



आयुक्त (सामान्य) सीमाशुल्क का कार्यालय

OFFICE OF THE COMMISSIONER OF CUSTOMS (GENERAL)

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

**CUSTOMS BROKER SECTION, NEW CUSTOM HOUSE, BALLARD ESTATE,
MUMBAI - 400001**

Email-Id: cbsec.nch@gov.in

**F. No. GEN/CB/450/2025-CBS
DIN:**

Order Date: 19-01-2026

ORDER NO. 24 /2025-26 CBS

M/s. Franc Cargo Clearing Services (CHA 11/964), having registered address: C-5,SHOP NO.1,SHANTI VIHAR,NR.HARDIK PALACE HOTEL,MIRA RD -EMUMBAI-401-107 (hereinafter referred to as the Customs Broker/CB), is the holder of Customs Broker License No. (11/964), 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) dated 29.07.2025 was received in the Customs Broker Section, NCH, Zone-I, Mumbai and RUDs were received 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 the export of readymade garments from Jawaharlal Nehru Port, Nhava

Sheva. The Customs Brokers utilised 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, summons 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. Summons 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 realisation of export proceeds were ever submitted by the party.

6. **Statement of Shri Ankur Krishankant Patel, Proprietor of M/s. Franc Cargo Clearing Services (CHA 11/964) was recorded under Section 108 of the Customs Act, 1962 on 30.11.06** wherein he inter-alia stated that on being shown copies of (8) Shipping Bills Nos. 3694296 dated 02.09.95, 3694307 dated 02.09.05, 3694284 dated 02.09.05, 3621852 dated 29.07.05, 3621856 dated 29.07.05, 3621855 dated 29.07.05, 3621854 dated 29.07.05 and 3621853 dated 29.07.05 of M/s. Target International, he confirmed that these were handled by his employee Shri Maruti Balu Chopade 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 Shri Maruti Balu Chopade without his knowledge; that he did not receive any money from Shri Maruti Balu Chopade or from any other person for doing this job and when he came to know that he was doing some illegal activities, he cancelled his Customs C.H. A. pass C-82.

7. 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 realised 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 Ankur Krishankant Patel, Proprietor of M/s. Franc Crago Clearing Services (CHA 11/964) aided and abetted in implementing the scheme of fraudulent duty drawback claim by clearing export consignments of 8 Shipping Bills of M/s Target International. Statement of Shri Ankur Krishankant Patel, Proprietor of M/s. Franc Crago Clearing Services (CHA 11/964) recorded on 30.11.2006 confirms that he confirmed that these were handled by his employee Shri Maruti Balu Chopade 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 Shri Maruti Balu Chopade without his knowledge; that he did not receive any money from Shri Maruti Balu Chopade or from any other person for doing this job and when he came to know that he was doing some illegal activities he cancelled his Customs C.H. A. pass C-82. Shri Ankur Krishankant Patel, Proprietor, 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 Ankur Krishankant Patel, Proprietor of M/s. Franc Cargo Clearing Services (CHA 11/964) constitutes 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 what the employee is doing on behalf of the company.

8. Role of Customs Broker -

It is evident that the Customs Broker Shri Ankur Krishankant Patel, Proprietor of M/s. Franc Cargo Clearing Services (CHA 11/964) 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 6 Shipping Bills of M/s Target International. Even while clearing so many 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; instead, the CB should have brought these discrepancies to the notice of the Deputy Commissioner of Customs or Assistant Commissioner of Customs. Since the CB has filed the SBs to clear the goods, it was the duty of the CB 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.

ii. 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 the investigation, the CB failed to submit any proof regarding the verification of address of the exporter. Further, the CB in their statement dated 30.06.2006 inter-alia stated that he does not know the proprietor of M/s Target International and nobody came to him to handle the work of M/s Target International and the job was done by Shri Maruti Balu Chopade without his knowledge. Further he said he did not receive any money from Shri Maruti Balu Chopade or from any other person for doing this job and when he came to know that he was doing illegal activities, he cancelled his Customs C.H.A. pass C-82. 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. Even he failed to keep vigil on his staff to monitor about what the employee is doing on behalf of the company.

9. From the investigation, it appears that the CB M/s. Franc Cargo Clearing Services (CHA 11/964), through its employee, knew about the overvaluation in the 06 S/Bs filed by the CB for the exporter. This fact

should have been brought to 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 M/s. Franc Cargo Clearing Services (CHA 11/964), through its 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(k), & 10(n) of the CBLR, 2018.

Further, it is to inform that the investigating agency i.e. HQIU, in their SCN has not proposed any action against the CB M/s. Franc Cargo Clearing Services (CHA 11/964) under the provisions of CBLR, however, the Adjudicating Authority in their O-i-O has directed the CBS to take necessary action against the CB M/s. Franc Cargo Clearing Services (CHA 11/964); however, no regulation of CBLR is quoted for the action to be taken.

10. From the investigation, it appears that the CB M/s. Franc Cargo Clearing Services (CHA 11/964) knew about the overvaluation in the 06 S/Bs filed by the CB for the exporter. This fact should have been brought to 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 M/s. Franc Cargo Clearing Services (CHA 11/964) 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(k), & 10(n) of the CBLR, 2018.

11. I observe that the CB has a very important role in customs clearances and a lot of trust has been placed by the Department in the CB. In 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 judgement of the Hon'ble Supreme Court in the case of Commissioner of Customs Vs M/s K.M. Ganatra & Co, which 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..."

12. 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 the Customs authorities. However, in the instant case, it appears that CB M/s. Franc Cargo Clearing Services (CHA 11/964) 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 M/s. Franc Cargo Clearing Services (CHA 11/964) 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.

13. Accordingly, I pass the following order: -

ORDER

13.1. 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. Franc Cargo Clearing Services (CHA 11/964) 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.

13.2. However, I offer the Customs Broker M/s. Franc Crago Clearing Services (CHA 11/964) **an opportunity of personal hearing on 3rd February at 12:00 hours.** Any written representation against this order should reach the undersigned before the date of the hearing.

13.3. M/s. Franc Cargo Clearing Services (CHA 11/964) is directed to surrender all the original Custom Passes issued to their employee/partner/director/Proprietor immediately.

13.4. 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: 19-01-2026

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

To,

M/s. Franc Crago Clearing Services (CHA 11/964),

Address: C-5, SHOP NO.1, SHANTI VIHAR, NR. HARDIK PALACE HOTEL,

11:15 AM

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GEN/CB/450/2025-CBS-O/o PR COMMR-CUS-GEN-Zone-I-Mumbai

I/3754685/2026

MIRA RD -E, MUMBAI-401-107

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.