सीमाशुल्क आयुक्त (सामान्य) का कार्यालय
OFFICE OF THE COMMISSIONER OF CUSTOMS(GENERAL)
कस्टम ब्रोकरअनुभाग,नवीन सीमाशुल्क भवन,
CUSTOMS BROKER SECTION, NEW CUSTOM HOUSE,
बेलार्ड इस्टेट,मुंबई – I
BALLARD ESTATE, MUMBAI – I

F.No. GEN/CB/503/2025-CBS **Date: 21.11.2025**

DIN: 20251177000000000A947

SHOW CAUSE NOTICE NO. 33/2025-26
UNDER REGULATION 17 OF THE CUSTOMS BROKER LICENSING REGULATION, 2018

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, Maharashtra (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:-

3 . The exporter, M/s Lubrikote Specialities Pvt. Ltd (IEC: 0310067332) having its registered office at 449/2/P Industrial Estated Masat, Union Territory of Silvasa, Dadar and Nagar Havel-396230 (hereinafter referred as "the exporter/the noticee") 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 constituents of chemical 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:

Sr. No.	Shipping Bill No & date	Item No	Description of Goods	Declared Quantity (in Kgs)	FOB Value (in Rs.)	Drawback (in Rs.)	RoDTEP (in 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	985.57
		4	Lubrikote Potassium Aluminium Fluoride (PAF)	1,000	1,00,502	1,306.53	804.02
		5	Lubrikote GR 112	2,400	3,24,848.4	4,223.03	2,598.79
Total				**17,400**	**14,15,781.40**	**18,405**	**11,326.26**

4. On the basis of query/objection by the Docks examining Officer, CPP(X), CFS, the Office of SIIB (X), JNCH, investigated a case of export involving a suspected SCOMET item "Sodium hexafluorosilicate" which is declared as "Lubrikote Flux SSF" in Shipping Bill No. 7755410 dated 13.02.2023, without export authorization by the exporter. The consignment covered under Shipping Bill No. 7755410 dated 13.02.2023 were 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 quantity and description of the goods was found as declared in the subject Shipping Bill. However, 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.

5. 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 is attempting to export SCOMET items without and export authorization, the same are liable for confiscation under section 113 of the Customs Act, 1962.

6. 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."***

7. On the request of the exporter vide their letter dated 17.04.2023, the goods were allowed to provisionally 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.

8. 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-use items, i.e., goods, technology, chemicals, organisms etc. which potentially have both, civil as well as military applications and are capable of being deployed as weapons of mass destruction. Further, items on the SCOMET List are organized in 09 category (from category 0 to category 8). Category 1 contains Toxic chemical agents and other chemicals.

8.1 Export of chemicals (Excluding Software and Technology) listed in 1D is allowed to the countries specified in Table 1 on the basis of a one-time General authorization for export of Chemicals and related equipments (GAEC) issued by DGFT, subject to the following conditions (including those below) and the procedure as prescribed from time to time:

> **I.** The exporter is required to register and obtain General authorization for export of Chemicals and related equipments only once during the validity period. Subsequent export/re-export is subject to post reporting(s) on quarterly basis to relevant Govt. authorities;
>
> **II.** General authorization for export of Chemicals and related

equipments issued for export / re-export of SCOMET items under the above Categories / Sub Categories (excluding software and technology) shall be valid for a period of five years from the date of issue of General authorization for export of Chemicals and related equipments subject to subsequent post reporting(s) on quarterly basis to be reported within 30 days from the last quarter;

8.2 It has been noticed that the item no 3 of the subject shipment i.e. "Lubrikote Flux SSF" is figured at Serial No. 21 (SCOMET Entry 1D021) of the list of Chemicals under category 1D of Appendix-3. The goods were destined to South Africa which is not covered under list of countries specified in Table-I of category 1D of Appendix-3 of the ITC(HS) export policy. Hence, export of "Lubrikote Flux SSF" is restricted and permitted only against export license issued by DGFT in this behalf.

8.3 Furthermore, as per para 4.55(iv) of DGFT Notification No. 19/2015-20 dated 17.08.2021, products which are restricted for export under Shedule-2 of export policy in ITC(HS) shall not be eligible for rebate under RoDTEP scheme.

8.4 Therefore, from the facts mentioned above, it is evident that the item no 3 of the instant shipment "Lubrikote Flux SSF" is restricted for export to South Africa and could be allowed only against an export licence from DGFT.

9.1 During the course of the investigation, statement of Shri Rahul Kishore Ramchandani, Director of M/s Lubrikote Specialities Pvt. Ltd was recorded under Section 108 of the Customs Act,1962 on 13.02.2024, wherein he interalia stated that he was one of the directors of the firm M.s Lubrikote Specialities Pvt. Ltd. which have specialities in manufacture of chemicals and releasants; that other directors are his brother Shri Rohit Kishor Ramchandani and his mother Mrs. Roma Kishore Ramchandani; that he agreed that the shipping bill no. 7755410 dated 13.02.2023 was filed by M/s Lubrikote Specialities Pvt. Ltd. through Custom Broker M/s International Freight Systems Co. Pvt. Ltd.; that he is giving his signature on checklist, packing list, invoice, Scomet declaration, MSDS certificate, test report submitted by their firm, acknowledgement of LUT, ISO 14001: 2015 Declaration; that the goods covered under said shipping bills were Lubrikote GR 111, Lubrikote Flux SS, Lubrikote Flux SSF, Lubrikote Potassium Aluminum Fluoride & Lubrikote GR 112; that those are metal treatment products used to clean molten Aluminum; that he agreed with the DYCC test reports dated 30.11.2023 that the subject goods is composed of sodium silicofluoride and put his dated signature; that they are manufacturing company as well as outsource the goods for manufacture; that in respect of Lubrikote Flux SSF he was not sure whether they have manufactured it or outsourced it; that he would confirm it and submit the reply at the earliest; that at the time of export of the goods covered under Shipping bill 7755410 dated 13.02.2023, they were not aware that export of SCOMET items is governed as per conditions indicated in Appendix-3 of Schedule 2 of ITC(HS) Classification of Export and Import items until their consignment was put on hold by Customs; that he agreed that as per Appendix-3, export of Sodium Silicofluoride is restricted and permitted only against Export License issued by DGFT; but at the time of export they were not aware of those terms so they did not apply for the SCOMET license; that they have not made any application to DGFT before the said export as they were not aware that their product is covered under SCOMET list and required Authorization from DGFT for export; that they have applied for the export authorization/ License no 0101008823 issued on 01.06.2023 and valid upto01.06.2025 of the same product "Sodium Hexafluorosilicate/ Sodium Silico Fluoride"; that he agreed that exporter should be aware about restriction and prohibition imposed by DGFT and should ensure compliance of any restriction imposed under Customs Act or any other act; that those goods are being used in metal treatment products used to clean molten Aluminum; that they were unaware that the said goods "Lubrikote SSF" fall under SCOMET category; that they came in contact with the buyer SILCA South Africa (PTY) LTD through trade references; that the firm is manufacturing and trading company involved in foundry suppliers in South Africa for metal treatment; that they have exported "Lubrikote Flux SSF" previously unknowingly of SCOMET License requirement to the same consignee covered under Shipping Bill 8613952 dated 12.02.2021, 3406027 dated 26.07.2021 & 8556306 dated 27.02.2022; that they have returned the RoDTEP received in case of above mentioned three shipping bills vides challan no. HCM 627, HCM 628 dated 11.04.2023; that they have been issued Authorization for SCOMET License and would be more careful in future; that the mistake happened inadvertently; that they are a law abiding firm and have not intentionally violated the provisions of the Act; that they would be cooperating with the department in the investigation and would be available whenever called for.

9.2. Statement of Shri Pravin D Jundare, authorized representative (G Card-holder, Kardex No. J-681) of Customs Broker M/s International Freight Systems Co. Pvt. Ltd.(License No.11/598) was recorded under section 108 of the Custom Act, 1962 on 16.02.2024 wherein he interalia stated that he has been associated with the CB firm for last 21 years; that in that capacity he handle export clearance related work of the firm at JNCH; that Shipping Bill No. 7755410 dated 13.02.2023 was filed by them on behalf of M/s Lubrikote Specialities Pvt. Ltd. and the goods under the said shipping bill are chemicals of different compositions; that he was aware that export of SCOMET items is governed as per conditions indicated in Appendix-3 of Schedule 2 of ITC(HS) Classification of Export and Import items; that he agreed that Sodium Silicofluoride is covered under the list of chemicals under Category ID of Appendix-3 and export of which is restricted and allowed only against export license issued by DGFT; that at the time of export they were not having idea of CAS number; that they checked the SCOMET list by product name i.e. "Lubrikote Flux SSF" and could not find any such product and exporter also confirmed by giving Non-Scomet declaration; that the export firm M/s Lubrikote Specialities Pvt. Ltd. did not have the export license issued by DGFT for export of the subject goods at the time of filing the said shipping bill; that at the time export of the said goods covered under SB 7755410 dated 13.02.2023, they enquired about the goods whether goods are covered under SCOMET or Non-SCOMET to which they provided the Non- SCOMET declaration; that accordingly, they filed the shipping bill and however, later on, the exporter had approached the DGFT and applied for an Export Authorisation License No 0101008823 issued on 01.06.2023 and valid upto 01.06.2025; that they understand that the CBLR 2018 has put on the CB to advise his client to comply with the provisions of the Act, other allied Acts and the rules and regulations thereof; but in this case they did not advise their client i.e. M/s Lubrikote Specialities Pvt. Ltd. about the compliance needed in case of export of SCOMET items as they were also unaware about the goods which fall under SCOMET category; that this was a mistake on their behalf; that this was the first incident in which the goods exported by M/s Lubrikote Specialities Pvt. Ltd. was put on hold by Customs; that they have filed on behalf of exporter "Lubrikote Flux SSF" previously unknowingly of SCOMET License requirement to the same consignee covered under Shipping Bill 8613952 dated 12.02.2021, 3406027 dated 27.07.2021 & 8556306 dated 27.02.2022;

10. The authorized representative of the Customs Broker interalia stated in his statement that at the time of export of the goods under Shipping Bill No. 7755410 dated 13.02.2023, they sought clarification on whether the goods fall under SCOMET or Non-SCOMET. The exporter provided a Non-SCOMET declaration, and the shipping bill was filed accordingly. Later, the exporter approached the DGFT and obtained Export Authorization License No. 0101008823, issued on 01.06.2023 and valid until 01.06.2025 for the export of the said goods.

11. Past Exports

The exporter has filed 04 shipping bill before the current shipping bill and the details of the shipping bills filed from 01.01.2021 onwards wherein the above good (Lubrikote Flux SSF) is exported is as below: -

Table-II

Sr. No.	Shipping bill No. & date	Item Description	RODTEP claimed for this Item	FOB value of said item (in Rs.)
1	**8613952 dated 12.02.2021**	Lubrikote Flux SSF	Rs 82/-	16,484.45
2	**3406027 dated 27.07.2021**	Lubrikote Flux SSF	Rs 290/-	57,929.99
3	**8556306 dated 27.02.2022**	Lubrikote Flux SSF	Rs 443/-	79,405.82
4	**4126682 dated 12.09.2022**	Lubrikote Flux SSF	Rs 0/-	1,19,624.02
TOTAL			**Rs 815/-**	**1,53,820.26**

M/s Lubrikote Specialities Pvt. Ltd. was not having Export Authorisation License hence he paid back undue availed RODTEP benefit with interest and penalty Rs.1249/- vide challan No. HCM-627, HCM-628 and HCM-673 on dated 11.04.2023. Moreover, it has to be mentioned that the export of product declared as "Lubrikote Flux SSF" is restricted and permitted only against Export license issued by DGFT in this behalf. Therefore, impugned goods exported vide above-tabulated (Table-II) 04 shipping bills are also liable for confiscation under Section 113(d) of the Customs Act, 1962.

12.1. The exporter attempted to export the goods declared as "Lubrikote Flux SSF" (item no 3 of the subject shipment) which is composed of

Sodium Silicofluoride which figures at Sr. No. 21 (SCOMET Entry 1D021) of the list of Chemicals under category 1D of Appendix-3. The goods were destined to Durban (Zadur), South Africa which is not included in the countries listed in Table1 of the corresponding SCOMET Entry and export of "Lubrikote Flux SSF" is restricted and permitted only against Export license issued by DGFT in this behalf. However, no such export authorization for SCOMET item has be uploaded by the exporter in e-Sanchit. The exporter in his statement dated 13.02.2024 had stated that they were unaware that the said goods "Lubrikote Flux SSF" fall under SCOMET category. However, ignorance of law cannot be an excuse for violation of a restriction imposed on any export goods.

12.2. The export of goods (Lubrikote Flux SSF) under past 04 Shipping bills No.8613952 dated 12.02.2021, 3406027 dated 27.07.2021, 8556306 dated 27.02.2022 & 4126682 dated 12.09.2022 are also liable for confiscation under Section 113(d) of the Customs Act, 1962, as the exporter was not having valid Export Authorisation License. The said exporter paid back undue availed RODTEP benefit with interest and penalty Rs.1249/- vide challan No. HCM-627, HCM-628 and HCM-673 on dated 11.04.2023.

13. Observation made by the Authority issued the Show Cause Notice in Offence Report:

The CB has been issued a show cause notice for alleged violations under Sections 114(i) and 114AA of the Customs Act, 1962, due to acts of omission and commission in the clearance of restricted goods and also proposed to take action under regulation 10(d) of the CBLR, 2018 as the CB failed to advise the exporter on compliance requirements and did not report the non-compliance to Customs authorities. Additionally, under Regulation 10(e), the CB did not exercise due diligence in verifying the need for an export authorization from DGFT for Sodium hexafluorosilicate, a SCOMET-listed item, thereby breaching regulatory obligations.

14. Furthermore, under the regime of trade facilitation, a significant amount of trust is placed on Customs Broker, who directly interact with importers and exporters. Any failure on the part of a CB to comply with the regulations mandated under the CBLR created opportunities and unscrupulous individuals to commit import export violations and revenue fraud.

In the present case, the Customs Broker, M/s International Freight

Systems Co. Pvt. Ltd. filed the Shipping Bill 7755410 dated 13.02.2023 on behalf of the exporter, M/s Lubrikote Specialities Pvt. Ltd. (IEC: 0310067332), for export of the goods declared as "Lubrikote Flux SSF" which is composed of Sodium Silicofluoride which figures at Sr. No. 21 (SCOMET Entry 1D021) of the list of Chemicals under category 1D of Appendix-3. The goods were destined to Durban (Zadur), South Africa which is not included in the countries listed in Table1 of the corresponding SCOMET Entry and export of "Lubrikote Flux SSF" is restricted and permitted only against Export license issued by DGFT in this behalf.

Further, the said CB also had filed 04 Shipping Bills mentioned above in Table-II on behalf of the exporter. The said goods were exported without obtaining necessary DGFT authorization.

However, at the time of exports of above mentioned goods, they did not possess the requisite DGFT authorization. Subsequently, the exporter approached the DGFT and obtained Export Authorization License No. 0101008823, issued on 01.06.2023 and valid until 01.06.2025, for the export of the said goods.

15. From the investigations in the above-mentioned case, the following omission leading to violation of obligations stipulated in Regulation 10 (d) and 10 (e) of CBLR, 2018 are apparent: -

i. Regulation 10(d) of the CBLR, 2018 which reads as:

"(d) 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;"

The investigation revealed that that the Customs Broker has filed the Shipping Bill No. 7755410 dated 13.02.2023 on behalf of the exporter, M/s Lubrikote Specialities Pvt. Ltd. (IEC: 0310067332), for export of the goods declared as "Lubrikote Flux SSF" which is composed of Sodium Silicofluoride which figures at Sr. No. 21 (SCOMET Entry 1D021) of the list of Chemicals under category 1D of Appendix-3. The goods were destined to Durban (Zadur), South Africa which is not included in the countries listed in Table1 of the corresponding SCOMET Entry and export of "Lubrikote Flux SSF" is restricted and permitted only against Export license issued by DGFT in this behalf. However, the exporter had attempted to export the said goods without obtaining the necessary DGFT authorization. Further, the said CB also had filed 04 Shipping Bills mentioned above in Table-II on behalf of the exporter. The said goods were exported without obtaining necessary DGFT authorization.

It was the responsibility of the Customs Broker to advise his client to comply with the provisions of the Act and Rules and Regulations thereof and in case of non-compliance shall bring the matter to the notice of concern Customs Officers. Here in the instant case, the CB ought to have informed the exporter about the statutory requirement of having an export authorization from the DGFT for export of Sodium hexafluorosilicate figuring in SCOMET list, thereby violating the said regulation of CBLR, 2018. However, the Customs Broker failed to advise his client to comply with provisions and also failed declare correct information to the Customs authorities. Thus, it appears that the Customs Broker has thereby violated Regulation 10(d) of CBLR, 2018.

ii. Regulation 10(e) of the CBLR, 2018 which reads as:

"(e) 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;"

The investigation also revealed that the Customs Broker has failed to exercise due diligence while handling the export consignments of the said exporter and did not inform the exporter about statutory requirement of having an export authorization from the DGFT for export of Sodium hexafluorosilicate figuring in SCOMET list, thereby violating the said regulation of CBLR, 2018. The Customs Broker admitted that they had only verified the trade name of the product in the SCOMET list and, upon not finding it, relied solely on the "non-SCOMET declaration" provided by the exporter. The Customs Broker further admitted that their failure to recognize that the product fall under the restricted SCOMET category was a mistake on their part. This omission directly led to the attempted illegal export of restricted goods. Therefore, it appears that the Customs Broker has violated the provisions of Regulation 10(e) of the CBLR,2018.

16. The evidence on record indicates that the Customs Broker was working in a negligent manner and was in violation of obligations cast upon them under the CBLR, 2018. A Customs Broker occupies a very important position in the Customs House and is supposed to safeguard the interest of both the importers and the Customs Department. A lot of trust is kept on Customs Broker by the Government Agencies, but their acts of omission and commission, it appears that the Customs Broker, M/s. International Freight Systems Co. Pvt. Ltd. has violated Regulations 10(d) and 10(e) of CBLR 2018 by failing to advise their client on SCOMET compliance and exercise due diligence.

17. From the above stated facts and outcome of the investigation, it appears that the CB M/s International Freight Systems Co. Pvt. Ltd., (PAN: AAACI0339M) (CB No. 11/598) has failed in fulfilling the obligations as mandated under CBLR, 2018 and has violated the Regulation 10 (d) and 10 (e) of CBLR, 2018 and thereby committed misconduct rendering themselves liable to penalty under Regulation 18 of the CBLR,2018.

18. In terms of Regulation 17(1) of CBLR, 2018, Customs Broker, M/s International Freight Systems Co. Pvt. Ltd. (earlier known as M/s Moon Clearing Agency) (CB No. 11/598) is hereby called upon to show cause, as to why:

i. The Customs Broker license bearing no. 11/598 issued to them should not be revoked under regulation 14 read with regulation 17 of the CBLR, 2018.

ii. Security deposited should not be forfeited under regulation 14 read with regulation 17 of the CBLR, 2018;

iii. Penalty should not be imposed upon them under regulation 18 read with regulations 17 of the CBLR, 2018.

19. The Customs Broker M/s International Freight Systems Co. Pvt. Ltd. (earlier known as M/s Moon Clearing Agency) (CB No. 11/598) is directed to submit written submission to this show cause notice within 30 days from the date of issue of this notice. They are directed to appear for personal hearing on the date as may be fixed and to produce proof of evidence/documents, if any, in their defence to Shri D N Bhatia, Assistant Commissioner who has been appointed as the Inquiry Officer to conduct inquiry into the case under regulation 17 of CBLR, 2018. 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 personal hearing and the issue will be decided on the facts available on records.

20. This notice 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 there under or any other law for the time being in force.

21. The documents/records relied upon are as under:-

i. Show Cause Notice No. 356/2025-26/AC/CEAC/NS-II/CAC/JNCH dated 30.06.2025 issued by Additional Commissioner of Customs, CEAC, NS-II, JNCH.

ii. Letter dated 13.08.2025 was received from the Assistant Commissioner of Customs, SIIB(X), NS-II, JNCH

Digitally signed by
Shraddha Joshi Sharma
Date: 21-11-2025
16:15:03

(Shraddha Joshi Sharma)
Commissioner of Customs
NCH, Mumbai-I

To,
M/s International Freight Systems Co. Pvt. Ltd., (Pan: AAACI0339M)
(CB No. 11/598)
Address: Office 202, Enterprise Centre, Off. Nehru Road,
Beside Orchid Hotel, Vile Parle (East),
Mumbai, Maharashtra – 400099

Copy to:

1. The Pr. Chief Commissioner of Customs/ Chief Commissioner of Customs, Mumbai Zone – I, II & III.
2. Shri. D.N. Bhatia, AC, NCH, General., appointed as the Inquiry Officer to conduct inquiry into the case under regulation 17 of CBLR, 2018.
3. CIU's of NCH, ACC & JNCH
4. EDI of NCH, ACC & JNCH
5. BCBA, Mumbai
6. Office Copy
7. Notice Board