



प्रधान सीमाशुल्क आयुक्त (सामान्य)) का कार्यालय  
**OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS (GENERAL)**  
कस्टम ब्रोकर अनुभाग, नवीन सीमाशुल्क भवन,  
**CUSTOMS BROKER SECTION, NEW CUSTOM HOUSE,**  
बेलार्ड इस्टेट, मुंबई - I  
**BALLARD ESTATE, MUMBAI - I**

F. No. GEN/CB/89/2024-CBS

Date: 11.06.2024

DIN: 2024 06 77 000000 613895

**ORDER NO. 25/2024-25 CBS**

M/s Spaceage Logistics CB No. (11/2001) (PAN No. AGQPA5206J) (hereinafter referred to as the "Custom Broker or CB" having registered office at Subhan Ahmed House, R/11, Opp. Cigarette Factory, Chakala, Sahar Road, Andheri East, Mumbai-400099, is holding the said CB license issued by the Commissioner of Customs (General), Mumbai-I under erstwhile regulation 7(1) of CBLR, 2013 now regulation 7(2) of CBLR, 2018). M/s Spaceage Logistics is a Proprietorship entity and Mr. Iftexhar A. Ansari is Proprietor of the said CB entity.

**Brief Facts of the Case:**

2. An Offence Report in the form of Show Cause Notice No. 142/ADC/ADJ(X)/2022-23/ACC dated 30.03.2024 issued by the ADC, Export Assessment Cell, Air Cargo Complex, Sahar, Andheri (East), Mumbai-III, was received, wherein, inter-alia the following were informed:

2.1 M/s Heeba Enterprise Private Limited (IEC: 0316963721) {hereinafter referred to as "the said exporter"} having registered IEC address at West Building, Shop No. 302, S V Road, Opp. Andheri Subway, Andheri (W), Mumbai-400058, exported goods for the period from 25.12.2016 to 04.11.2018 but FOB has not been realized against the said exports within the stipulated time, they fraudulently availed export incentives (Drawback and ROSCTL) against such exports.

**2.2** During the course of investigation, past export records of the said exporter were retrieved from EDI 1.5 System wherein the said exporter had 108 Shipping Bills (hereinafter referred to as S/Bs) for the period from 25.12.2016 to 04.11.2018 wherein, total FOB value was Rs. 15,47,16,142/-, total drawback of Rs. 63,49,427/- & total ROSCTL Rs. 22,48,812/- and most of the export incentives have already been disbursed to the exporter. The exporter had filed 108 Shipping Bills through their Customs Brokers M/s Eagle Shipping Agency, M/s Senghi Shipping Services, M/s Atlantic Customs Brokers and M/s Spaceage Logistics etc. for clearance of Ready-Made Garments goods, home and kitchen accessories, bags and kidswear etc. The same were destined to the United States of America, Mali, Sudan, Qatar, Zambia, Canada, Tunisia, Saudi Arabia, Malaysia, Nigeria, United Arab Emirates, Tanzania, Sri Lanka, Djibouti, Togo, Ghana and Kuwait.

**2.3.** During the course of investigation, SIIB (X), ACC vide letter dated 03.05.2023 requested Drawback (EDI) and IGST Sections to suspend all export incentives to the exporter M/s. Heeba Enterprise Private Limited (IEC 0316963721) to safeguard the government revenue.

**2.4** Summonses dated 02.01.2023, 10.03.2023 and 25.04.2023 were issued to the exporter for recording his statement and to submit relevant documents pertaining to the case. Exporter neither submitted the documents nor presented himself before the investigating agency for recording his statement. The Summons dated 10.03.2023 was returned with the remark '**Unclaimed**'.

**2.5** Summons dated 07.11.2023 was issued to the CB M/s Spaceage Logistics (11/2001) for recording their statement and submitting KYC detail of the exporter, authorisation letter, shipping bills, invoice and packing list pertaining to the case but was **returned with the remarks Not Known, no such person on the address and incomplete address.**

**2.6** During the course of investigation, a letter dated 03.05.2023 issued to the Branch Manager of Development Credit Bank Ltd to provide bank statement and KYC details of bank account no. 00421300000781 of M/s Heeba Enterprise Pvt Ltd but no reply was received from the bank. Further, Reminder-I dated 24.08.2023 and Reminder-II dated 16.10.2023 were issued to the bank, then personal visit was done on 25.10.2023 and KYC details and bank statements were retrieved from the bank.

**2.7** On scrutiny of bank KYC, it was found that the address of the exporter mentioned on Importer Exporter Code (IEC) and Bank KYC were same and the summonses to that address had already returned with the remark 'Unclaimed'. On scrutiny of the bank statement, it was found that the account was closed.

### **3. BRC Status/Remittance Details:**

**3.1** It is evident from the data retrieved from ICES 1.5 system that the foreign remittance has not been realised even after expiry of the prescribed time-limit. After investigation it has been found that FOB Rs. **15,47,16,142/-** involved in 108 shipping bills was not realized even after the prescribed time limit.

**3.2** The exporter has claimed ROSCTL under 108 shipping bills and ROSCTL scroll generated for the 8 shipping bills for which BRC was not realised even after the prescribed time period under the provisions of ROSCTL scheme. Therefore, the ROSCTL amounting to Rs. **2,85,751/- in respect of ROSCTL has been availed and disbursed** of the said 8 shipping bills appears to be rejectable/recoverable with interest under the above-mentioned provisions MoT's Notification No. 14/26/2016-IT (Vol.II) (Part II) dated 02.05.2019 and CBIC Notification No. 77/2021-Customs (N.T.) dated 24th September, 2021.

### **4. Findings of Investigation**

From the above stated facts and extant legal provisions, it is a matter of fact that: -

**4.1** The exporter M/s Heeba Enterprise Private Limited had exported total 108 shipping bills of Readymade Garments from Air Cargo Complex, Mumbai having total FOB amount of Rs. **15,47,16,142/-**, claiming drawback of Rs. **63,49,427/-**, ROSCTL amount of Rs. **22,48,812/-**. The export proceeds in respect of the said shipping bills have not been realised even after stipulated time is over. An amount of Rs. **15,47,16,142/-** is pending to be received and yet no concrete efforts were made by the exporter to realise that amount, shows that the export was made with the sole intention to defraud the government exchequer by way of getting undue drawback, IGST refund and ROSCTL.

**4.2** Further, it appears that the exporter had claimed export incentives viz. **Drawback of Rs. 53,63,865/- and ROSCTL Rs. 2,85,751/-** which was ineligible and intentionally did not return the incentives viz. drawback and ROSCTL even after the export proceeds in respect of the said shipments were not realised even after the expiry of stipulated time period. The exporter did not submit any proof with respect to any

effort done by him in this respect. His acts of omission and commission have resulted in violation of various provisions of Customs act, 1962 and it appears that he has abetted, aided and connived in affecting the said fraudulent export for availing ineligible export incentives. Therefore, he, in person also, is liable for penal action under Section 114(iii) and/or Section 114AA of the Customs Act, 1962.

5. In view of the above, it appears that CB M/s Spaceage Logistics (11/2001) has failed to comply with following regulations of the Customs Brokers Licensing Regulations 2018: -

**5.1 Regulation 10 (a) of CBLR, 2018 which reads as:** *"obtain an authorisation from each of the companies, firms or individuals by whom he is for the time being employed as a Customs Broker and produce such authorisation whenever required by the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be;"*

In the instant case, as per the investigation report, it is a matter of fact that the said exporter filed 108 Shipping Bills through various Customs Brokers including Customs Broker M/s Spaceage Logistics (11/2001). During investigation various summonses were issued to the exporter which were returned with remark "Unclaimed". It is evident from the investigation report that the said Customs Broker filed Shipping Bills without obtaining proper authorisation from exporter/IEC holder. Further, the said CB was neither present for recording their statement before investigating agency nor produced authorisation from the exporter. Hence, the said CB appears to have violated regulation 10(a) of CBLR, 2018.

**5.2 Regulation 10 (d) of 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 non-compliance, 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, the said exporter filed Shipping Bills through various Customs Broker and availed export benefits under different export incentive schemes whereas the foreign remittance against the export consignments has not been realised even after the expiry of the prescribed time-limit. From the facts of the case, it is amply clear that the fraudulent export was done so as to claim the undue export benefits. The CB also never appeared before the investigation agency despite several summons. Thus, it appears the CB abetted the said fraud and failed to perform his duties by not advising the exporter to comply with the rules and regulations regarding receiving foreign remittance timely. Such fraud and non-compliances by the said exporter were

never brought to the knowledge of the Customs authorities by the CB which he was duty bound under the CBLR, 2018. Hence, the said CB appears to have violated regulation 10(d) of CBLR, 2018.

**5.3 Regulation 10 (e) of CBLR, 2018 which reads as:** *“exercise due diligence to ascertain the correctness of any information which he imparts to a client with reference to any work related to clearance of cargo or baggage”.*

In the instant case, as per the investigation report, the said exporter filed the Shipping Bills through their Customs Broker and availed export benefits under different export incentive schemes whereas the foreign remittance against the export consignments has not been realised even after the expiry of the prescribed time-limit. From investigation report, it appears that CB did not exercise due diligence in ascertaining the correctness of claim of availing the export benefits under various export incentive schemes. If the said CB had exercised due diligence to ascertain the correctness of claims made under various export incentive schemes, then financial loss to government exchequer could have been averted. The said CB did not exercise the due diligence in informing the exporter and therefore appears to have abetted the exporter in availing export benefits fraudulently. Hence, the said CB appears to have violated regulation 10(e) of CBLR, 2018.

**5.4 Regulation 10 (n) of 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, as per the investigation report, the various summonses addressed to the exporter were returned with **“Unclaimed”** remark and the said exporter did not even come for recording of statement under section 108 of the Customs Act, 1962. During investigation it was found that the exporter was non-existent at the address mentioned in IEC and hence it shows that the CB never verified the declared address of the exporter. In addition to this, CB did not establish any communication linkage with the Exporter. It may be regarded that the subject case of fraudulent exports would have been avoided if the CB had made strenuous efforts to verify the correctness of identity of the exporter/client and their functioning at the declared address. Hence, the said CB appears to have violated regulation 10(n) of CBLR, 2018.

**5.5 Regulation 10 (q) of CBLR, 2018 which reads as:** “co-operate with the Customs authorities and shall join investigations promptly in the event of an inquiry against them or their employees.”

In the instant case, during investigation summons was issued to CB M/s. Spaceage Logistics but they did not turn up for giving statement under section 108 of the Customs Act, 1962 which caused delay in investigation proceedings. The CB did not co-operate with the Customs authorities in inquiry proceedings. Hence, the said CB appears to have violated regulation 10(q) of CBLR, 2018.

6. From the above facts and findings, it appeared that, prime-facie, Customs Broker M/s. Spaceage Logistics (11/2001) had violated Regulation 10(a), 10(d), 10(e), 10(n) & 10(q) of CBLR, 2018.

In view of the above facts, the CB License held by Customs Broker M/s. Spaceage Logistics (11/2001) was suspended by the Pr. Commissioner of Customs (General) vide Order No. 16/2024-25 dated 21.05.2024 and personal hearing was granted to the CB on 30.05.2024.

7. **WRITTEN SUBMISSION OF THE CB:-** In response to the said Suspension Order, CB M/s Spaceage Logistics (11/2001) submitted their written reply on 29.05.2024. In the said submission:

- i) CB submitted that they obtained authorisation from the exporter M/s Heeba Enterprises Pvt. Ltd. and also produced the xerox copy of the same during Personal Hearing.
- ii) CB submitted that they verified KYC Documents like PAN, IEC and GSTN registration etc. from government portals and produced the xerox copies of the same during Personal Hearing.
- iii) CB submitted that aforesaid CB License had already been revoked and no appeal has been filed by them against the said order. In addition to this, the proprietary firm is also closed and have not been functional for last 05 years.
- iv) CB submitted that their CB license has already been revoked hence the suspension of the said license is not as per law.

8. **RECORD OF PERSONAL HEARING OF THE CB :-** In pursuance to regulation 16(2) of the CBLR, 2018, opportunity of personal hearing was granted to the CB M/s Spaceage Logistics (11/2001) which was attended by CB's Proprietor: Mr. Iftekar A. Ansari and Advocate Shri R. D. Khanchandani



appeared for PH on 30.05. 2024. They reiterated their written submission during the Personal Hearing.

### **DISCUSSION AND FINDINGS**

**9.1** I have carefully gone through the records of the case, the written submissions of the Customs Broker and the submissions made during the personal hearing. The facts of the case and finding of investigation have been mentioned in above Paras and are not being repeated for brevity.

**9.2** The issues to be decided in the instant case is whether the suspension Order No. 16/2024-25 dated 21.05.2024 is required to be continued or revoked.

**9.3** I observe that CB has taken a plea that License of CB firm M/s Spaceage Logistics (11/2001) has already been revoked and the said CB has not been functioning for last 05 years. I observed that CB License of M/s Spaceage Logistics (11/2001) (PAN No. AGQPA5206J) has been revoked vide Order-in-Original No. 141/CAC/PCC(G)SJ/CBS Adj dated 18.02.2022 passed by the Principal Commissioner of Customs (General) and has also been revoked vide Order-in-Original 92/CAC/PCC(G)SJ/CBS Adj dated 24.02.2023 passed by the Principal Commissioner of Customs (General) and inquiry proceedings are pending in Show Cause Notice No. 39/2023-24-CBS issued dated 13.03.2024.

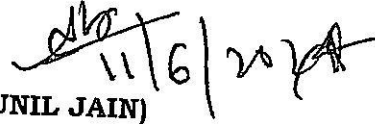
**9.4** In view of the above, since the CB license of M/s Spaceage Logistics (CB No. 11/2001; PAN No. AGQPA5206J) has already been revoked twice vide Order-in-Original No. 141/CAC/PCC(G)SJ/CBS Adj dated 18.02.2022 and Order-in-Original 92/CAC/PCC(G)SJ/CBS Adj dated 24.02.2023, and the CB License is still revoked hence continuation of suspension of CB license in the present case is a futile exercise and unwarranted in this matter.

**10.** Accordingly, I pass the following Order:

### **ORDER**

**10.1** I, Principal Commissioner of Customs (General), in exercise of powers conferred upon me under the provisions of Regulation 16 (2) of CBLR, 2018 hereby revoke the suspension of Customs Broker Licence M/s Spaceage Logistics (CB No. 11/2001) (PAN No. AGQPA5206J) which was suspended vide Order No. 16/2024-25 dated 21.05.2024, pending further inquiry proceedings under CBLR, 2018.

**10.2** This order is being issued without prejudice to any other action that may be or may have taken against the CB or any other person(s)/firm(s) etc. under the provisions of the Customs Act, 1962 and Rules/Regulations framed there under or under any other law for the time being in force.

  
11/6/2021

(SUNIL JAIN)  
Principal Commissioner of Customs (G)  
NCH, Mumbai - I

To,  
M/s Spaceage Logistics (CB No. 11/2001),  
Subhan Ahmed House, R/11, Opp. Cigarette Factory,  
Chakala, Sahar Road, Andheri East, Mumbai-400099.

Copy to:

1. The Pr./Chief Commissioner of Customs, Mumbai Zone I, II, III.
2. CIU's of NCH, ACC & JNCH.
3. The Commissioner of Customs, Mumbai Zone I, II, III.
4. EDI of NCH, ACC & JNCH.
5. BCBA.
6. Office copy.
7. Notice Board.