



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/317/2025-CBS

Date: 22.07.2025

DIN: 20250777000000919281

SHOW CAUSE NOTICE No. 21 /2025-26 CBS

M/s. H.P. Dagha Shipping & Logistic (11/1827) PAN No. AFGPD0944R having address:- PLOT NO 323, 305, 3RD FLOOR, MADHUBAN, COCHIN STREET, OFF SHAHID BHAGAT SINGH ROAD, Ballard Estate, Mumbai-400038, Maharashtra (hereinafter referred to as the Customs Broker/CB) is holder of Customs Broker License No. 11/1827, issued by the Commissioner of Customs, Mumbai under Regulation 7(1) of CBLR, 2013 (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 Show Cause Notice No. 05/2025-26/Gr-V dated 06.06.2025 received from O/o the Commissioner of Customs, Gr-V, NCH. M/s Worldwide Machines Impex (IEC – AADFW1805E) had filed Bills of Entry No. 3074039 dated 28.10.2022 and 3153926 dated 03.11.2022 through their Customs Broker M/s. H.P. Dagha Shipping & Logistic (11/1827) for import of old and used Skylift/Boomlift mounted on vehicle. The declared assessable value of the goods of the said Bills of Entry were Rs. 1,17,43,436/- and 1,00,23,510/-; and the duty payable thereon was Rs. 32,57,042 and Rs. 27,80,020/- respectively.

3. An intelligence was received in Special Intelligence and Investigation Branch (Import-I), New Custom House, Ballard Estate, Mumbai that some of the Skylifts/Boomlifts have been cleared under chapter 84 rather than correct classification in chapter 87 of Customs Tariff Act, 1975. The goods declared as One Unit OLD & USED BRONTO SKYLIFT S70XDT TELESCOPIC BOOMLIFT & CHASSIS NO.- WMAH92ZZ68L052509 & S.NO. 5638-0114 WITH ACCESSORIES' and 'One Unit OLD & USED WUMAG SKYLIFT S70MDT TELESCOPIC BOOMLIFT CHASSIS NO. WDB9333041L110627 WITH STANDARD ACCESSORIES' were imported by M/s Worldwide Machines Impex and bought from seller M/s GWARMEX Lukasz Jasinski vide the above said BEs.

4. Further, the documents, i.e. Invoice, Bill of Lading, and Certificate of Inspection, uploaded on e-sanchit by the importer were scrutinized. For BE 3074039 dated 28.10.2022, the Chartered Engineer report dated 19.11.2022 uploaded on e-sanchit was also scrutinized, wherein the description in technical specifications of old, used and Second-hand Capital Goods were mentioned. The referred Chartered Engineer report mentioned Year of Manufacturing (YOM) as 2008, Chassis No. WMAH92ZZ68L052509, along with the value of the Skylift/Boomlift mounted on the vehicle, i.e., CIF EURO 1,25,000 (Price of new machinery in the year of manufacture, i.e., FOB USD 3,00,000) and residual life of more than 5 years, was mentioned. For BE 3153926 dated 03.11.2022, also, the Chartered Engineer report dated 19.11.2022 uploaded on e-sanchit was

scrutinized, wherein the description in technical specifications of Old, Used, and Second-hand Capital Goods were mentioned. The referred Chartered Engineer report mentioned Year of Manufacturing (YOM) as 2006, Chassis No. WDB9333041L110627, along with the value of the Skylift/Boomlift mounted on the vehicle i.e. CIF EURO 1,20,000 (Price of new machinery in the year of manufacture, i.e., FOB USD 2,00,000) and residual life of more than 5 years, was mentioned.

5. In this regard, inclusions mentioned in the explanatory notes to heading 87.05 of the Harmonized System of Nomenclature (HSN) were referred:

(3) *“Lorries (trucks) fitted with ladders or elevator platforms for the maintenance of overhead cables, street lighting, etc.; lorries (trucks) with an adjustable arm and platform (“dollies”) for cinematographic or television work. Further, CBIC Circular 20/2022-Cus dated 22.09.2022, regarding Classification of goods that undertake lifting and handling functions and have mobility as a function, was also referred, which vide Para 9 reads as:*

D. Integration of the working machine with the chassis

- *When the work machine is merely mounted (not integrated mechanically) on the chassis, the goods are classifiable under 8705.*

- *When chassis and working machine are specially designed for each other and form an integral mechanical unit and the chassis cannot be used for any other purpose- the goods are excluded from 8705 and are thus classifiable under 8426.*

- *Outriggers are crucial to the functioning of the mobile machine as they provide the necessary stability in order for the machine to lift heavy loads. If the outriggers are connected to and are a part of the sub structure i.e. the chassis and are controlled from the engine fitted with the chassis, it implies that the functioning of the outriggers which are a part of the chassis are crucial to the functioning of the crane.*

- *In such a scenario, the superstructure i.e. the crane and the sub structure i.e. the chassis, can be said to be working in tandem and can thus be considered to be mechanically and electrically integrated and the goods are be classifiable under heading 8426.*

- *In the absence of such integration of the chassis and working machine, the goods are classifiable under 8705.*

6. Accordingly, on the basis of scrutiny of the documents, explanatory notes and circular 20/2022-Cus dated 22.09.2022, investigation was initiated, by way of directing the importers to arrange the inspection of the impugned goods.

7. The observations provided by the first Chartered Engineer did not align with the actual findings, raising concerns regarding the accuracy and completeness of the evaluation. Therefore, to ensure due diligence, a second independent expert opinion was sought from another empanelled Chartered Engineer. Accordingly, a second inspection was conducted on 11.04.2023 by Shri S. D. Deshpande, the second Chartered Engineer, via video call/conferencing. The inspection was carried out in the presence of Shri Joginder Singh, partner of the importer M/s Worldwide Machines Impex and SIO/SIIB (I), NCH.

8. Chartered Engineer (2nd) Shri S. D. Deshpande Inspection Report dated 09.05.2023 with respect of BE 3074039 Dated:28.10.2022:-

a. The said capital good is Old/Used Truck Mounted Telescopic Boomlift.

- b. The said Capital good is around 15 years old (Year of Manufacture 2008 approx.)
- c. The said MAN Truck is Left Hand Drive.
- d. The said MAN Truck has a speedometer in Kilometers with total reading of 1,02,776.2 Kms. At the time of inspection it had a Indian RTO Registration No. GJ 15 SV 1572.
- e. The said machinery is used for fitting & maintenance of overhead cables and streetlights.
- f. We observed that, the slew bearing & outriggers are not integral part of the chassis of the truck. And, we can say that the said Boomlift & chassis of the truck are not working in tandem.
- g. During the video conference examination, we observed that the said Boomlift and chassis of the truck are not mechanically integrated. The Boomlift is simply mounted / fabricated on the chassis of the truck with the help of welding & bolting. The chassis of the truck is not specifically designed for the said Boomlift.
- h. Manufacturer of the Truck & Boomlift are different. Truck is MAN make & the Boomlift is BRONTO SKYLIFT make.
- i. The outriggers are attached to the sub-structure/Boomlift and not to the chassis of the truck.
- j. The Boomlift is Non Self-Propelled.
- k. The Boomlift draws power in conjunction with engine of the truck.
- l. There are two cabins/controls. One cabin of the truck houses propelling function connected to the chassis. Second cabin/control for lifting & handling of the Lift. From machine/lift cabin only truck's functions controlled are truck engine on/off function.
- m. From machine/lift cabin/control none of the following functions are controlled:
 -• Propelling of the truck engine, • box control, • Control of the gear changing, • Steering control, • Braking system facility.

9. The CE report dated 09.05.2023 has also stated that the value of the goods is 225,000 EURO FOB as compared to the value declared by the importer, i.e., 120000 EURO CF. However, the Year of Manufacturing appears to be 2008, the same as mentioned by the earlier CE inspected in the presence of Docks Officer.

10. Chartered Engineer (2nd) Shri S. D. Deshpande Inspection Report dated 09.05.2023 with respect of BE 3153926 Dated: 03.11.2022:

- a. The said capital good is Old/Used Truck Mounted Telescopic Boomlift.
- b. The said Capital good is around 3-4 years old (Year of Manufacture 2019 Found on the Boomlift)
- c. The said MERCEDES Truck is Left Hand Drive.
- d. The said MERCEDES Truck has a speedometer in Kilometers with total reading of 3,54,178 Kms. At the time of inspection it had a Indian RTO Registration No. GJ 15 SV 1653.
- e. The said machinery is used for fitting & maintenance of overhead cables and streetlights.
- f. We observed that, the slew bearing & outriggers are not integral part of the chassis of the truck. And, we can say that the said Boomlift & chassis of the truck are not working in tandem.
- g. During the video conference examination, we observed that the said Boomlift and chassis of the truck are not mechanically integrated. The Boomlift is simply mounted / fabricated on the chassis of the truck with the help of welding & bolting. The chassis of the truck is not specifically designed for the said Boomlift.
- h. Manufacturer of the Truck & Boomlift are different. Truck is MERCEDES make & the Boomlift is WUMAG ELEVANT make.
- i. The outriggers are attached to the sub-structure/Boomlift and not to the chassis of the truck.
- j. The Boomlift is Non Self-Propelled.
- k. The Boomlift draws power in conjunction with engine of the truck.
- l. There are two cabins/controls. One cabin of the truck houses propelling function connected to the chassis. Second cabin/control for lifting & handling of

the Lift. From machine/lift cabin only truck's functions controlled are truck engine on/off function.

m. From machine/lift cabin/control none of the following functions are controlled:- • Propelling of the truck engine, • box control, • Control of the gear changing, • Steering control, • Braking system facility.

11. The CE report dated 09.05.2023 stated the value of the goods as 350,000 EURO CIF as compared to the value declared by the importer, i.e., 120,000 EURO C&F. However, the Year of Manufacturing appears to be 2019, different from what is mentioned by the earlier CE inspected in the presence of Docks officers.

12. The Boomlift / Skylift in this case is mounted on what is in fact an essentially complete automobile chassis, in which the chassis comprises the following mechanical features: propelling engine, gearbox, and controls for gear-changing, and steering and braking facilities. Hence, irrespective of whether the lifting or handling machine is simply mounted on the vehicle or forms an integral mechanical unit with it, such assemblies fall to be classified in heading 87.05. Further, the Boomlift/Skylift in this case is not a self-propelled machine, was not presented separately, and it is neither based on a pulley nor a winch. Therefore, the said 'Boomlift/Skylift mounted on vehicle chassis' appears to be covered in the exceptions as mentioned in the explanatory notes to heading 84.26 of HSN, and hence cannot be classified under heading 8426 or 8427, or 8428 of HSN.

13. Relevant para of Explanatory Notes to heading 87.05 of HSN is reproduced below:-

This heading covers a range of motor vehicles, specially constructed or adapted, equipped with various devices that enable them to perform certain non-transport functions, i.e., the primary purpose of a vehicle of this heading is not the transport of persons or goods.

The heading includes:

(3) Lorries (trucks) fitted with ladders or elevator platforms for the maintenance of overhead cables, street lighting, etc.; lorries (trucks) with an adjustable arm and platform ("dollies") for cinematographic or television work.

"It should be noted that to be classified in this heading, a vehicle comprising lifting or handling machinery, earth levelling, excavating or boring machinery, etc., must form what is in fact an essentially complete motor vehicle chassis or lorry (truck) in that it comprises at least the following mechanical features: propelling engine, gear box and controls for gear-changing, and steering and braking facilities.

On the other hand, self-propelled machines (e.g., cranes, excavators) in which one or more of the propelling or control elements referred to above are located in the cab of a working machine mounted on a wheeled or track-laying chassis, whether or not the whole can be driven on the road under its own power, remain classified in, for example, heading 84.26, 84.29 or 84.30.

Similarly, this heading excludes self-propelled wheeled machines in which the chassis and the working machine are specially designed for each other and form an integral mechanical unit (e.g., self-propelled motor graders). In this case, the machine is not simply mounted on a motor vehicle chassis, but is completely integrated with a chassis that cannot be used for other purposes and may incorporate the essential automobile features referred to above."

Para 9 (D) of CBIC Circular 20/2022-Customs dated 22.09.2022 also re-iterates the same:

D. Integration of the working machine with the chassis

• *When the work machine is merely mounted (not integrated mechanically) on the chassis, the goods are classifiable under 8705.*

- *When chassis and working machine are specially designed for each other and form an integral mechanical unit and the chassis cannot be used for any other purpose- the goods are excluded from 8705 and are thus classifiable under 8426.*

- *Outriggers are crucial to the functioning of the mobile machine as they provide the necessary stability in order for the machine to lift heavy loads. If the outriggers are connected to and are a part of the sub structure i.e. the chassis and are controlled from the engine fitted with the chassis, it implies that the functioning of the outriggers which are a part of the chassis are crucial to the functioning of the crane.*

- *In such a scenario, the superstructure i.e. the crane and the sub structure i.e. the chassis, can be said to be working in tandem and can thus be considered to be mechanically and electrically integrated and the goods are classifiable under heading 8426.*

- *In the absence of such integration of the chassis and working machine, the goods are classifiable under 8705.*

14. In view of the explanatory notes and circular cited above, the goods in this case appear to be the Boomlift/Skylift fitted on the complete motor vehicle chassis, where the chassis comprises the following mechanical features: propelling engine, gear-box and controls for gear-changing, and steering and braking facilities. Also, none of the control elements referred to above are located in the cab of the Boomlift/Skylift. Further, in the goods in the present case, the outriggers are attached to the supporting beam of the Boomlift/Skylift only, and the outriggers are nowhere directly attached to the chassis of the Vehicle. Additionally, outriggers cannot be controlled from the vehicle cabin; rather, these are controlled from the separate levers provided in the Boomlift/Skylift. Hence, the Boomlift/Skylift and Vehicle chassis cannot be said to be working in tandem. Therefore, the said Boomlift/Skylift mounted on a vehicle chassis appears to be classifiable under the heading 87.05 of HSN. Therefore, on the basis of documents, statements of the importer 2nd Chartered engineer report dated 09.05.2023, explanatory notes to chapter 87 and circular Circular 20/2022-Cus dated 22.09.2022, it appears that the goods in the present case. i.e., Boomlift/Skylift mounted on vehicle chassis was wrongly classified in the heading 8427 instead of proper classification in heading 8705. Accordingly, it appears that the Boomlift/Skylift mounted on a vehicle chassis should be classified in 87059000.

15. Brief of the case: -

15.1 The impugned goods, i.e Boomlift/Skylift was not presented separately, it was presented as Boomlift/Skylift mounted on vehicle chassis. Also, it appears that the Boomlift/Skylift is neither based on a pulley nor a winch.

15.2 The exceptions as mentioned in explanatory notes to heading 84.26 of the HSN states that:

(b) Machines mounted on tractors or motor vehicles proper to Chapter 87.

(2) Machines mounted on automobile chassis or lorries.

Certain lifting or handling machines (e.g., ordinary cranes, light breakdown cranes) are often mounted on what is in fact an essentially complete automobile chassis or lorry in that it comprises at least the following mechanical features : propelling engine, gear-box and controls for gear-changing, and steering and braking facilities. Such assemblies fall to be classified in heading 87.05 as special purpose motor vehicles, whether the lifting or handling machine is simply mounted

on the vehicle or forms an integral mechanical unit with it, unless they are vehicles designed essentially for transport purposes falling in heading 87.04.

15.3 The impugned goods appear to be the Boomlift/Skylift fitted on the motor vehicle chassis, which comprises the mechanical features & control elements viz. Propelling of the truck engine, Gearbox control, Control of the gear changing, Steering control, & Braking system facility. However, none of the control elements referred to above are located in the cab of the Boomlift/Skylift mounted on an automobile chassis. Therefore, the impugned goods are covered by exceptions as mentioned in the explanatory notes to heading 84.26 of the HSN, and since the same applies to heading 84.28, they are excluded from heading 84.28.

15.4 The impugned goods i.e. Boomlift/Skylift mounted on the vehicle appear to be covered by Point 3 of the inclusions as mentioned in the explanatory notes to heading 87.05 of the HSN, which says

(3) "Lorries (trucks) fitted with ladders or elevator platforms for the maintenance of overhead cables, street lighting, etc.; lorries (trucks) with an adjustable arm and platform ("dollies") for cinematographic or television work.

15.5 In view of the para 9(B) of CBIC circular 20/2022 dated 25.09.2022, Boomlift/Skylift is not a self-propelled machine. Moreover, one or more of the propelling or control elements from the propelling engine, gearbox, and controls for gear-changing, steering, and braking facilities should be located in the cab of a working machine. None of these 5 elements appear to be present in the cab of the working machine i.e. Boomlift/Skylift.

15.6 In view of para 9(D) of CBIC circular 20/2022 dated 25.09.2022, the chassis and truck engine are of Company MAN & MERCEDES in this subject case. However, the Boomlift is fitted onto the chassis and are of BRONTO & WUMAG make respectively. It appears that the Boomlift/Skylift has a supporting beam and the supporting beam of the Boomlift/Skylift is mounted through a nut-bolt on the chassis of the vehicle. Therefore, if the Boomlift is dismounted from the Chassis of the vehicle then the chassis can be used for some other purpose also, and therefore chassis is not specifically designed for the Boomlift/Skylift. Hence, one of the main benchmarks laid down in CBIC Circular no. 20/2022 dated 25.09.2022 for the classification under CTH 84 that the chassis and beam of Boomlift/Skylift should be integrated as a whole & inseparable, appears to be violated in this case.

15.7 Further, it is also observed that the outriggers are attached to the supporting beam of the Boomlift/Skylift only and outriggers are nowhere directly attached to the chassis of the Vehicle. Additionally, outriggers cannot be controlled from the vehicle cabin rather these are controlled from the separate levers provided in the Boomlift/Skylift.

15.8 On analyzing the NIDB data, it is observed that the Skylift/Boomlift with Chassis/ Mounted on vehicle chassis is classified under CTH 8705. The Skylift/Boomlift without the chassis of the vehicle is classified under CTH 84289090.

15.9 In view of the above, the machine without a vehicle chassis is classified under CTH 8428. Hence, Boom lift whether articulated or telescopic (as without truck) is classifiable in 84 chapter & any lifting machine with vehicle is classified under CTH 8705 as a special purpose vehicle. It is sufficient for classification as

a special purpose vehicle if the unit is specially construed and equipped for special services or functions. As the impugned Boomlift/Skylift is specially construed for special services or functions, it should be classified in chapter 87.

15.10 As Boomlift/Skylift mounted on a vehicle chassis is a special purpose vehicle and hence, Boomlift/Skylift mounted on vehicle chassis should be classified under Chapter 8705 only as per Rule 3(a) of General Interpretation Rules. However, even if there is any dispute for Boomlift/Skylift mounted on a vehicle chassis as a special purpose vehicle, then the heading that occurs last in numerical order, i.e. 8705 is applicable in the said case as per Rule 3(c) Of General Interpretation Rules.

16. M/s Worldwide Machines Impex (IEC – AADFW1805E) vide Bills of Entry No. 3074039 dated 28.10.2022 and 3153926 dated 03.11.2022 has imported 'One Unit OLD & USED BRONTO SKYLIFT S70XDT TELESCOPIC BOOMLIFT & CHASSIS NO.- WMAH92ZZ68L052509 & S.NO. 5638-0114 WITH ACCESSORIES' and 'One Unit OLD & USED WUMAG SKYLIFT S70MDT TELESCOPIC BOOMLIFT CHASSIS NO. WDB9333041L110627 WITH STANDARD ACCESSORIES'. After investigation as discussed in detail in supra, it appears that the importer has suppressed the facts with respect to the description and classification, and mis-classified the goods under chapter 84 of the HSN instead of the correct classification under chapter 87 of the HSN. By not declaring the complete description and by misclassifying the goods under chapter 84 of HSN, the importer has escaped the DGFT import policy conditions of chapter 87 which states that a second hand or used vehicle for the purposes of Chapter 87 shall not be older than three years and shall have right hand steering, and controls. The non-compliance of the policy conditions of chapter 87 of HSN has made the said goods prohibited for importation, and the same are liable for confiscation under Section 111(d) & (m) of the Customs Act, 1962.

17. The Customs Broker, M/s H.P. DAGHA SHIPPING & LOGISTICS (AFGPD0944RCH001) has filed the Bill of Entry No. 3074039 dated 28.10.2022 for the import of 'One Unit OLD & USED BRONTO SKYLIFT S70XDT TELESCOPIC BOOMLIFT & CHASSIS NO.- WMAH92ZZ68L052509 & S.NO. 5638-0114 WITH ACCESSORIES' and BE No 3153926 dt 03.11.2022 for the import of 'One Unit OLD & USED WUMAG SKYLIFT S70MDT TELESCOPIC BOOMLIFT CHASSIS NO. WDB9333041L110627 WITH STANDARD ACCESSORIES' by M/s Worldwide Machines Impex (IEC – AADFW1805E) and acted as a customs broker for the clearance of the said goods during import.

18. At the time of filing the Bill of Entry, the Customs Broker was in possession of the Bill of Lading and Commercial invoice on the basis of which he would finalize the Bill of Entry and file it on the customs portal. Bill of Lading clearly mentions 'One Unit of used BRONTO Skylift S70XDT telescopic Boomlift Ch. No: WMAH92ZZ68L052509 with Standard Accessories' and 'One Unit of used WUMAG S70MDT telescopic Boomlift with Standard Accessories Skylifter, Ch. No: WDB9333041L110627'. The commercial invoice also had a description of the goods. It is pertinent to note that there is no new manufactured product available in the market with the said description. It is at best a custom-designed assembly of two different machinery to meet individual customers' required specifications. Thus, it appears that the CHA did not exercise due diligence on their part and merely accepted the incorrect classification under the CTH 8427 as provided by the importer, instead of advising their client to comply with the provisions of the Customs Act, 1962. Thereby, the CHA colluded with the importer in

circumventing the DGFT import policy conditions of Chapter 87. Thus, the Customs Broker has rendered himself for a penalty in terms of Section 112(a) and the action under Regulation 14 and Regulation 18 of the Customs Brokers Licensing Regulations, 2018.

19. Role of Customs Broker:-

(A) The regulation 10(d) of CBLR, 2018, which read 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 Customs Broker, M/s H.P. Dagha Shipping & Logistics (Customs Broker License No. 11/1827), filed Bills of Entry for the import of old and used Skylift/Boomlift mounted on a vehicle on behalf of the importer. Based on the facts of the case, it appears that the Customs Broker failed to advise the importer to declare the complete and accurate description of the goods. Moreover, the goods were misclassified by importer under Chapter 84 of the Harmonized System of Nomenclature (HSN) to circumvent the applicable import policy conditions prescribed under Chapter 87 of the Foreign Trade Policy, administered by the Directorate General of Foreign Trade (DGFT). As per the said policy, second-hand or used vehicles falling under Chapter 87 must not be more than three years old at the time of import and must be equipped with right-hand steering/controls and the second hand or used vehicle shall conform to the provisions of the Motor Vehicle Act, 1988 and the rules made thereunder. The misdeclaration and misclassification thus resulted in evasion of the policy restrictions and regulatory requirements applicable to such imports.

Hence, it appears that the CB failed to advise the importer about the necessary regulatory requirements of the DGFT import policy conditions of chapter 87 and also did not inform the Docks Deputy/Assistant Commissioner about these regulatory lapses. This omission represents a deviation from the responsibilities outlined in Regulation 10(d) of CBLR, 2018. In view of the above, it appears that the Customs Broker has contravened the provisions of Regulation 10(d) by not ensuring compliance with the relevant statutory requirements and by neglecting to inform the Deputy/Assistant Commissioner of the irregularities.

(B) Regulation 10(e) of the 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;”

Based on the facts of the case, it appears that the Customs Broker did not exercise due diligence on their part and merely accepted the incorrect classification under the CTH 8427 as provided by the importer instead of correct classification of CTH 8705 which led to contravention of Policy Conditions for second hand or used vehicle of Chapter 87. Thus, it appears that M/s. H.P. Dagha Shipping & Logistic (11/1827) did not exercise due diligence to ascertain the correctness of any information outlined under Regulation 10(e) of the CBLR, 2018.

(C) Regulation 10(f) of the CBLR, 2018 which, reads as:

“not withhold information contained in any order, instruction or public notice relating to clearance of cargo or baggage issued by the Customs authorities, as the case may be, from a client who is entitled to such information”;

It is further observed that the Customs Broker failed to adhere to the provisions laid down in CBIC Circular No. 20/2022-Cus, dated 22.09.2022, which provides specific guidance regarding the classification of goods that perform lifting and handling functions and possess mobility as an inherent feature. The Circular clarifies the appropriate classification of such goods, particularly when mounted on vehicles.

Prima facie, it appears that the Customs Broker failed to inform the importer about CBIC Circular No. 20/2022-Cus, dated 22.09.2022, which led to the misclassification of the goods under CTH 8427 instead of the correct classification under CTH 8705. Thus, it appears that there is negligence on the part of the Customs Broker. In the current era of trade facilitation, where an increasing number of consignments are cleared based on Risk Management Systems without physical examination, the role of the Customs Broker becomes even more critical. It is imperative that Customs Brokers exercise greater awareness and accuracy when filing bills of entry to ensure compliance with applicable regulations.

Under Regulation 10(f) of the Customs Brokers Licensing Regulations, 2018, it is the responsibility of the Customs Broker to ensure strict compliance with all orders, instructions, and public notices relating to the clearance of cargo. In this instance, it appears that the Customs Broker has failed to uphold this obligation, thereby contravening the provisions of Regulation 10(f) of the CBLR, 2018.

20. In view of the above, it appears that Customs Broker M/s. H.P. Dagha Shipping & Logistic (11/1827), failed to follow the prescribed procedures and cleared goods in violation of Regulation 10(d), 10(e) & 10(f) of CBLR, 2018. The CB was fully aware that any omissions or commissions by the exporter could be adversely affect their professional reputation, making it standard business practice for the CB to understand the identity and operations of their clients, as they could face investigation for any such actions.

21. The CB has a very important role in customs clearances and lot of trust has been placed by the Department on the CB. In regime of trade facilitation and with more and more of the goods being facilitated by the Risk Management Systems without examination by the Customs, the role of CB has further increased so that economic frontiers of the country are well guarded. In this regard, I rely on the judgement of the Hon'ble Supreme Court in case of Commissioner of Customs Vs M/s K.M. Ganatra & Co *has held that:*

“the Customs House Agent (CHA) occupies a very important position in the customs house. The customs procedures are complicated. The importers have to deal with a multiplicity of agencies namely carriers, custodians like BPT as well as the Customs. The importer would find it impossible to clear his goods through its agencies without wasting valuable energy and time. The CHA is supposed to safeguard the interests of both the importers and the customs. A lot of trust is kept in CHA by the importers/exporters as well as by the government agencies...”

22. In view of the above, it appears that M/s. H.P. Dagha Shipping & Logistic (11/1827) has failed to comply with sub-regulations 10(d), 10(e) & 10(f) of Customs Brokers Licensing Regulations, 2018 and thereby committed

misconduct rendering themselves liable to penalty under Regulation 18 of the CBLR, 2018.

23. Now therefore, in terms of Regulation 17(1) of CBLR, 2018, Customs Broker M/s. H.P. Dagha Shipping & Logistic (11/1827), are hereby called upon to show cause, as to:

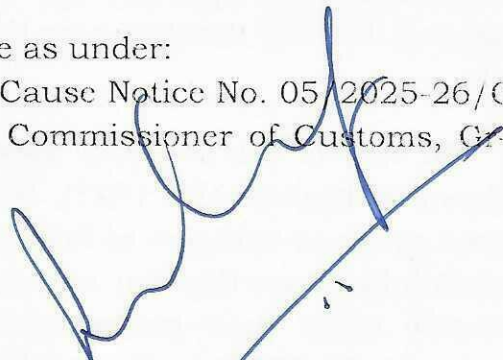
- i) Why the Customs Broker license bearing No. 11/1827 issued to them should not be revoked,
- ii) Why security deposited should not be forfeited,
- iii) Why penalty should not be imposed upon them under Regulation 14 read with Regulation 17 & Regulation 18 of the CBLR, 2018 as elaborated in above paras of this Show Cause Notice **within 30 days** of receipt of this notice.

24. The Customs Broker M/s. H.P. Dagha Shipping & Logistic (11/1827) is 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 the Inquiry Officer, Shri A K Dutta, Assistant Commissioner of Customs/General, NCH 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.

25. This notice is being issued without prejudice to any other action that may be taken against the Customs Broker 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.

26. The documents/records relied upon are as under:

An Offence report in the form of Show Cause Notice No. 05/2025-26/Gr-V dated 06.06.2025 received from O/o the Commissioner of Customs, Gr-V, NCH.


(RAJAN CHAUDHARY)
Pr. Commissioner of Customs (General)
NCH, Mumbai-I

To,
M/s. H.P. Dagha Shipping & Logistic (11/1827)
PLOT NO 323, 305, 3RD FLOOR, MADHUBAN, COCHIN
STREET, OFF SHAHID, BHAGAT SINGH ROAD,
BALLARD ESTATE, MUMBAI-400038, MAHARASTRA.

Copy to: -

1. IO, Shri A K Dutta, Asst Commissioner of Customs/General, NCH
2. The Pr. Chief/Chief Commissioner of Customs, Mumbai Zone I, II, III.
3. CIU's of NCH, ACC & JNCH.
4. The Pr. Commissioner/Commissioner of Customs, Mumbai Zone- I, II, III.
5. EDI of NCH, ACC & JNCH.
6. BCBA.
7. Office copy
8. Notice Board.