

Brief Facts of the Case:

M/s. International Freight Systems Co. Pvt. Ltd. (earlier known as M/s. Moon Clearing Agency) having PAN - AAACI0339M and registered address at Office No - 202, Enterprise Centre, off. Nehru Road, Beside Orchid Hotel, Vile Parle (East), Mumbai – 400099 (hereinafter referred as the Customs Broker/CB) is holder of Customs Broker License No. 11/598, 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.

2. An offence report in the form of SCN No. 356/2025-26/AC/CEAC/NS-II/CAC/JNCH dated 30.06.2025 along with letter F.No. CUS/SIIB/MISC/91/2025-SIIB(E)-O/o-Commr-Cus-Nhava Sheva-II dated 13.08.2025 was received from the Assistant Commissioner of Customs, SIIB(X), NS-II, JNCH, wherein inter-alia following were stated:

2.1 The exporter, M/s Lubrikote Specialities Pvt. Ltd (IEC - 0310067332) having its registered office at 449/2/P Industrial Estate Masat, Union Territory of Silvassa, Dadra and Nagar Haveli - 396230 (hereinafter referred as “the exporter”) had filed Shipping Bill No. 7755410 dated 13.02.2023 through the Customs Broker M/s International Freight Systems Co. Pvt. Ltd. (CB License No. 11/598) for export of chemicals wherein, one of the chemicals at Sr. No. 3 of the aforementioned Shipping bill was declared as ‘Lubrikote Flux SSF (CTH-38249100; 1000 kgs)’ under claim of Drawback and RoDTEP. The details of the same is as under:

Table-I

Sr. No.	Shipping Bill No date	Item & No	Description of Goods	Declared Quantity (in Kgs)	FOB Value (Rs.)	Drawback (Rs.)	RODTEP (Rs.)
1	7755410 dated 13.03.2023	1	Lubrikote GR 111	12,000	8,16,984	10,620.79	6,535.87
		2	Lubrikote Flux SS	1,000	50,251	653.26	402.01
		3	Lubrikote Flux SSF	1,000	1,23,196	1,601.55	98

2.2 On the basis of query/objection by the Docks examining Officer, CPP(X), CFS, the officers of SIIB (X), JNCH, investigated this case suspecting export of SCOMET item “Sodium hexafluorosilicate” declared as “Lubrikote Flux SSF” in Shipping Bill No. 7755410 dated 13.02.2023, without the necessary export authorization. The consignment covered under Shipping Bill No. 7755410 dated 13.02.2023 was 100% examined under Panchanama dated 29.03.2023 by the officers of SIIB(X), JNCH in the presence of authorized representative of the exporter and the Customs Broker. During examination, it was observed that the item at Sr. No. 3 declared as Lubrikote Flux SSF of the subject shipment appeared to be restricted, as per Schedule 2 of Export Policy under SCOMET list. Therefore, Representative Sealed Sample (RSS) of the subject item was drawn under Panchanama dated 29.03.2023 and sent to DYCC, JNCH vide letter dated 04.10.2023 to verify the chemical composition and description of the goods. Accordingly, the goods covered under Shipping Bill No. 7755410 dated 13.02.2023 were seized under section 110 of the Customs Act, 1962 vide seizure memo dated 10.04.2023 under reasonable belief that the exporter was attempting to export SCOMET items without export authorization and hence, the same were liable for confiscation under section 113 of the Customs Act, 1962.

2.3 DYCC, JNCH forwarded the test report for the RSS of the goods declared as “Lubrikote Flux SSF” vide its Report Lab No. 918/SIIB(X) dated 26.10.2023 stating that-

"The sample as received is in the form of white powder. It is composed of Sodium Silicofluoride."

2.4 On the request of the exporter vide their letter dated 17.04.2023, the goods were allowed provisional release for Back to Town on execution of bond equivalent to FOB value of the subject goods and on submission of Bank Guarantee amounting to Rs 1,00,000/- (Rupees One Lakh Only) vide Challan No. HCM-1206 dated 19.04.2023.

2.5 Special Chemicals, Organisms, Materials, Equipment and Technologies (SCOMET) are listed in Appendix-3 of Schedule 2 of the ITC(HS) classification of Export & Import Items. Appendix-3 contains list of the goods/items which are considered as dual-

