



आयुक्त (सामान्य) सीमाशुल्क का कायालय

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/434/2025-CBS

Order Date: 23-01-2026

DIN: १०९६०१७७००००००६० EAB7

SHOW CAUSE NOTICE No. ४२ /2025-26

ISSUED UNDER REGULATION 17 OF THE CBLR, 2018

M/s. Sunil Shipping Agency (CB License No.-11/616), having registered address: Office 276, Room No. 3, Ground Floor, Shahid Bhagat Singh Road, Fort, Mumbai 400001 (hereinafter referred to as the Customs Broker/CB), is the holder of Customs Broker License No. (11/616), 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, along with the RUDs on 27.10.2025.

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 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 Sunil Mahendra Sheth, Partner of M/s Sunil Shipping Agency (CHA 11/616) was recorded by HQIU, R&I on 17.05.2010 wherein he inter-alia stated that he did not know the address of M/s Target and its proprietor, and that he knew one Shri Dharmesh Gavli who brought the work of export of M/s Target International. He admitted that six Shipping Bills dated 20.08.2005 were filed by his firm based solely on documents provided by Shri Dharmesh Gavli.

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 realized from abroad. By creating a non-existent business entity and evading financial traceability, the exporter rendered recovery of 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 Sunil Mahendra Sheth, partner of M/s Sunil Shipping Agency (CHA 11/616) 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. Statement of Shri Sunil Mahendra Sheth recorded on 17.05.2010 confirms that he did

not know the address of M/s Target and its proprietor, and that he knew one Shri Dharmesh Gavli who brought the work of export 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. He had taken up the export job of a party who is not known to him nor he verified from the exporter whether the said person had issued any authority to do the job. He had also accepted the authority letter from a third party. Shri Sunil Mahendra Sheth, by his acts of omission and commission, has rendered himself liable for penal action under the provision 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 M/s Sunil Shipping Agency (CB No. 11/616) constitute a serious offence and warrant strict legal action under the Customs Broker Licensing Regulations (CBLR), 2018 and other applicable statutory provisions.

8. Role of Customs Broker -

It is evident that the Customs Broker M/s Sunil Shipping Agency (CHA 11/616) has 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, hence, 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.

As per Regulation 10(d) of the CBLR, 2018, it is the responsibility of the Customs Broker to advise the exporter about the discrepancy of overvaluation or about non-realization of export proceeds, rather than allowing or facilitating its clearance. Furthermore, the Customs Broker failed to report this non-compliance to the Deputy Commissioner or

Assistant Commissioner of Customs, as required under the said regulation. This omission represents a clear deviation from the responsibilities outlined in Regulation 10(d) of CBLR, 2018. In view of the above, it appears that the Customs Broker has contravened the provisions of Regulation 10(d) by not ensuring compliance with the relevant statutory requirements and by neglecting to inform the Deputy/Assistant Commissioner of the irregularities.

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

“maintain up to date records such as bill of entry, shipping bill, transhipment application, etc., all correspondence, other papers relating to his business as Customs Broker and accounts including financial transactions in an orderly and itemised manner as may be specified by the Principal Commissioner of Customs or Commissioner of Customs or the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be;”

In the instant case, Shri Sunil Mahendra Sheth, Partner of M/s Sunil Shipping Agency (CB-11/616) in his recorded statement dated 17.05.2010 inter-alia stated that he is unable to recall the exact no. of Shipping Bills dealt by him as all the records have been eaten by white ants.

As per Regulation 10(k) of the CBLR, 2018, it is the responsibility of the Customs Broker to maintain up to date records of shipping bills filed by them. However, Shri Sunil Mahendra Sheth, Partner of M/s Sunil Shipping Agency in his statement dated 17.05.2010 inter-alia stated that all the records have been eaten by white ants. Hence, it appears that the CB failed to maintain up to date records of the shipping bills and hence, the CB has violated the provisions of Regulation 10 (k) of the CBLR, 2018.

iii. 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 17.05.2010 inter-alia stated that he knew one Shri Dharmesh Gavli who brought the work of export of M/s Target International and he didn't know the address of M/s Target but 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.

As per Regulation 10(n) of the CBLR, 2018, it is the responsibility of the Customs Broker to verify the identity of his client and functioning of his client at the declared address, however, the CB failed to submit any proof regarding the verification of address of Exporter. Instead, the CB

relied on a third person named Shri Dharmesh Gavli who brought the work of export of M/s Target International and never tried to verify the address of the exporter. Hence, the CB has violated the provisions of Regulation 10 (n) of the CBLR, 2018.

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

“maintain all records and accounts that are required to be maintained under these regulations and preserve for at least five years and all such records and accounts shall be made available at any time for the inspection of officers authorised for this purpose;”

In the instant case, Shri Sunil Mahendra Sheth, Partner of M/s Sunil Shipping Agency in his recorded statement dated 17.05.2010 stated that he is unable to recall the exact no. of Shipping Bills dealt by him as all the records have been eaten by white ants. Hence, it appears that the CB failed to maintain all records that are required to be maintained under these regulations and preserve for at least five years and hence, the CB has violated the provisions of Regulation 10 (p) of the CBLR, 2018.

As per Regulation 10(p) of the CBLR, 2018, it is the responsibility of the Customs Broker to maintain all records that are required to be maintained under these regulations and preserve for at least five years. However, Shri Sunil Mahendra Sheth, Partner of M/s Sunil Shipping Agency in his statement dated 17.05.2010 inter-alia stated that all the records have been eaten by white ants. Hence, it appears that the CB failed to maintain the records under these regulations and hence, the CB has violated the provisions of Regulation 10 (p) of the CBLR, 2018.

9. From the investigation, it appears that the CB M/s Sunil Shipping Agency (CB License No. 11/616) knew about the overvaluation in the 06 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 M/s Sunil Shipping Agency (CB License No. 11/616) has actively aided & abetted the exporter in affecting fraudulent export for availing ineligible export incentives.

10. 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 M/s Sunil Shipping Agency (CB License No. 11/616) was careless in his 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 Sunil Shipping Agency (CB License No. 11/616) has committed a gross offence and violated regulations 10(d), 10(k), 10(n) & 10(p) of the Customs Broker Licensing Regulations, 2018, which has made them unfit to transact any business at Mumbai Customs and also in other Customs Stations.

11. Accordingly, the subject license was suspended vide Order No. 20/2025-26 dated 19.12.2025 under regulation 16(1) of CBLR, 2018 by the Commissioner of Customs (General). An opportunity for a personal hearing was granted to the CB on 30.12.2025 at 01:30 PM, however, neither the CB nor any authorized representative have attended the hearing. Therefore, another PH was granted on 05.01.2026 at 12:00 PM, however, no one has attended again. In the interest of the Principle of Natural Justice, a 3rd PH was granted on 12.01.2026 at 12:30 PM but no one has attended the same as well. The CB has not even submitted any documents in their defense to this office. Therefore in view of the facts of the case, the suspension of the CB License was continued vide Order No. 23/2025-26 dated 19.01.2026 under regulation 16(2) of CBLR, 2018 for contraventions of regulations 10(d), 10(k), 10(n) & 10(p) of the CBLR, 2018.

12. In view of the above, in terms of Regulation 17(1) of CBLR, 2018, the CB M/s Sunil Shipping Agency (CB License No. 11/616) is hereby called upon to Show Cause as to why:

- i. The license, bearing no. 11/616, issued to them, should not be revoked;
- ii. Security deposit should not be forfeited;
- iii. Penalty should not be imposed;

upon them under Regulation 14 read with Regulation 17 & 18 of the CBLR, 2018, for their failure to comply with the provisions of CBLR, 2018, within 30 days from the date of issue of this notice.

13. They are directed to appear for personal hearing on the date as may be fixed and to produce evidence/documents, if any, in their defense to the Inquiry Officer Shri INDRA PRAKASH, AC, General, Zone I, who shall conduct inquiry under Regulation 17 of CBLR, 2018.

14. If no reply is received within the stipulated time period, it will be presumed that they have no explanation to offer and it will be presumed that they do not want a personal hearing and the issue will be decided on the facts available on record.

15. 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: 23-01-2026
17:51:51

(SHRADDA JOSHI SHARMA)

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

Encl.: RUD's.

To,

1. M/s. SUNIL SHIPPING AGENCY (11/616),
OFFICE 276, ROOM NO. 3, GROUND FLOOR,
SHAHID BHAGAT SINGH ROAD, FORT,
MUMBAI 400001.
2. Sunil Mahendra Sheth, Flat-501, C-wing,
Gokul Tower, Thakur Complex, Kandivali (East),
Mumbai-400101, M.No.-9867075538.

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. CIU of NCH, ACC & JNCH.
5. EDI of NCH, ACC & JNCH.
6. BCBA.