



आयुक्त (सामान्य) सीमाशुल्क का कार्यालय
OFFICE OF THE PR. COMMISSIONER OF CUSTOMS (GENERAL)
कस्टम ब्रोकर अनुभाग, नवीन सीमाशुल्क भवन, बेलार्ड इस्टेट, मुंबई - I
CUSTOMS BROKER SECTION, NEW CUSTOM HOUSE, BALLARD
ESTATE, MUMBAI - 400001
Email-Id: cbsec.nch@gov.in

F. No. GEN/CB/580/2025-CBS

Date:18-05-2026

SHOW CAUSE NOTICE No. ०४ /2026-27

ISSUED UNDER REGULATION 17 OF THE CBLR, 2018

M/s. Elegant Forwarders Pvt. Ltd. (CB License No.-11/666), having registered address: Emca House, B-1/1, Basement, Shahid Bhagat Singh Road, Fort, Mumbai - 400001 (hereinafter referred to as the Customs Broker/CB), is the holder of Customs Broker License No. AAACE3301MCH001 (CB No.-11/666), 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.

A report regarding the offence made by the CB, issued by the Additional Commissioner of Customs, CEAC, NS-II, JNCH vide F. No. S/10-143/19-20/ADC/NS-II/CAC/JNCH dated 11.09.2025 was received in the Customs Broker Section, NCH, Zone-I, Mumbai on 22.09.2025. On perusal of offence report, it was observed that copy of SCN & RUDs were not forwarded to this office along with the offence report. Therefore, the aforementioned documents were called from the ADC/CEAC, NS-II, JNCH. They were received in this office from the CAC/JNCH on 24.02.2026.

Brief facts of the case

2. M/s Saisons Techocom Pvt. Ltd. (the exporter) had filed a Shipping Bill No. 1151242 dated 20.09.2016 for the export of 250 nos. of "Electrical Distribution Panel" under MEIS scheme through their Customs Broker M/s. Elegant Forwarders Pvt Ltd (11/666), which was destined to Hongkong. The FOB value for the aforementioned S/B was declared to be USD 9,62,500/- (INR 6,35,30,695.80/-) and the claimed MEIS was INR 13,06,613/-.

The goods were examined 100% by the docks officials on 20.10.2016 at JWR CFS and the sealed samples were forwarded to SIIB(X). During the course of examination dated 20.10.2016, the quantity of the goods was found in accordance with the declaration of the exporter, however, the goods were found to be grossly overvalued. Therefore, two representative sealed samples were drawn for further investigation. The subject goods were seized on 20.10.2016, however, provisional release of the seized goods was allowed by the competent authority on execution of full value bond.

3. In continuation of the investigation, the valuation report was ascertained from the Govt. Approved Valuer, M/s Gattini & Co., Chartered Engineer dtd 23.05.2019. The value given by him was maximum of Rs. 10,000/- per piece. The maximum recommended rate/price for samples

shown/inspected was based on availability in the local/overseas market, technologies involved, raw material cost, manufacturing process/cost, quality, quantities etc. as per engineering principles/practice in the present state/conditions. Therefore, taking into consideration the price quoted by the exporter was much far than the price given by the Chartered Engineer.

4. Statements of the concerned persons:

4.1 Shri Siddarth Shah, Director of M/s Saisons Techocom Pvt. Ltd., in his statement dated 06.04.2017 inter alia stated that

- i). His firm is a manufacturer-exporter engaged in export of electrical distribution panel since long back through JNPT port only on an average of 2 or 3 exports in a year.
- ii). They normally export electrical distribution panel to Hongkong, UAE and Singapore; that the subject goods manufactured in his own unit at Bhiwandi which is registered with the Central Excise Authority;
- iii). The clearance of the shipping bill no. 1151242 dtd. 20.09.2016 was handed over to M/s Ameya Cargo but the shipping bill was filed by M/s Elegant Forwarders Pvt Ltd as M/s Elegant Forwarders Pvt Ltd was sub agent.
- iv). The manufactured electrical distribution panel is fitted with items such as enclosure box, cabinet, MCBs, switch gear, wires & cables, connectors, links and hardware and the raw material for manufacturing was purchased from local suppliers.
- v). Being customized product, the value of the subject panel is very high as the value incurs manufacturing, designing, installation and warranty. The cost of designing is significantly high due to time consumption and technical staff cost; that though the shipping bill had been filed claiming MEIS benefit but he is not going to claim MEIS benefit as such if required he would file post export amendment for the same.

4.2 Smt. Marshneel Udaykumar Tarkar, Director of CB M/s. Elegant Forwarders Pvt. Ltd., in her statement recorded on 17.07.2019 inter alia stated that their company was in business for approximately last 30 years. They had verified the KYC of the exporter. On being asked who decided the classification and valuation. She inter alia replied that it was decided by the exporter as per the invoice provided by them. Regarding valuation, she inter alia stated that the exporter has stated the real and correct value of the shipment and the exporter has submitted ARE-1 as the evidence for valuation. She further added that the exporter has provided his cost sheet as evidence of valuation.

5 . In the instant case, the CB M/s. Elegant Forwarders Pvt. Ltd. (CB No. 11/666) had filed the said Shipping Bill no. 1151242 dated 20.09.2016 from their office. The exporter had deliberately attempted to export low quality of "Electrical Distribution Panel" vide aforementioned S/B by inflating the FOB value of the goods (to the extent of 25 times). The exporter had included the expenses incurred on installation, warranty, R & D etc. which was very high. It is evident that the CB M/s Elegant Forwarders Pvt. Ltd. (CB No. 11/666) facilitated the exporter in clearance of the mis-declared (overvalued) goods.

6. Role of Customs Broker:-

It is evident that the Customs Broker M/s. Elegant Forwarders Pvt. Ltd. (CB No.-11/666) has failed to fulfil their obligations laid down under the Customs Broker Licensing Regulations (CBLR), 2018. The relevant provisions of CBLR, 2018 outlining the obligations of Customs Broker are extracted

below:

Regulation 10(d) of the CBLR, 2018:-

"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;"

It is the primary duty of the CB to advise his client to follow rules and regulations of the Customs Act, 1962 and the allied acts and if any discrepancy found, it is his duty to bring the same to the notice of the Customs authorities. However, in the instant case, the CB has failed to provide any evidence to show that the CB advised the client of possible violations or alerted the Department regarding suspicious declarations. On the contrary, the handling of documents without proper checks amounts to dereliction of duty under Regulation 10(d) of CBLR, 2018. Despite knowing his duties as a Customs Broker, he failed to discharge his duties efficiently and appears to be in connivance with the exporter by facilitating the clearance of the export of the overvalued goods.

This omission represents a clear 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 same to the Deputy/Assistant Commissioner of Customs.

Regulation 10(e) of the CBLR, 2018:-

"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 CB is obliged under Regulation 10(e) to exercise due diligence and satisfy themselves before submitting data to Customs that was provided by the exporter to them, however, in the instant case, the CB has not questioned the CB about such high valuation of goods but infact filed the S/B based on exporter's invoices and ARE-1 certificates only. The CB was required to question about values of the goods to the exporter, especially when overvaluation to such an extent was evident. ARE-1 was just an exporter's declaration and couldn't override the Customs Valuation Rules. The CB should have informed the exporter not to file the document with such high valuation of goods and also to guide him properly about the Customs Act and other Allied Acts.

In view of the above, it appears that the Customs Broker has contravened the provisions of Regulation 10(e) of the CBLR, 2018 by not providing the correct information to the client with reference to the clearance of the impugned S/B.

Regulation 10(n) of the CBLR, 2018:-

"A Customs Broker shall 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;"

The CB in their statement had submitted that they completed KYC formalities and submitted authorization from the exporter. However, as per Regulation 10(n) of the CBLR, 2018, the CB is required not only to collect but also to verify the correctness of IEC, GSTIN, identity, functioning and antecedents of their clients using reliable, independent, and authentic sources. Submission of self-certified papers alone cannot be deemed as full compliance. The CB has not demonstrated that such verification was independently undertaken, thereby breaching their obligations. The CB's reliance on personal knowledge of Directors does not satisfy statutory duty. Obligations of a CB under the CBLR are independent of acquaintance or trust. The failure to substantiate independent verification establishes negligence.

By doing so, the CB has violated Regulation 10(n) of CBLR, 2018 by not doing independent verification of their client at their declared address before initiating the clearance work for them as a Customs Broker.

7. In view of the above, in terms of Regulation 17(1) of CBLR, 2018, the CB M/s. Elegant Forwarders Pvt. Ltd. (CB License No.-11/666) is hereby called upon to Show Cause, as to why:


- i. the license, bearing no. 11/666, issued to them, should not be revoked;
- ii. security deposit should not be forfeited;
- iii. penalty should not be imposed;

upon them under Regulation 14 read with Regulation 17 & 18 of the CBLR, 2018 for their failure to comply with the provisions of CBLR, 2018, within 30 days from the date of issue of this notice.

8. They are directed to appear for personal hearing on the date as may be fixed and to produce evidence/documents, if any, in their defense to the Inquiry Officer Shri D.N. Bhatia, Assistant Commissioner of Customs, General Commissionerate, Zone-I, who shall conduct inquiry under Regulation 17 of CBLR, 2018.

9. 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.

10. This order 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 under any other law for the time being in force.


16.5.26

(Ajay Kumar Pandey)

Pr. Commissioner of Customs, CBS (General),
New Customs House, Mumbai, Zone-I.

Encl.: RUD's.

To,

M/s. Elegant Forwarders Pvt. Ltd.,

Emca House, B-1/1, Basement,

Shahid Bhagat Singh Road, Fort, Mumbai - 400001.

Cont. No.: 9930054547, 9224817506

Copy to:

1. The Pr./Chief Commissioner of Customs, Mumbai Zone I, II, III.
2. The Commissioner of Customs, Mumbai Zone I, II, III.
3. CIU of NCH, ACC & JNCH.
4. EDI of NCH, ACC & JNCH.
5. BCBA.