

 सत्यमेव जयते	भारत सरकार / Government of India वित्त मंत्रालय / Ministry of Finance आयुक्त सीमाशुल्क (एन.एस.-II) का कार्यालय / Office of Commissioner of Customs (NS-II) जवाहरलाल नेहरू कस्टम हाउस, न्हावा शेवा, जिला - रायगढ़, महाराष्ट्र - 400 707 Jawaharlal Nehru Custom House, Nhava Sheva, Dist. Raigad, Maharashtra - 400 707	
---	---	---

F.No. CUS/ASS/MISC/271/2025-CEAC **Date:07-08-2025**
F.No. CUS/SIIB/ALT/762/2024-SIIB(E)-JNCH
DIN: 20250878 NT0000999A47
SCN NO.: 614/2025-26/ADC/CEAC/NS-II/CAC/JNCH

**Show Cause Notice issued under Section 124 read with Section 75 and
Section 51B of the Customs Act, 1962**

M/s Oscar Logistics Services (IEC: BQXPK2834G) having its registered address at Office No. 03, 1st Floor, WZ-13D/3, Asalat Pur, Opp. Gurudwara, Janakpuri, Delhi-110058 (hereinafter also referred to as the "exporter") filed 02 Shipping bills No.3003926 and 3003954 both dated 06.08.2023 (hereinafter collectively referred to as "Shipping Bills") **(RUD-I)** through their authorized Customs Broker M/s. Jit Shipping Services (License No. AFLPP4301FCH003), for export of "Readymade Garments" under Scheme Code 60 with claim of Drawback, RODTEP & RoSCTL and under LUT.

2. On the basis of specific intelligence regarding export of suspiciousconsignment the goods covered in the shipping bills No. 3003926 and 3003954 both dated 06.08.2023 having declared items as "RMG" were put on hold vide Hold No. 134/2022- 23/SIIB(X)vide letter F. No. SG/Misc-101/2021-22 SIIB(X)/JNCH dated 11.08.2023 for examination of the same as the supply chain of the exporter appeared to be fake/ manipulated and the declared value of the goods appeared to be very highly overvalued and mis-declared to avail illegitimate claim of drawback and other export incentives. Hence, the case was then, taken up by SIIB(X) for detailed investigation. The details of the said shipping bills are tabulated as under:-

TABLE-I

Sr. No.	Shipping Bill No. & Date	Item description	Declared FOB Value (in Rs)	Drawback Claimed (in Rs)	RoSCTL claimed (in Rs)	Declared RODTEP
1.	3003926 dated 06.08.2023	MMF/Woolen Kids Suit Set	3217772	119058	122275	0
		MMF/Woolen Ladies Sweater	3957149	146415	150372	0
		MMF Ladies Dupatta	36046	973	1712	0
2.	3003954 dated 06.08.2023	MMF/Woolen Kids Suit Set	5852807	216554	222407	0
		Denim Boys	581421	16861	31454	0

		Jeans				
		MMF Fabric	327365	6875	0	7185
		Total:	1,39,72,560/-	5,06,736/-	5,28,220/-	7,185/-

3. Consequently, the subject goods pertaining to Shipping bills No. 3003926 and 3003954 both dated 06.08.2023 were examined 100% under Panchanama dated 12.08.2023 (**RUD-II**) in the presence of two independent Panchas, representatives of Customs broker. During the examination, the subject goods were found as declared in the said Shipping Bills, their corresponding invoices and Packing lists w.r.t. declared quantity and description. Representative Sealed Samples (RSS) of the goods of the readymade garments were drawn randomly for the purpose of testing and further further investigation.

4. Further, a letter dated 04.09.2023 was forwarded to DYCC, JNCH for testing of RSS in order to determine exact characteristics, nature and composition of the subject goods. The DYCC tested the RSS and forwarded the test Reports vide DYCC Reports Nos. 722/SIIB(X) dated 04.09.2023, 723/SIIB(X) dated 04.09.2023, and 724/SIIB(X) dated 04.09.2023 (**RUD-III**). The details of test report are as under:

Table-II

Sr. No.	Shipping bill No. & Date	Description	Lab No.	Test results
1.	3003954dated 06.08.2023	Denim Boys Jeans (MMF)	722/SIIB(X) dated 04.09.2023	The sample as received is in the foam of a readymade textile article (described as Denim boys Jeans MMF).It is made of yarn dyed Embroidery woven fabric having elastic and Lace on waist portion .It is composed of spun Yarns of cotton on one side and polyester Filament yarns together with elastomeric Yarns another side. Total wt. of sample=237.5gm Weight of yarn dyed embroidery woven fabric =231.6g Weight of elastic=3.5gm Weight of lace=Balance Cotton=76.43% Polyester=21.69% %of elastomeric yarns=Balance GSM of yarn dyed woven fabric= 355.54
2	3003926dated 06.08.2023	Woolen Kids Suit (MMF)	724/SIIB(X) dated 04.09.2023	The sample as received is in the foam of a readymade textile article (Kid's suit consisting of hoody top and pant). Net wt.(top &Bottom)=147.8 gm Hoody top: it is made of dyed printed Knitted pile fabric stitched with inner lining non-woven fabric and zipper. Fabrics are Made entirely of polyester. Net wt.=92.2gm Wt of dyed printed knitted pile fabric= 56.0 gm Wt .of non-woven fabric=31.4gm Wt. of zipper= Balance Pant: it is made of dyed printed knitted pile fabric, stitched with inner lining non- woven Fabric and elastomeric strip. Fabrics are Made entirely of polyester. Net wt.=55.6gm Wt of dyed printed knitted pile fabric= 34.7 gm Wt. of non-woven fabric=18.9 gm Wt. of elastomeric strip= Balance
		Ladies Dupatta (MMF)	723/SIIB(X) dated 04.09.2023	The sample as received is in the form of Readymade textile article, Ladies Dupatta (as described), (217x105).It is made of dyed

				(green)knitted fabric. The knitted base fabric is wholly composed of polyester filament yarn, having decorative sequences at regular intervals and decorative sequences and stone stitched and pasted on the border. Decorative material is made of polyester. Total wt. of sample as received=399.2gm Wt. of decorative polymeric materials= 278.32 gm Wt. of base fabric = balance.
--	--	--	--	---

As per DYCC test report confirmed the goods as per their declared description and composition.

5. To ascertain prevailing market value of the goods, the market enquiry of the goods found covered under the subject shipping bill was required to be conducted, therefore this office had requested to the exporter to represent them during the said market enquiry. Hence the market enquiry was conducted on 26.09.2023(RUD-IV) along with authorized representative of the exporter. As per the market enquiry the value of the goods has been re-determined and accordingly the export incentives have been re-determined. The re-determined FOB value of the goods and corresponding export incentives under the Shipping Bills would be as below:

Table-III

Table-III										
Sl No.	Shipping Bill No.& Date	Description of goods	Declared				Re-determined			
			FOB(IN R)	Drawback(in Rs.)	ROSC TL (inRs.)	RODTEP (in Rs.)	FOB(INR)	Drawback(in Rs.)	ROSC TL (inRs.)	RODTEP (in Rs.)
1.	3003926 dated 06.08.2023	MMF/Woolen Kids Suit Set	321772	119058	122275	0	2338395	86521	88859	0
		MMF/Woolen Ladies Sweater	3957149	146415	150372	0	2372609	87787	90159	0
		MMF Ladies Dupatta	36046	973	1712	0	21728	587	1032	0
2	3003954 dated 06.08.2023	MMF/Woolen Kids Suit Set	5852807	216554	222407	0	4254843	157429	161684	0
		Denim Boys Jeans	581421	16861	31454	0	354551	10282	19181	0
		MMF Fabric	327365	6875	0	7185	292395	6140	0	7017
Total			1,39,72,560/-	5,06,736/-	5,28,220/-	7,185/-	96,34,521/-	3,48,746/-	3,60,915/-	7,017/-

5.1. It is thus seen that the exporter has attempted to claim undue export incentives which are summarized as under:

Table-IV

Re-determined FOB(inRs.)	Differential Drawback (in Rs.)	Differential ROSCTL (inRs.)	Differential RODTEP (inRs.)	Total excess export benefits (in Rs.)
--------------------------	--------------------------------	-----------------------------	-----------------------------	---------------------------------------

96,34,521/-	1,57,990/-	1,67,305/-	168	3,25,463
-------------	------------	------------	-----	----------

6. As it can be seen from the table above, based on the market enquiry conducted on 26.09.2023, it appears that the goods declared by the exporter in the Shipping bills No. 3003926 and 3003954 both dated 06.08.2023 have been mis-declared in terms of their value and composition. The value of the goods has been re-determined based on the market survey report dated 07.02.2024 and Test report. The export incentive such as drawback, RODTEP & RoSCTL are therefore to be re-determined with respect to the new re-determined FOB of the goods as mentioned in the table above. Hence the declared value i.e. Rs. 1,39,72,560/- appeared to be liable for rejection in terms of Rule 8 of the Customs Valuation (Determination of Value of Export Goods) Rules, 2007 and the value needs to be re-determined as per the provisions of the said Rules. For the purpose of Customs Tariff Act, 1975, valuation of export goods is to be done in terms of Section 14 of the Customs Act, 1962 read with Customs Valuation (Determination of value of Export Goods) Rules, 2007 (CVR). As per the provisions of Act/Rules, transaction value of the goods is to be accepted, subject to Rule 8 of Customs Valuation (Determination of value of Export Goods) Rules, 2007. Prima facie on examination of the subject consignment, the declared value of the goods appeared to be on the higher side; the declared transaction value appeared liable for rejection under Rule 8 of the CVR and the said value is required to be re-determined by sequentially proceeding in terms of Rule 4 to 6 of the Customs Valuation Rules, 2007.

7. Re-determination of Valuation

7.1 Accordingly, as per Rule 3 (3) *ibid*, since the value of the impugned goods could not be determined under the provisions of Sub Rule (1), the value was to be re-determined by proceeding sequentially through Rule 4 to Rule 6 of the Customs Valuation (Determination of Value of Export Goods) Rules, 2007.

7.2 As the export goods were not standard goods, the export data in Export Commodity Data Base (ECDB) could not be used for comparing price of the goods of like kind and quality as required under Rule 4 of CVR, 2007. Further, the subject goods were not identified specifically with any brand, mark, style and other specifications, the goods of like kind and quality exported cannot be identified to compare their transaction value with the declared value of the subject goods. Hence, value of the subject goods cannot be determined under the said Rule 4 of the Customs Valuation (Determination of Value of Export Goods) Rules, 2007.

7.3 The Exporter has neither produced any cost of production details, manufacturing or processing of export details and correct transport details nor produced cost design or brand or an amount to wards profit etc. to derive computed value of the goods. In absence of complete cost data details, value cannot be determined as per Rule 5 of the Customs Valuation (Determination of Value of Export Goods) Rules, 2007.

7.4 As the provisions of Rule 4 & 5 *ibid*, are not applicable in the instant case, the value of the goods is required to be determined under the provisions of Rule 6 of the CVR 2007. Rule 6 of the said Rules reads as under:-

RULE 6. Residual Method.—“Subject to the provisions of rule 3, where the value of the export goods cannot be determined under the provisions of rules 4 and 5, the value shall be determined using reasonable means consistent with the principles and the general provisions of these rules provided that local market price of the export goods may not be the only basis for determining the value of export goods”.

As per the provisions of Rule 6 *ibid*, the assessable value of the goods is proposed to be re-determined under Rule 6 *ibid*, i.e. as per the residual method. Accordingly, Market survey was conducted by the officers of SIIB (Export) on 07.02.2024. Value of the goods was taken from 3 different shops/dealers and average of their prices was taken as market value of the same. The details of the determination of the value are summarized in the Market Survey Report dated 07.02.2024.

8. It can thus be seen that the goods are mis-declared in terms of their value to avail undue export incentive and thereby the goods covered under shipping bills no. 3003926 and 3003954 both dated 06.08.2023 appear to be liable for confiscation under the provisions of Section 113(i), 113(ja), 113(jb) of the Customs Act, 1962.

9. Further, an alert was inserted against the exporter to withhold the export incentives of M/s Oscar Logistics Services (IEC: BQXPK2834G) till further investigation.

10. The exporter vide their letter dated 26.09.2023 has requested for provisional release of the goods for Export. The request of the exporter was accepted by the adjudicating authority as per the provisions of Board Circular no. 01/2011 dated 04.01.2011 and 30/2013 dated 05.08.2013 and the goods were allowed to be released provisionally for Export on execution of Bond equivalent to FOB value of the subject goods and on submission of Bank Guarantee/Cash Security Deposit of Rs. 2,00,000/- deposited vide Cash Challan No. HCM1556 dated 22.11.2023.

11. To ascertain the verification of genuineness of supply chain of the exporter letter dated 04.09.2023 and 18.12.2024 were sent to Jurisdictional CGST Commissionerate of the exporter to verify the genuineness of the exporter. However, no reply has been received by this office. Further, verification of GSTIN: 07BQXPK2834G1ZG in respect of the exporter M/s Oscar Logistics Services (IEC: BQXPK2834G) on GST portal, it has been found that the subject GSTIN no. is cancelled suo-moto w.e.f. 07.10.2024 (RUD-VI).

11.1 Further, letter dated 04.09.2023 in respect of L1 supplier M/s. Vedant shree Enterprises Pvt. Ltd. (GSTIN: 07AAJCV0298B1ZC) was sent to Jurisdictional CGST Commissionerate for verification of genuineness of supply chain. In response of the subject letter AC, Shahdara Division, CGST Delhi vide their letter dated 25.10.2023 informed that during the physical verification M/s Vedant shree Enterprises Pvt. Ltd. was found non-existent at their registered principle place of business. However, the entity is filing GST returns regularly. Further, it is informed that the auto populated ITC as per GSTR2A during the FY.2022-23&2023-24 was Rs.2,56,35,905/-and1,78,23,791/-from a Supplier Mr. Enterprises (07CAPPK0177D2ZP) whose registration is cancelled (Suo-moto) retrospectively. It appears that the taxpayer is involved in availing/passing fake ITC without supplying goods/services.

11.2 Further, letter dated 04.09.2023 in respect of L1 supplier M/s Vintage Overseas (GSTIN- 07AAUFV6136C3ZU) was sent to Jurisdictional CGST Commissionerate for verification of genuineness of supply chain. However, no reply has been received by this office. Further, verification of subject GSTIN no. GST portal, it has been found that the subject GSTIN no. is cancelled suo-moto w.e.f. 27.09.2023.

11.3 Further, in terms of the Board Circular No: 171/03/2022-GST dated 06.07.2022, the clarification has been issued where the registered persons are found to be involved in issuing tax Invoices, without actual supply of goods or services or both in order to enable the recipients of such invoices to avail and utilize input tax credit fraudulently. The Board has laid down that if the recipient person has availed and utilized fraudulent ITC on the basis of the tax invoice, without receiving the goods or services or both in contravention of the provisions of Section 16(2) (b) of CGST Act, he shall be liable for the demand and recovery of the said Input Tax Credit along with the penal Action under the provisions of section 74 of the CGST Act along with applicable interest under the provisions of Section 50 of the said Act. Further, the GST Circular No. 31/05/2018-GST dated 09.02.2018 assigns the Central Tax officers (Principal Commissioner/Commissioner of Central Tax, Additional/Joint Commissioner of Central Tax, Deputy/Assistant Commissioner of Central Tax, Superintendent and Inspector of Central Tax) to function as the proper officers in relation to issue of show cause notices and orders under sections 73 and 74 of the CGST Act and section 20 of the IGST Act (read with sections 73 and 74 of the CGST Act), up to the monetary limits as mentioned in the said circulars. Thus, the proper officer as defined under section 2 (91) of the CGST Act 2017 and assigned functions vide Circular No. 31/05/2018-GST dated 09.02.2018 are to exercise powers under section 73 and 74 of the CGST Act 2017 and can issue notices and orders under the said Sections/Acts. Accordingly, this IR/notice shall be forwarded to concerned Central GST Unit for initiation of suitable action for IGST/ITC recovery and/or investigation (if any) at their end.

12. Further, in order to record the statement of the director/proprietor of M/s Oscar Logistics Services (IEC:BQXPK2834G), under section 108 of Customs Act, 1962 03 Summons have been issued vide DIN-20241178NT0000839328 dated 14.11.2024, DIN-20241178NT0000712437 dated 25.11.2024 & DIN-20241278NT0000015490 dated 17.12.2024 in the name of M/s Oscar Logistics Services to appear before the office of SIIB(X), 4th floor, B-403, Jawaharlal Nehru Custom House, Nhava Sheva, Taluka-Uran, Dist: Raigad, Maharashtra- 400707 u/s Section 108 of the Customs Act, 1962. However, all the summons sent via speed post have not been delivered to the exporter with postal remark

that the 'Item returned No such firm in the address' (RUD-VII).

13. Further, on receipt of the summon dated 20.01.2025, statement of Shri Sanjay Babaji Sawant, G card holder of M/s Jit Shipping (Licence No. AFPLPP4301F) was recorded on 17.02.2025 (RUD-VIII) wherein he inter-alia stated that:

On being asked about M/s Jit Shipping and their work, he stated that Customs Broker firm M/s. Jit Shipping (Licence No. AFPLPP4301F) was established around 04 years ago. Their firm is engaged in the business of import and export clearance since very long time at Nhava Sheva. He has been holding G-Card since 2023 and associated with M/s. Jit Shipping and doing all examination and customs clearing related work in both import and export.

On being asked about procedure of filling shipping bills, he stated that Firstly they seek KYC documents from exporter and verify whether their AD Code, IFS Code etc. are registered in EDI Section of particular Customs port. If first time exporter then they do First Time Export registration formality at CEAC, JNCH. Thereafter, they guide their exporters verbally to send all necessary documents as per exporting commodity on mail I'd and also ask whether they want to claim export benefits or not. After that they create checklist based on the documents submitted by the exporter. Thereafter they sent the checklist to exporter for approval, after getting approval from exporter, they file Shipping Bill on behalf of exporter on ICEGATE.

On being asked about the current shipping bill, he stated that the Shipping Bills No. 30033926 & 3003954 both dated 06.08.2023 has been filed by them on behalf of M/s Oscar Logistics Services (IEC- BQXPK2834G), and the goods being exported under the said Shipping Bill was 'RMG'.

On being asked about the exporter, he stated that the exporter came to Mumbai in July - 2023 for the export of goods and visited their office for the export of RMG after they visited the exporter's office at Janakpuri Delhi where the exporter showed the sample of the goods which they wanted to export. After seeing the they agreed to work with the said exporter.

On being asked about the verify exporter address, he stated that they did physically verify address at the time of KYC before filing Shipping Bills. All the KYC details like ICE registration copy, GSTIN registration copy, pancard, aadhar card, for account details bank cheque copy and for the address proof they took electricity bill of the Company M/s Oscar Logistics Services and the copies of the same were submitted.

On being asked about the GST status of exporter on GSTIN portal is Cancelled suo-moto, he stated that they were not aware of this. Before filling the shipping bills on behalf of the said exporter they had conducted the KYC verification and during KYC verification the GSTIN was verified and it was active after that they had not verified GSTIN of the said exporter as he had already stated that they had filed only 03 shipping bills dated 05.08.2023 & 06.08.2023.

On being asked about the summon in respect of exporter returned to this office with remark of "No Such firm", he stated that they are not aware about the Summons issued to the exporter, they had visited the office of said exporter situated at WZ-13D/3, Asalat Pur, Opp. Gurudwara, Janakpuri Delhi-110058 during the KYC verification, after that they had filed total 03 shipping bills dated 05.08.2023 & 06.08.2023 on behalf of exporter M/s. Oscar Logistics Services (IEC- BQXPK2834G). After that they are not in contact with the said exporter.

On being asked about the variation in the value as per market report, he stated that they had filed shipping bill on behalf of the said exporter on the basis of tax invoices provided to us by exporter M/s Oscar Logistics Services (IEC- BQXPK2834G) and they did not take any measures to verify the value of the goods declared in the invoices.

On being asked about the Regulation 10 of the CBLR, 2018, he stated that they are aware of Regulation 10 of the CBLR, 2018 and they diligently followed the same during filing the shipping bill.

14. From the above, it appears that, the exporter has illegally claimed Drawback, RODTEP and RoSCTL by exporting goods at inflated price on the basis of invoices. The re-determined FOB value of the said goods covered under the above mentioned Shipping Bill comes to Rs. 96,34,521/- as against the declared FOB value of Rs. 1,39,72,560/- By inflating the FOB value and mis-declaring the goods, the exporter was attempting to claim Drawback of Rs. 5,06,736/-, RODTEP of Rs. 7,185/- and RoSCTL of Rs. 5,28,220/- whereas they were eligible for Drawback of Rs. 3,48,746/-, RODTEP of Rs. 7,017/-and RoSCTL of Rs. 3,60,915/- respectively.

15. Further, on perusal of the past export data in respect of the subject exporter in ICES 1.5 system, the following shipping bills have been found wherein foreign remittance has not been received as per FEMA regulation. The details of the shipping bills are as under:-

Table-V

Sl. No.	SB No.	SB Date	FOB Value (in Rs.)	Drawback (in Rs.)	ROSCTL (in Rs.)	RODTEP (in Rs.)	FOB to be Realised (in FC)	FOB Actually Realised (in FC)
1	2859348	31.07.2023	7079077	220220	397366	0	87181	0
2	2859350	31.07.2023	6876146	224207	308411	0	84682	0
3	2894823	01.08.2023	6881700	216493	293660	0	84750	0
4	2895699	01.08.2023	5671155	157112	247348	7717	69842	0
5	2993307	05.08.2023	5819617	151310	221145	0	71058	0
Total			3,23,27,695/-	9,69,342/-	14,67,930/-	7717		

15.1 As the prescribed time line for realization of foreign remittance is 09 months as per RBI Master Circular No. 14/2014-15 dated 01.07.2014, which states, "It has been decided in consultation with the Government of India that the period of realization and repatriation of export proceeds shall be nine months from the date of export for all exporters including Units in SEZs, Status Holder Exporters, EOUs, Units in EHTPs, STPs & BTPs until further notice". As per Table-V, there are 5 Shipping bills mentioned in the table above for which FOB has not been realized despite completion of expected realization time period as mandated by RBI. Accordingly, the Drawback, RoSCTL and other export incentives liable to be demanded back to the remittance not realized, from the exporter on account of non realization of foreign remittance in the shipping bills mentioned in Table-V under Section 75 and 75A of the Customs Act, 1962 read with Rule18 of the Drawback rules,2017 along with applicable interest in terms of Notification No. 76/2021-Cus (N.T.) dated 23.09.2021 along with applicable interest under section 28AAA of the Customs Act, 1962 read with section 28AA of Customs Act, 1962.

16. RELEVANT LEGAL PROVISIONS

A. Customs Act, 1962

Section 2(30): Market price in relation to any goods means the wholesale price of the goods in the ordinary course of trade in India.

Section 50: Entry of goods for exportation-

1. The Exporter of any goods shall make entry thereof by presenting[electronically][on the customs automated system]to the proper officer in the case of goods to be exported in a vessel or aircraft, a shipping bill, and in the case of goods to be exported by land, a bill of export[in such form and manner as may be prescribed]:

Provided that the [Principal Commissioner of Customs or Commissioner of Customs] may, in cases where it is not feasible to make entry by presenting electronically[on the customs automated system],allow an entry to be presented in any other manner.]

2. The Exporter of any goods, while presenting a shipping bill or bill of export, shall make and subscribe to a declaration as to the truth of its contents.
3. The Exporter who presents a shipping bill or bill of export under this section shall ensure the following, namely:-

- a. The accuracy and completeness of the information given therein;
- b. The authenticity and validity of any document supporting it; and
- c. Compliance with the restriction or prohibition, if any, relating to the goods under this Act or under any other law for the time being in force.

SECTION 113(i): any goods entered for exportation which do not correspond in respect of value or in any material particular with the entry made under this Act in the case of baggage with the declaration made under section 77, shall be liable to confiscation;

Section 113(ia): any goods entered for exportation under claim for drawback which do not correspond in any material particular with any information furnished by the Exporter or manufacturer under this Act in relation to the fixation of the rate of drawback under Section 75, shall be liable to confiscation;

Section 113(ja): any goods entered for exportation under claim of remission or refund of any duty or tax or levy to make a wrongful claim in contravention of the provisions of this Act or any other law for the time being in force;

Section 114(iii): any person who, in relation to any goods, does or omits to do any act which act or omission would render such goods liable to confiscation under section 113, or abets the doing or omission of such an act, shall be liable, in the case of any other goods, to a penalty not exceeding the value of the goods as declared by the Exporter or the value as determined under this Act, whichever is the greater;

Section 114AA. Penalty for use of false and incorrect material.—If a person knowingly or intentionally makes, signs or uses, or causes to be made, signed or used, any declaration, statement or document which is false or incorrect in any material particular, in the transaction of any business for the purposes of this Act, shall be liable to a penalty not exceeding five times the value of goods

Section 114AB. Penalty for obtaining instrument by fraud, etc.—Where any person has obtained any instrument by fraud, collusion, wilful misstatement or suppression of facts and such instrument has been utilized by such person or any other person for discharging duty, the person to whom the instrument was issued shall be liable for penalty not exceeding the face value of such instrument.

Section 114AC: Penalty for fraudulent utilisation of input tax credit for claiming refund.—Where any person has obtained any invoice by fraud, collusion, wilful misstatement or suppression of facts to utilize input tax credit on the basis of such invoice for discharging any duty or tax on goods that are entered for exportation under claim of refund of such duty or tax, such person shall be liable for penalty not exceeding five times the refund claimed. For the purposes of this section, the expression "input tax credit" shall have the same meaning as assigned to it in clause (63) of section 2 of the Central Goods and Services Tax Act, 2017 (12 of 2017).

Section 75A(2): Where any drawback has been paid to the claimant erroneously or it becomes otherwise recoverable under this Act or the rules made thereunder, the claimant shall, within a period of two months from the date of demand, pay in addition to the said amount of drawback, interest at the rate fixed under section 28AA and the amount of interest shall be calculated for the period beginning from the date of payment of such drawback to the claimant till the date of recovery of such drawback.

Section 28AAA. Recovery of duties in certain cases.

(1) Where an instrument issued to a person has been obtained by him by means of

- a. collusion; or
- b. wilful mis-statement; or
- c. suppression of facts,

for the purposes of this Act or the Foreign Trade (Development and Regulation) Act, 1992 (22 of 1992), by such person or his agent or employee and such instrument is utilized under the provisions of this Act or the rules made or notifications issued thereunder, by a person

other than the person to whom the instrument was issued, the duty relatable to such utilization of instrument shall be deemed never to have been exempted or debited and such duty shall be recovered from the person to whom the said instrument was issued: Provided that the action relating to recovery of duty under this section against the person to whom the instrument was issued shall be without prejudice to an action against the importer under section 28.

Section 28AA. Interest on delayed payment of duty—

(1) Notwithstanding anything contained in any judgment, decree, order or direction of any court, Appellate Tribunal or any authority or in any other provision of this Act or the rules made thereunder, the person, who is liable to pay duty in accordance with the provisions of section 28, shall, in addition to such duty, be liable to pay interest, if any, at the rate fixed under sub-section (2), whether such payment is made voluntarily or after determination of the duty under that section.

(2) Interest at such rate not below ten percent and not exceeding thirty-six percent per annum, as the Central Government may, by notification in the Official Gazette, fix, shall be paid by the person liable to pay duty in terms of section 28 and such interest shall be calculated from the first day of the month succeeding the month in which the duty ought to have been paid or from the date of such erroneous refund, as the case may be, up to the date of payment of such duty.

B. Customs and Central Excise Duties Drawback Rules, 2017

Rule:-17 Repayment of erroneous or excess payment of drawback and interest-

Where an amount of drawback and interest, if any, has been paid erroneously or the amount so paid is in excess of what the claimant is entitled to, the claimant shall, on demand by a proper officer of Customs repay the amount so paid erroneously or in excess, as the case may be, and where the claimant fails to repay the amount it shall be recovered in the manner laid down in sub- section (1) of section 142 of the Customs Act, 1962.

Rule 18: Recovery of amount of Drawback where export proceeds not realized-

(1) Where an amount of drawback has been paid to an exporter or a person authorized by him (hereinafter referred to as the claimant) but the sale proceeds in respect of such export goods have not been realized by or on behalf of the exporter in India within the period allowed under the Foreign Exchange Management Act, 1999 (42 of 1999), including any extension of such period, such drawback shall, except under circumstances or conditions specified in sub-rule(5), be recovered.

C. Foreign Trade (Development and Regulation) Act, 1992

Section 11:(1) No export or import shall be made by any person except in accordance with the provisions of this Act, the rules and orders made thereunder and the foreign trade policy for the time being in force.

D. Foreign Trade (Regulation) Rules, 1993

Rule11: On the importation into, or exportation out of, any customs ports of any goods, whether liable to duty or not, the owner of such goods shall in the Bill of Entry or the Shipping Bill or any other documents prescribed under the Customs Act, 1962 (52 of 1962), state the value, quality and description of such goods to the best of his knowledge and belief and in case of exportation of goods, certify that the quality and specification of the goods as stated in those documents, are in accordance with the terms of the export contract entered into with the buyer or consignee in pursuance of which the goods are being exported and shall subscribe a declaration of the truth of such statement at the foot of such Bill of Entry or Shipping Bill or any other documents.

E. Customs Valuation (Determination of Value of Export Goods) Rules, 2007

(a) RULE 3- Determination of the method of Valuation

1. Subject to rule 8, the value of export goods shall be the transaction value.
2. The transaction value shall be accepted even where the buyer and seller are related, provided that the relationship has not influenced the price.
3. If the value cannot be determined under the provisions of sub-rule (1) and sub- rule (4), the value shall be determined by proceeding sequentially through rules 4 to 6.

(b) RULE 4- Determination of export value by comparison-

4. "the value of the export goods shall be based on the transaction value of goods of like kind and quality exported at or about the same time to other buyers in the same destination country of importation or in its absence another destination country of importation adjusted in accordance with the provisions of sub-rule (2).
5. In determining the value of export goods under sub-rule (1), the proper officer shall make such adjustments as appear to him reasonable, taking into consideration the relevant factors, including –
 - i. Difference in the dates of exportation,
 - ii. Difference in commercial levels and quantity levels,
 - iii. Difference in composition, quality and design between the goods to be assessed and the goods with which they are being compared,
 - iv. Difference in domestic freight and insurance charges depending on the place of exportation".

(c) RULE 5. Computed value method-

"If the value cannot be determined under Rule 4, it shall be based on a computed value, which shall include the following: -

- a. Cost of production, manufacture or processing of export goods;
- b. charges, if any, for the design or brand;
- c. an amount towards profit".

(d) RULE 6. Residual Method-

"Subject to the provisions of rule 3, where the value of the export goods cannot be determined under the provisions of rules 4 and 5, the value shall be determined using reasonable means consistent with the principles and the general provisions of these rules provided that local market price of the export goods may not be the only basis for determining the value of export goods".

(e) RULE 7. Declaration by the exporter-

"The exporter shall furnish a declaration relating to the value of export goods in the manner specified in this behalf".

(f) RULE 8- Rejection of declared value-

- a. "When the proper officer has reason to doubt the truth or accuracy of the value declared in relation to any export goods, he may ask the exporter of such goods to furnish further information including documents or other evidence and if, after receiving doubt about the truth or accuracy of the value so declared, the transaction value shall be deemed to have not been determined in accordance with sub- rule (1) of rule 3.
- b. At the request of an exporter, the proper officer shall intimate the exporter in writing the ground for doubting the truth or accuracy of the value declared in relation to the export goods by such exporter and provided a reasonable opportunity of being heard, before taking a final decision under sub-rule (1)".

F. Customs Brokers Licensing Regulations, 2018:

value of the subject goods. Hence, value of the subject goods could not be determined under the said Rule 4 of the Customs Valuation (Determination of Value of Export Goods) Rules, 2007.

16.8 The Exporter has neither produced any cost of production details, manufacturing or processing of export details and correct transport details nor produced cost design or brand or an amount towards profit etc., to derive computed value of the goods. In absence of complete cost data details, value could not be determined as per Rule 5 of the Customs Valuation (Determination of Value of Export Goods) Rules, 2007.

16.9 The value of the impugned goods is, therefore, proposed to be re-determined under the residual Rule 6 of CVR (Export) Rules, 2007. This rule stipulates that subject to the provisions of Rule 3, where the value of the export goods cannot be determined under the provisions of Rules 4 and 5, the value shall be determined using reasonable means consistent with the principles and general provisions of these rules. Therefore, in order to arrive at the correct value of the impugned goods the same was required to be done on the basis of Rule 6 of the Customs Valuation (Determination of Value of Export Goods) Rules, 2007. Accordingly, the total value of the goods has been re-determined as Rs. 96,34,521/- as per the market enquiry conducted of the subject goods.

17. As discussed above, the exporter M/s. Oscar Logistics Services had mis-declared the impugned goods in terms of their value and attempted to defraud the Government by claiming undue higher amount of Drawback, RODTEP and ROSCTL and thereby acted in a manner which rendered the said goods under Table-I above liable for confiscation in terms of the provisions of Section 113(i), 113(ia) and 113 (ja) of the Customs Act, 1962.

18. Further, to ascertain the verification of genuineness of supply chain of the exporter letter dated 04.09.2023, and 18.12.2024 were sent to Jurisdictional CGST Commissionerate of the exporter to verify the genuineness of the exporter. However, no reply has been received by this office. Further, verification of GSTIN: 07BQXPK2834G1ZG in respect of the exporter M/s Oscar Logistics Services (IEC: BQXPK2834G) on GST portal, it has been found that the subject GSTIN no. Is cancelled suo-moto w.e.f. 07.10.2024. As the Summons issued to the exporter returned with remark 'Item returned No such firm in the addresses. Thus, it is clear that the exporter is a fly by night operator, and was established only to export inferior goods to claim higher export incentives. Therefore, it appears that the exporter connived with their supplier to obtain invoice by fraud and collusion to utilize input tax credit on the basis of such invoice for discharging tax on goods which have been entered for exportation under the Shipping Bill filed by them. Hence, M/s Oscar Logistics Services (IEC: BQXPK2834G) appears liable for penalty under section 114AC of the Customs Act, 1962.

19. The exporter M/s Oscar Logistics Services (IEC: BQXPK2834G) have rendered themselves liable to penalty in terms of Section 114(iii) of the Customs Act, 1962 on account of mis-declaration of value of the impugned goods and attempting to export improperly as their omission and commission has rendered the goods liable for confiscation u/s 113(i), 113(ia) and 113 (ja) of the Customs Act, 1962.

20. M/s Oscar Logistics Services (IEC: BQXPK2834G), has knowingly & intentionally caused to sign & used the documents to provide the undue advantage to the exporter with mala-fide intent to avail undue/excess export benefits in form of Drawback, RODTEP and ROSCTL. Further, exporter was operating as fly by night and is currently not traceable at his principal place of business. Therefore, M/s. Oscar Logistics Services (IEC: BQXPK2834G) is also liable for penalty u/s 114AA of Customs Act, 1962 for this intentional mis-declaration.

21. Further, for the past shipping bills in respect of M/s Oscar Logistics Services (IEC: BQXPK2834G) were retrieved from the ICEs 1.5 System wherein 05 shipping bills have been found wherein foreign remittance has not been received as per FEMA regulation. In the event of non-receipt of foreign remittance in the above shipping bills as mentioned in Table-V, the goods covered under the said shipping bills are liable for confiscation under section 113(ia) & 113(ja) and claimed export incentive i.e. Drawback, RODTEP & RoSCTL are liable to be demand back from the exporter in terms of Rule 18 of the Customs and Central Excise Duties Drawback Rules, 2017 in terms of Notification No. 76/2021-Cus(N.T) dated 23.09.2021, 77/2021-Cus(N.T) dated 24.09.2021 & 25/2023-Cus(N.T) dated 01.04.2023 and section 28AAA read with section 28AA of the Customs Act, 1962.

2 2 . As above discussion, it appears that the M/s Oscar Logistics Services (IEC: BQXPK2834G) have rendered themselves liable to penalty in terms of section 114AB of the

Customs Act, 1962 on account of non receipt of the foreign remittance in Shipping Bills filed by the exporter as mentioned at Table-V above.

23. The Custom Broker M/s. Jit Shipping Services (License No. AFLPP4301FCH003) failed to ascertain the veracity and genuineness of the export firm M/s. Oscar Logistics Services (IEC:BQXPK2834G). The regulation 10 (n) of the CBLR, 2018 has mandated that the CB has to 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 stated by the CB, they have merely taken copies of the IEC and GST registration from the exporter and started filing Shipping Bills on their behalf. The CB has to verify the antecedents of the exporter by using reliable, independent, authentic documents, data or information, which the CB has failed to do in this case. The CB in their voluntary statement has submitted that they had verified the principal place of business of the exporter. However, he did not submitted any evidence proof of physical verification. Had the CB confirmed the veracity and genuineness of the exporter through their own independent and reliable sources, he could have easily known that the exporter and their supply chain is dubious. The CB has thereby violated regulation 10(n) of the CBLR, 2018 and have rendered themselves liable for penalty under section 114(iii) and 114AA of the Customs Act, 1962.

24. Now therefore, M/s. Oscar Logistics Services (IEC:BQXPK2834G) having its office at Office No. 03, 1st Floor, WZ-13D/3, Asalat Pur, Opp. Gurudwara, Janakpuri, Delhi-110058 are hereby called upon to Show Cause to the Additional Commissioner of Customs, CEAC, NS-IL, JNCH, having office at Jawaharlal Custom House, Nhava Sheva, Tal-Uran, Dist-Raigad, Maharashtra, within 30 days of receipt of this notice as to why:

- i. The declared value of Rs. 1,39,72,560/-covered under the Shipping Bills no. 3003926 and 3003954 both dated 06.08.2023 should not be rejected under Rule 8 and should not be re-determined same as Rs. 96,34,521/- under rule 6 of the Customs Valuation (Determination of Value of Export Goods) Rules, 2007.
- ii. The said impugned export goods covered under the Shipping Bills no. 3003926 and 3003954 both dated 06.08.2023 having total declared FOB value of Rs. 1,39,72,560/- which appear to be mis-declared in terms of value should not be confiscated under the provisions of Section 113(i), 113(ia) and 113(ja) of the Customs Act, 1962.
- iii. The claimed Drawback of Rs. 5,06,736/-, RODTEP of Rs. 7,185/- and RoSCTL of Rs. 5,28,220/- covered under Shipping Bills no. 3003926 and 3003954 both dated 06.08.2023 should not be rejected on account of mis- declared and same should not be re-determined as Drawback amount of Rs. 3,48,746/-, RODTEP of Rs. 7,017/-and RoSCTL of Rs. 3,60,915/- respectively.
- iv. The goods value at Rs. 3,23,27,695/- for the past export goods covered under shipping bills as mentioned in Table-V on account of non-receipt of foreign remittance should not be confiscated under the provisions of Section 113(ia) & 113(ja) of the Customs Act, 1962.
- v. The Drawback amount of Rs. 9,69,342/-claimed in the past shipping bills as mentioned at Table-V above should not be recovered alongwith interest on account of the non FOB realized and should not be demanded from the exporter along with applicable interest under Section 75 and 75A of the Customs Act 1962 read with Rule 17 &18 of the drawback Rules,2017 read with section 28AA of the Customs Act, 1962.
- vi. The amount of RoSCTL amount of Rs. 14,67,930/- and RODTEP amount of Rs. 7,717/- claimed in the past shipping bills as mentioned at Table-V above should not be recovered on account of the non-realized FOB and should not be demanded from the exporter along with applicable interest in terms of Notification No. 76/2021-Cus(N.T) dated 23.09.2021, 77/2021-Cus (N.T) dated 24.09.2021 & 25/2023-Cus (N.T) dated 01.04.2023 and section 28AAA read with section 28AA of the Customs Act, 1962.
- vii. Penalty should not be imposed upon the exporter M/s Oscar Logistics Services (IEC: BQXPK2834G) under Section 114(iii) and 114AA of the Customs Act, 1962.
- viii. Penalty should not be imposed upon the exporter M/s Oscar Logistics Services (IEC: BQXPK2834G) under Section 114AC of the Customs Act, 1962.
- ix. Penalty should not be imposed upon the exporter M/s Oscar Logistics Services (IEC: BQXPK2834G) under Section 114AB of the Customs Act, 1962.

- x. The Bond executed equivalent to FOB value of the subject goods should not be enforced, and bank Bank Guarantee/Cash Security Deposit of Rs. 2,00,000/- deposited vide Cash Challan No. HCM1556 dated 22.11.2023 at the time of provisional release of the goods for export should not be appropriated against export incentives, applicable interest, redemption fine and penalty etc. as above.

24.1 Further, the Customs Broker M/s. Jit Shipping Services (License No. AFLPP4301FCH003), are hereby called upon to Show Cause to the Additional Commissioner of Customs, CAC, NS-II, JNCH, having office at Jawaharlal Custom House, Nhava Sheva, Tal-Uran, Dist-Raigad, Maharashtra, within 30 days of receipt of this notice as to why penalty should not be imposed upon them under Section 114(iii) and 114AA of the Customs Act, 1962, in violation of Regulation 10(n) of CBLR, 2018.

25. The noticee are further informed that they should clearly state in their written reply whether they wish to be heard in person before the case is adjudicated. In case no reply is received within 30 days of the receipt of this SCN and no request is made for the PH or they do not appear before the adjudicating authority on the date and time fixed, the case will be decided ex-parte on the basis of evidence available on record without any further reference to them.

26. This show cause notice is issued only in respect of issues discussed in the show cause notice and the goods mentioned against the shipping bill discussed hereinabove.

27. The Department reserves its right to add, amend, modify, etc. this notice based on any fresh facts or evidence which may come to the notice of the Department after issue of this notice but prior to adjudication thereof.

28. This show cause notice is issued without prejudice to any other action that may be taken in respect of the impugned goods and/or the persons/company mentioned in the notice, under the provisions of the Customs Act, 1962 and/or any other law for the time being in force.

29. List of the documents relied upon in this notice(RUDs)are as per Annexure-Aattached with this notice. It may be noted that all the relied upon Documents and annexure enclosed with this show cause notice are an integral part of this show cause notice.

Digitally signed by
(B. RAGHU KIRAN)
Raghu Kiran Batchali
ADDITIONAL COMMISSIONER OF CUSTOMS
Date: 07.08-2025
15:19:19
CEAC, NS-II, JNCH

To,

i. M/s Oscar Logistics Services (IEC:BQXPK2834G),

Office No. 03, 1st Floor, WZ-13D/3, Asalat Pur,

Opp. Gurudwara, Janakpuri, Delhi- 110058.

ii. M/s. Jit Shipping Services

VindhyaCommercialComplex,ShopNo.74, Plot No. 01, Sector-11,
CBD Belapur, Navi Mumbai-400614.

Copy to:

1. The Dy./ Asstt. Commissioner of Customs, SIIB(X) & IRMC, JNCH.
2. The Asstt. Commissioner of Customs, CAC, JNCH.
3. The Asstt. Commissioner of Customs, CEAC, JNCH
4. Supdt/CHS, JNCH for display on Notice Board.
5. EDI for upload on JNCH website.
6. The Dy. / Asstt. Commissioner of CGST, Janakpuri Division, Delhi West Commissionerate, New Delhi-110058. *(for necessary action in view of para 11.3)*
7. Office Copy

Annexure-A

Sr.No.	List of Relied Upon Documents
RUD-I	Copy Shipping bills No. 3003926 and 3003954 both dated06.08.2023
RUD-II	Copy of Panchanama dated12.08.2023
RUD-III	DYCC Test Reports
RUD-IV	Copy of market enquiry dated26.09.2023
RUD-V	Copy of Provisional release NOC
RUD-VI	GST status and Report
RUD-VII	Summon in respect of Exporter tracking report
RUD-VIII	Copy of statement of Shri Sanjay Babaji Sawant, G-cardholder of M/s Jit Shipping (Licence No. AFPLPP4301F) was recorded on 20.01.2025