94,487/- and claiming drawback of Rs. 8,38,249/-, he did not bother to verify the credentials of the exporter, which is mandated by the Regulations. Had the CB verified the credentials of the exporter, he would have raised suspicion about the propriety of the valuation of the goods. Since the CB has filed the SBs to clear the goods, hence, it was the duty of the CB to ensure correct valuation and to bring the discrepancy of overvaluation or about non-realization of export proceeds to the notice of the Custom Officers at the time of export or thereafter. Thus, it appears that the CB has violated the provisions of Regulation 10 (d) of the CBLR, 2018.

Sub-regulation 10 (n) of the CBLR, 2018, which reads as:

"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"

In the instant case, the address of the exporter was non-existent and/or fictitious, the exporter never turned up before the investigating agency to record his statement. Also, during investigation, the CB failed to submit any proof regarding the verification of address of Exporter. Further, the CB in their statement dated 16.10.2006 & 24.05.2010 inter-alia stated that he does not know the proprietor of M/s Target International and one Mr. Santosh Mishra gave him authority letter and other documents to handle the work of M/s Target International and the job was done by himself with the help of his staff. He didn't know the address of M/s Target International and

the CB has not provided any proof w.r.t. his communication with the Exporter. Hence, the CB has completely failed to verify the identity and functioning of his client at the declared address by using reliable, independent, authentic documents, data or information. He submitted Xerox copies of Shipping Bills No. 3705913 and 3705919 both dated 09.09.05 and E.P. copy for the same alongwith invoice and authority letter of M/s. Target International dated 03.09.05.

10. From the investigation, it appears that the CB Shri Deepak Kantilal Joshi, Partner of M/s. M.D. Shipping Agency, CHA 11/ 1016, through his employee knew about the overvaluation in the 02 S/Bs filed by the CB for the exporter. This fact should have been brought before the notice of the docks officer by the CB. Further, the address of the exporter was found to be available, however, no such company was existing at the said address and the same has been verified by the post office as the summons were returned with remarks "not known". Hence, it appears that the CB Shri Deepak Kantilal Joshi, Partner of M/s. M.D. Shipping Agency, CHA 11/ 1016 through his employee has actively aided & abetted the exporter in affecting fraudulent export for availing ineligible export incentives. Therefore, it appears that the CB has violated the provisions of regulation 10(d), & 10(n) of the CBLR, 2018.

11. From the investigation, it appears that the CB Shri Deepak Kantilal Joshi, Partner of M/s. M.D. Shipping Agency, CHA 11/ 1016 knew about the overvaluation in the 02 S/Bs filed by the CB for the exporter. This fact should have been brought before the notice of the docks officer by the CB. Further, the address of the exporter was found to be available, however, no such company was existing at the said address and the same has been verified by the post office as the summons were returned with remarks "not known". Hence, it appears that the CB Shri Deepak Kantilal Joshi, Partner of M/s. M.D. Shipping Agency, CHA 11/ 1016 has actively aided & abetted the exporter in affecting fraudulent export for availing ineligible export incentives. Therefore, it appears that the CB has violated the provisions of regulation 10(d), & 10(n) of the CBLR, 2018.

13. I observe that the CB has a very important role in customs clearances and a lot of trust has been placed by the Department on the CB. In a regime of trade facilitation and with more and more of the goods being facilitated by the Risk Management Systems without examination by the Customs, the role of CB has further increased so that economic frontiers of the country are well

guarded. In this regard, I rely on the judgment of the Hon'ble Supreme Court in the case of Commissioner of Customs Vs M/s K.M. Ganatra & Co has held that:

"the Customs House Agent (CHA) occupies a very important position in the customs house. The customs procedures are complicated. The importers/exporters have to deal with a multiplicity of agencies namely carriers, custodians like BPT as well as the Customs. The importers/exporters would find it impossible to clear his goods through its agencies without wasting valuable energy and time. The CHA is supposed to safeguard the interests of both the importers/exporters and the customs. A lot of trust is kept in CHA by the importers/exporters as well as by the government agencies..."

14. The overvaluation and non-realization of export proceeds amount to a serious offence warranting stringent legal action under the Customs Broker Licensing Regulations (CBLR), 2018 and related statutes. Moreover, the gross negligence and dereliction of duty exhibited by the Customs Broker pose a significant threat to the Indian economy at large. In the era of trade facilitation, the Customs Broker works as a bridge between the exporter and Customs authorities. However, in the instant case, it appears that CB Shri Deepak Kantilal Joshi, Partner of M/s. M.D. Shipping Agency, CHA 11/ 1016 was careless in its duties and knowingly facilitated the clearance of export consignments of a non-existent/dummy firm and in fraudulent availment of duty drawback. Thus, it appears that the CB Shri Deepak Kantilal Joshi, Partner of M/s. M.D. Shipping Agency, CHA 11/ 1016 has committed a gross offence and violated regulations 10(d) & 10(n) of the Customs Broker Licensing Regulations, 2018, which have made them unfit to transact any business at Mumbai Customs and also in other Customs Stations.

15. Accordingly, I pass the following order: -

ORDER

15.1. I, Commissioner of Customs (General), CBS, in exercise of powers conferred upon me under the provisions of Regulation 16 (1) of CBLR, 2018 hereby suspend the license of CB M/s. M.D. Shipping Agency, CHA 11/ 1016 with immediate effect, being fully satisfied that the Customs Broker has prima-facie did not fulfil their obligations as laid down under regulations 10(d) & 10(n) of the CBLR, 2018.

15.2. However, I offer the Customs Broker M/s. M.D. Shipping Agency, CHA

11/ 1016, **an opportunity for a personal hearing on 22nd January at 12:00 hours.** Any written representation against this order should reach the undersigned before the date of the hearing.

15.3. M/s. M.D. Shipping Agency, CHA 11/ 1016, is directed to surrender all the original Custom Passes issued to their employee/partner/director/Proprietor immediately.

15.4. 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 thereunder or under any other law for the time being in force.

Digitally signed by
Shraddha Joshi Sharma
Date: 07-01-2026
16:52:40

(SHRADDA JOSHI SHARMA)

Commissioner of Customs(General), CBS,
New Customs House, Mumbai, Zone-I.

To,

M/s. M/s. M.D. Shipping Agency, CHA 11/ 1016,
Address: 52 MINT BACK ROAD, DOUBLE VIEW BL2ND FLOOR,R.N.16/17,
FORTMUMBAI-400-001

Copy to:

1. The Pr./Chief Commissioner of Customs, Mumbai Zone I, II, III.
2. The Commissioner of Customs, Mumbai Zone I, II, III.
3. The Addl. Commissioner of Customs, CAC(Drawback)/NS-II, JNCH.
4. EDI of NCH, ACC & JNCH.
5. BCBA.
6. Office copy.
7. Notice Board.