



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

F.No. GEN/CB/401/2025/CBS

Date: 25.09.2025

DIN: 202509 77000000510498

SHOW CAUSE NOTICE NO. 30 /2025-26
UNDER REGULATION 17 OF THE CUSTOMS BROKER LICENSING
REGULATION, 2018

M/s Mangatram Clearing & Forwarding Agent Pvt. Ltd., (PAN: AACCM3801G) having address registered at 607 REAL TECH PARK PLOT NO 39/2 SECTOR 30A, OPP. VASHI RAILWAY STATION, Thane 400705, MAHARASHTRA (hereinafter referred as the Customs Broker/CB) is holder of Customs Broker License No. 11/777, 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.

BRIEF FACTS OF THE CASE:

2.1. As per offence report in the form of Order in Original No. AC/SRB/1387/2024-25/Exp. Assmt/ACC(X) dated 15.02.2025, issued by the Assistant Commissioner of Customs, ACC, Mumbai, vide F. No. CUS/EXP.ASSMT/MISC/162/2023/ACC(X), regarding action against CB Broker M/s Mangatram Clearing & Forwarding Agent Pvt. Ltd., (CB No. 11/777) in the case of exporter M/s SISCO Research Laboratories (IEC0395049482).

2.2. M/s SISCO Research Laboratories Pvt. Ltd. (IEC- 0395049482) (hereinafter referred to as the Exporter) having office at - 608-B, Satellite Gazebo, Andheri Ghatkopar Link Road, Chakala, Andheri (E), Mumbai-400099 had filed Shipping Bill No. 4905259 dated 15.06.2019 filed at Air Cargo Complex (ACC) (INBOM4), Mumbai through their Customs Broker M/s C.C. Shah & Sons (AAGFA6004NCH002) (hereinafter referred to as the CB) for clearance of item declared as Laboratory Chemicals which inter-alia included 'Diisopropylamine' and the same was interdicted by Risk Management System (RMS). The details of the said Shipping Bill are summarized as follows:

S/B No. and Date	Invoice No.	Total FOB Value (Rs.)	Total drawback Amount (Rs.)	MEIS Claimed in S/B	Consignee	Country of Destination
4905259 dated 15.06.2019	EXP-079 dated 13.06.2019	37,208/-	462/-	Yes	Capital Research Distributors (Pty) Ltd.	South Africa

2.3. Meanwhile, a letter dated 17.06.2019 received from Principal Additional Director General (ADG), National Customs Targeting Centre (NCTC) informed that the exporter M/s SISCO Research Laboratories Pvt. Ltd. intends to export a SCOMET item viz. 'Diisopropylamine' under Shipping Bill No. 4905259 dated 15.06.2019 which is covered under the purview of 1D category of Appendix-3 of SCOMET list issued by DGFT and requested to verify whether the said exporter had procured the SCOMET license for export of the said chemical.

2.4. The shipment covered under Shipping Bill No. 4905259 dated 15.06.2019 was examined 100% by the Export Shed officer under supervision of Special Investigation and Investigation Branch (SIIB) (X), Mumbai on 03.07.2019. The description and quantity of goods were found to be as per invoice.

Since the goods were hazardous in nature, the representative samples of all the 13 items of the Shipping Bill No. 4905259 dated 15.06.2019 were drawn in by M/s Para Lab Pvt. Ltd, Goregaon East, Mumbai as per Customs Broker request letter dated 06.07.2019 and forwarded to DYCC, Sahar, Mumbai on 09.07.2019 for testing to ascertain the, composition, content, etc. The test reports of all the 13 items were received from DYCC vide TR Nos. 45 to 57 on 18.07.2019 wherein the identity of all these items was affirmed by DYCC. The DYCC vide TR No. 57 for item 'Diisopropylamine' reported that 'the sample is in the form of clear, colourless liquid. It has the characteristics of diisopropylamine'.

2.5. The item 'Diisopropylamine' mentioned at Sr. No. 13 of the Shipping Bill No.4905259 dated 15.06.2019, appeared to be attempted to be exported to South Africa without export authorization issued by DGFT, in violation of Export Policy and in contravention of the provisions of SCOMET norms under 1D category of Appendix 3 to Schedule 2 of ITC(HS) FTP. The details of item 'Diisopropylamine' under said Shipping Bill are as under:

Sr. No. in S/B	S/B No. & date	Description of goods	FOB value (INR)	Destination Country	Drawback amt. (Rs.)	MEIS Claimed	Customs Broker (M/s)
13	4905259 / 15.06.2019	Diisopropylamine Pure, 98%	8,940 /-	South Africa	134.10	Yes	C.C. Shah & Sons

2.6. The competent authority allowed 'Back to Town' of goods covered under Shipping Bill No. 4905259 dated 15.06.2019 on 06.12.2019 subject to executing Bond for full value of FOB i.e. Rs. 37,208/- and Bank Guarantee for Rs 10,000/- in view of the exporter's request letter dated 25.10.2019. The same was communicated to the exporter and their Customs Broker vide letter dated 09.12.2019. The exporter vide their letter dated 22.01.2020 submitted Bond bearing No. AU858202 dated 17.12.2019 for the sum of Rs. 37,208/- and Bank Guarantee No. 06511GF200001545 dated 16.01.2020 from Kotak Mahindra bank, Mumbai for the sum of Rs. 10,000/- and goods were allowed 'back to town'.

2.7. SCOMET items are governed by the specific provisions of (i) Chapter IVA of the FT(D & R) Act, 1992 as amended from time to time, (ii) Appendix-3 to Schedule 2 of ITC(HS) classification of Export and Import items and (iii) Para 2.73-2.82 of Hand Book of Procedures governing export authorizations. DGFT vide Notification No. 05/2015-20 dated 24.04.2017 made amendments in the Table-A of Schedule 2 of ITC (HS) Classification of Export and Import Items, 2012 and existing Appendix 3 of ITC (HS) classification of Export and Import items, 2012 was replaced by Annexure to Notification No. 05/2015-20 dated 24.04.2017. As per serial no. 5 of Table-A of Schedule 2 of ITC (HS) classification of Export and Import items, export of SCOMET item is governed as per conditions indicated in Appendix-3 of Schedule 2 of ITC (HS) classification of Export and Import items, 2012. An application for grant of Export Authorization in respect of SCOMET items mentioned in Appendix 3 to Schedule 2 of ITC (HS) classification of Export and Import items is to be made to DGFT (Hqrs) as prescribed in Para 2.73 of Hand Book of Procedures. Further, Appendix-3 along with Schedule 2 (Export Policy) of ITC (HS), 2018 was notified vide DGFT vide Notification No.47/2015-20 dated 31.01.2018.

2.8. Special Chemicals, Organisms, Materials, Equipment and Technologies (SCOMET) are listed in Appendix-3 to Schedule 2 of ITC (HS) classification of Export and Import items. Appendix-3 contains list of goods/services/technologies which are considered as dual use items, i.e. 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 organised in 09 categories (from category 0 to category 8).

2.8.1. Relevant portion of Category 1D of Appendix-3 to Schedule 2 (Export Policy) of ITC (HS), 2012, which was introduced vide DGFT Notification 05/2015-20 dated 24.04.2017 and effective from 01.05.2017. Category 1 Toxic chemical agents and other chemicals

1D Export of chemicals in this category is allowed to countries specified in Table 1 without an export licence subject to the condition that the exporter shall notify the Department of Chemicals & Petrochemicals, Ministry of External Affairs (D&ISA) and the DGFT within 30 days of such export in the prescribed format (Aayat Niryat Form) along with the End-Use Certificate and submit to the DGFT a copy of the bill of entry into the destination country within 30 days of delivery.

Export of chemicals in this category to other countries shall be restricted and will be allowed only against an export licence, and in that case the exporter shall submit to the DGFT a copy of the bill of entry into the destination country within 30 days of delivery.

Sl.No.	SCOMET Entry	Chemical	CAS Number
4	1D004	Ammonium bifluoride	1341-49-7
6	1D006	Diisopropylamine	108-18-9
7	1D007	Dimethylamine	124-40-3
20	1D020	Sodium fluoride	7681-49-4
21	1D021	Sodium hexafluorosilicate	16893-85-9
23	1D023	Triethanolamine hydrochloride	637-39-8
25	1D025	Diethylamine	109-89-7

2.8.2. Appendix-3 alongwith Schedule 2 (Export Policy) of ITC (HS), 2018 was notified vide DGFT Notification No.47/2015-20 dated 31.01.2018. Further, Category 1D of Appendix-3 to Schedule 2 (Export Policy) of ITC (HS), 2018 was amended vide DGFT Notification 17/2015-2020 dated 03.07.2018 with immediate effect and the same is reproduced below:

1D Export of chemicals, related technology and software in this category is allowed to countries specified in Table 1 without an export authorisation subject to the condition that the exporter shall notify the Department of Chemicals & Petrochemicals, Ministry of External Affairs (D&ISA) and the DGFT within 30 days of such export in the prescribed format (Aayat Niryat Form) along with the

End- Use Certificate and submit to the DGFT a copy of the bill of entry into the destination country within 30 days of delivery.

Export of chemicals, related technology and software in this category to other countries shall be allowed only against an export authorisation, and in that case the exporter shall submit to the DGFT a copy of the bill of entry into the destination country within 30 days of delivery.

Technical note to Category 1:

Chemicals are listed by name, Chemical Abstract Service (CAS) number and CWC Schedule (where applicable). Chemicals of the same structural formula (e.g., hydrates) are controlled regardless of name or CAS number. CAS numbers are shown to assist in identifying whether a particular chemical or mixture is controlled, irrespective of nomenclature. However, CAS numbers cannot be used as unique identifiers in all situations because some forms of the listed chemical have different CAS numbers, and mixtures containing a listed chemical may also have different CAS numbers.

2.8.3. As can be seen in the preceding para, the item 'Diisopropylamine' being exported under Shipping Bill No. 4905259 dated 15.06.2019 is covered under the category of SCOMET, as mentioned at Sr. No. 6, SCOMET Entry No. 1D006 of list of Chemicals covered under 1D of Appendix-3 to Schedule 2 (Export Policy) of ITC (HS), 2018. The export of Diisopropylamine to destination country South Africa is allowed only against an export authorisation and the exporter is also required to submit to the DGFT a copy of the bill of entry into the destination country within 30 days of delivery. Thus, the export of Diisopropylamine is restricted in view of the Category 1D006 of Appendix3 (SCOMET) to Schedule 2 (Export Policy) of ITC (HS), 2018. However, no export authorization for SCOMET item Diisopropylamine was uploaded on e-Sanchit by the exporter in respect of the Shipping Bill No. 4905259 dated 15.06.2019 nor produced during the investigation.

2.9. PAST EXPORTS

As per the exporter letter dated 13. 08.2019 and 31.01.2023, they have exported SCOMET items namely Ammonium Bifluoride (1D004), Diisopropylamine (1D006), Dimethylamine (1D007), Sodium Fluoride (1D020), Sodium Hexafluorosilicate (1D021), Triethanolamine Hydrochloride (1D023) and Diethylamine (1D025) in the past from Air Cargo Complex, Sahar which are covered under purview of SCOMET list issued by DGFT under the 1D category of Appendix-3 to Schedule 2 (Export Policy) of ITC (HS), 2012 and Appendix-3 to Schedule 2 (Export Policy) of ITC (HS), 2018 and the same was corroborated by

the data retrieved from ICES system. The details of the shipping bills are tabulated below: -

Sr No	S/B No. & Date	Description of go ods	Destin a tion Cou nt ry	FOB (I NR)	Dra w b ack (IN R)	MEIS Claim ed	Customs Broker (M/s)
1	4456866 dated 250 4-2018	Ammonium Bifluoride Pure, 9 8 %	Turkey	2029.94	0	Y	C.C. Shah & Sons
2	4935257 dated 17- 05-18	Diisopropylamine Pure, 98%	Tunisia	2895.20	0	Y	Mangatram Cleari n g & Forwa rding Age nt Pvt.Lt d.
3	5837545 dated 27- 06-18	Diethylamine Extr apure Ar, 99.5%	South A frica	275.66	0	Y	C.C. Shah & Sons
4	7020857 dated 20- 08-18	Sodium Fluoride Ext rapure Ar, 99 %	South A frica	378.23	0	Y	C.C. Shah & Sons
5	8075988 dated 06- 10-18	Triethanolamine Hy drochloride E xtrapure Ar, 99%	Philippi ne s	782.95	0	Y	Mangatram Cleari n g & Forwa rding Age nt Pvt.Lt d.
6	9470069 dated 08- 12-18	Ammonium Bifluoride Pure, 98%	South A frica	261.29	0	Y	C.C. Shah & Sons
		Sodium Hexafluor os ilicate Pure, 9 9%		235.37	0	Y	
7	9694517 dated 17- 12-18	Sodium Hexafluor os ilicate Pure 9 9%	Malaysi a	205.25	0	Y	Allwin Shipping S ervices
8	3322088 dated 06- 04-19	Dimethylamine 4 0 % Solution Pur e	Egypt	241.87	0	Y	C.C. Shah & Sons
9	3849286 dated 30- 04-19	Diethylamine Extr apure Ar, 99.5%	South A frica	829.9	0	Y	C.C. Shah & Sons
		Diisopropylamine Pure, 98%		1225.6	0	Y	
10	4116594 dated 13- 05-19	Diethylamine For H plc, 99.5%	Turkey	855.18	0	Y	C.C. Shah & Sons
11	4626205 dated 03- 06-19	Sodium Fluoride Pur e, 98%	Egypt	1025.12	0	Y	C.C. Shah & Sons
TOTAL				11,242	0		

2.9.1. Hence, it appears that SCOMET items i.e Ammonium Bifluoride (1D004), Diisopropylamine (1D006), Dimethylamine (1D007), Sodium Fluoride (1D020), Sodium Hexafluorosilicate (1D021), Triethanolamine Hydrochloride (1D023) and Diethylamine (1D025) (export of which is restricted subject to export license/authorization) were exported in past also by M/s Sisco Research Laboratories Pvt. Ltd. through ACC, Sahar without export license/authorization in violation of the restrictions imposed in Schedule-2- Export Policy of ITC(HS), 2012 and Schedule-2- Export Policy of ITC(HS), 2018 and Appendix-3 contained therein.

2.10. In view of the above, the matter was taken up for detailed investigation. Accordingly, SIIB.(Export) issued summons to the exporter and Customs Brokers and statement was recorded under Section 108 of the Customs Act, 1962. They were explained their liabilities and rights under the said provision. Having understood them, they gave their voluntary statements and the details are as under:

2.10.1. Statement of Shri Vikas Agarwal, Director of M/s SISCO Research Laboratories was recorded wherein he inter-alia stated that:

He is the Director of the company managing overall administrative responsibilities. He looks after the Domestic sale and international sales and procurement of the raw materials.

The main business of M/s Sisco Research Laboratories Pvt Ltd is to sell laboratory chemicals globally for the purpose of academic research and laboratory applications in Universities, Schools & colleges.

They do not have the authorization for the export of 'Diisopropylamine' which is covered by 1D category of Appendix-3 of SCOMET list issued by DGFT and attempted to be exported vide shipping bill no. 4905259 dtd. 15.06.2019

They were unaware of the inclusion of Diisopropylamine in the 1D category of the SCOMET list which happened on 1st May 2017 and hence this product was sent for export due to their ignorance. They did not have the authorization for the export of Diisopropylamine.

They get circulars from CHEMEXCIL – Council for Chemical export import to keep track of changes in the law relating to export/import policies.

They have submitted the End-use declaration of Diisopropylamine (SCOMET Item) from their buyer in South Africa. The letter received is from Rochelle Chemicals & Lab Equipment cc which was forwarded to them by their distributor, Capital Research Distributors (PTY) Ltd, South Africa. This states that Diisopropylamine will be used as a chemical consumable in sodium online

analysis, to conduct tests to know the concentration of Sodium in pure water and steam for a turbine in a power plant.

2.10.2. Further statement of Shri Vikas Agarwal, Director of M/s SISCO Research Laboratories was recorded wherein he inter-alia stated:

They check the products based on the order received from the overseas buyer, their price if matching what they have quoted, their pack size if correct and they also check the nature of the product, if its restricted or not. They also check the Haz class and other government notifications before. They check information based on the application of their products i.e. Lab reagents for schools, college and research before they hand over to the CHA. They follow the incentive schemes as per the government advice. They decide whether products are to be exported free or under MEIS etc.

They are aware of the SCOMET list and the items. However, in his previous statement on 19/08/2019, he was called by the SIIB and during that time, due to constraints of time, he did not have any time to research. However, now he is fully aware and state that SCOMET is a WATCH ON list for products used for MASS DESTRUCTION. Their products are used by laboratories, schools & colleges for their academic research work and the products are sold in lab packs with small value and their products are not used for SCOMET list for MASS DESTRUCTION even though they have similar nomenclature. The goods mentioned as Diisopropylamine(1D006), Diethylamine (1D-25), Ammonium Bifluoride (1D-004), Dimethylamine (1D-007), Triethanolamine Hydrochloride (1D- 023), Sodium Fluoride (1D-020) and Sodium Hexafluorosilicate (1D-021), comes under the purview of the item mentioned under para 1 D of category 1 of the appendix -3 of the SCOMET list.

On being shown their letter dated 13.08.2019 and 08.12.2022, vide which they informed that they have exported SCOMET items viz Diisopropylamine(1D006), Diethylamine (1D25), Ammonium Bifluoride (1D-004), Dimethylamine (1D-007), Triethanolamine Hydrochloride (1D-023), Sodium Fluoride (1D-020) and Sodium Hexafluorosilicate (1D021) in the past which are covered by 1D category of Appendix-3 of SCOMET list.issued by DGFT and allowed to be exported to various countries only against an export authorization; he stated that in both the said letters, they were unaware that although these products have the same nomenclature, they fall under SCOMET list. They are manufacturers of laboratory chemicals whose prime application is for academic purposes in schools and colleges. They do not have an authorisation because their products are not used for MASS DESTRUCTION. Their company has been selling products to all the CSIR, ICAR & ICMR research laboratories all over the country. If they

were or are selling chemicals for MASS DESTRUCTION, then even the Indian government cannot buy from their company.

They were unaware that the products fall into SCOMET list before filling of the shipping bill by CHA on their behalf, because they do not sell any products for MASS

DESTRUCTION. Further, the SCOMET list is a WATCH ON list for products used for MASS DESTRUCTION.

They were unaware that any of their products is appearing in the SCOMET list due to which they did not inform their CHA.

2.10.3. Statement of Shri Ramachandran Subbiah, Managing Director in M/s Mangatram Clearing & Forwarding Agent Pvt. Ltd was recorded wherein he interalia stated:

They handled export of M/s. Sisco Research Laboratories from 2018 to 2019.

They have exported 2 shipments vide Shipping Bill No. 4935257 dated 17.05.2018 and

8075988 dated 06.10.2018 in the past which contained SCOMET items viz

Diisopropylamine(1D006) and Triethanolamine Hydrochloride (1D-023). The exporter did not give any declaration nor any authorization at the time of processing the documents.

As the time of export, the exporter has not shown any authorization nor declare items are restricted for export. The items listed for export vide the Shipping Bill No. 4935257 dated 17.05.2018 and 8075988 dated 06.10.2018 are very less in quantity i.e 500 grams in each Shipping Bill. Therefore, the doubts did not arise if these items fall under the purview of SCOMET. Moreover, SISCO is a Research Laboratory Pvt. Ltd. situated in Andheri East are the manufacturer of these chemicals. Due to multiple chemicals for their research and development, they also thought that these all are for research and development only because the consignee is also 'Analytic and Biologic

Technology,Tunsania' and 'Analytical and Sample Prep. Machines Enterprise Inc., Philippines' respectively.

They have not taken MSDS, COA because the quantity was very small but the matter was discussed on phone and they also confirmed that nothing is hazardous nor dangerous chemical. The exporter also verbally told that this item is freely exportable. They subject items looked like sample for test purpose only.

They had exported 2 shipments vide Shipping Bill No. 4935257 dated 17.05.2018 and 8075988 dated 06.10.2018 in the past which contained

SCOMET items viz Diisopropylamine(1D006) and Triethanolamine Hydrochloride (1D-023) wherein MEIS was claimed.

The classification of the items was verified by them and by the Invoice given by the exporter and found satisfactory. As far as the restriction and prohibitions concerned the Customs Tariff is not stated anything about the restriction of these exports. They do get notifications from the CHA associations and CBIC and get updated about the changes on day to day basis and implement accordingly.

Normally they take the clearance from the manufacturers and actual user goods. Moreover, the client SISCO is having chemical laboratory mainly dealing with R & D and also verified by them and the buyer is also having registered lab. The items supplied is also in small quantity mainly for testing purpose. Therefore, the doubt is not arised while making the checklist and they normally see the customs tariff properly as per the exporter claim for any export incentives is correct or not. As far as the compliance requirement, the doubt is not arised to go into detail because of the very less quantity and nominal value.

2.11. The case has been adjudicated by the Asstt. Commissioner of Customs, Export Assessment Cell, ACC, Mumbai vide order-in-Original No. AC/SB/245/2023-24/Exp.Ass. dated 01.07.2023 wherein the subject goods were confiscated having FOB Value of Rs. 8,940/- (Rupees Eight Thousand Nine Hundred Folly only) under provisions of Section 113 (d) and 113 (i) of Customs Act, 1962 and option was given to Redeem the goods on payment of Redemption Fine Rs. 1,000/- (Rupees One Thousand only) in lieu of confiscation under section 125(1) of the Customs Act, 1962.

2.11.1. Also confiscated SCOMET goods exported earlier vide 11 Shipping Bills having total FOB Value of Rs.11,242/- (Rupees Eleven Thousand Two Hundred Forty Two only) under Section 113(d) and 113(i) of Custorns Act, 1962. Imposed Redemption fine of Rs. 1,500/- (Rupees One Thousand Five Hundred only) in lieu of confiscation under section 125(1) of the Customs Act, 1962.

2.11.2. The penalty of Rs. 10,000/- (Rupees Ten Thousand only) was imposed on M/s. SISCO Research Laboratories Pvt. Ltd. under Section 114(i) of the Customs Act, 1962 and dropped the charges levelled against Customs Brokers M/s. C.C. Shah & Sons, M/s. Mangatram Clearing & Forwarding Agent Pvt. Ltd and M/s. Allwin Shipping Services for their various acts of omission and commission under Section 114 (i) and/or Section 114(iii) and/or Section 114AA and/or Section 117 of the Customs Act, 1962.

2.11.3. Also appropriated the Bank Guarantee of Rs. 10,000/- (Rupees Ten Thousand only) and ordered to enforce the Bond of Rs. 37,708/- (Rs. Thirty Seven Thousand Seven Hundred Eight Only) furnished by the exporter under

provision of Section 143 of the Customs Act, 1962 for recovery of fine and penalty.

2.12. Being aggrieved by the above said adjudication order wherein the penalty has not imposed on the exporter under Section 114 AA of the Customs Act, 1962 and also dropped the charges leveled against Customs Brokers M/s. C.C. Shah & Sons, M/s. Mangatram Clearing & Forwarding Agent Pvt. Ltd and M/s. Allwin Shipping Services under Section 114 (i), and 114AA of the Customs Act, 1962, the department preferred to file an appeal before the Commissioner of Customs (Appeal), Mumbai Customs Zone – III vide Review Order No. 35/2023 dated 30.09.2023.

2.13. The Commissioner of Customs (Appeal), Mumbai Customs Zone – III vide Order-in- Appeal No. MUM-CUSTOM-AXP-APP-1009/2024-25 dated 14.11.2024 referred the matter back to original adjudicating authority for fresh adjudication on the merits of the case.

2.14. The above said order of Appellate Authority has been accepted by the competent authority vide order dated 15.02.2025 and imposed a penalty of Rs. 4,000/- on the Custom Broker M/s Mangatram Clearing & Forwarding Agent Pvt. Ltd, (CB No. AACCM3801GNCH001-11/777) under Section 114 (i) and Section 114 AA of the Customs Act, 1962.

3. Role of Customs Broker: -

3.1. The CB is an agent of the exporter. He works on behalf of the Exporter. He also takes authorization to work on behalf of the exporters. The CB is fully aware that omission and commission by the exporter affects the working of the image of CB. It is a business practice that CB knows on whose behalf they are working, as CB can face investigation for omission and commission at any time. As per CB Regulation, a CB also requires to know the client. Even in the absence of such a requirement, it is a business practice that the CB knows on whose behalf they are working as the relation between CB and exporter is a long-time relation.

3.2. Unlike retail businesses where a customer comes to a retail shop and transaction concludes in a moment, the relationship between the CB and the exporter is a long-term relationship so it is not possible that CB does not know the exporter. The CB had been dealing with such individuals to collect documents and collect goods. The CB must have raised his fees from the same source. It is also not possible for CB to deal with non-existing persons.

3.3. On perusal of the offence report, it is apparent that the investigation revealed that the Customs Broker committed serious offenses in handling two export shipments for M/s SISCO Research Laboratories Pvt. Ltd. The shipments contained chemicals, Diisopropylamine and Triethanolamine Hydrochloride, which are classified as restricted items on the SCOMET list. For such items, a mandatory export authorization from the DGFT is required. The CB failed in its fundamental duties by accepting the exporter's

verbal assurance that the items were freely exportable for research purposes due to their small quantity. They did not obtain or verify the necessary DGFT authorization.

3.4. Furthermore, Mangatram demonstrated a lack of due diligence by not consulting the updated SCOMET list to verify the export restrictions on these specific chemicals. They also neglected to request critical supporting documents, such as the Material Safety Data Sheet (MSDS) or Certificate of Analysis (COA), from the exporter. Crucially, the CB failed to advise their client about the mandatory export restrictions and the need for authorization, withholding critical information the exporter was entitled to know.

In summary, Mangatram's actions, relying on verbal assurances without any verification, led to the unauthorized export of restricted dual-use items, violating its core responsibilities as a customs broker. Hence, it appears that the CB has not fulfilled the obligations of Regulations Regulation 10 (d), 10 (e) and 10 (f) of CBLR, 2018.

4. From the investigations in the above-mentioned case, the following omission leading to violation of obligations stipulated in Regulation 10 (d), 10 (e) and 10 (f) 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 CB handled two shipments for the exporter M/s SISCO Research Laboratories Pvt. Ltd. under Shipping Bill Nos. 4935257 dated 17.05.2018 (containing Diisopropylamine, SCOMET Entry 1D006) and 8075988 dated 06.10.2018 (containing Triethanolamine Hydrochloride, SCOMET Entry 1D023). These items, listed under Category 1D of Appendix-3 to Schedule 2 of ITC (HS), 2018, are restricted for export and require an export authorization from the DGFT. The offence report confirms that no such authorization was provided by the exporter or verified by Mangatram. The statement of Mr. Ramachandran Subbiah, Managing Director of Mangatram, recorded under Section 108 of the Customs Act, 1962 (para 9.5), indicates that the exporter did not declare the items as restricted nor provide any DGFT authorization.

Further, the CB did not advise the exporter to obtain the mandatory authorization, despite their obligation under Regulation 10(d) to ensure compliance with the Customs Act, 1962, the Foreign Trade (Development and Regulation) Act, 1992, and related export policies, including the Foreign Trade Policy (FTP) 2015-20 and SCOMET regulations. Instead, they relied on the exporter's verbal assurance that the items were freely exportable and intended for research purposes due to their small quantity (500 grams per shipment). Thus, the CB 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;”

Customs Brokers M/s. Mangatram did not exercise due diligence to verify the correctness of the information provided by the exporter regarding the exportability of Diisopropylamine and Triethanolamine Hydrochloride. Mr. Ramachandran Subbiah’s statement (para 9.5) reveals that they accepted the exporter’s verbal claim that the items were freely exportable and intended for research purposes, without requesting critical documents such as the Material Safety Data Sheet (MSDS) or Certificate of Analysis (COA). They assumed the small quantity (500 grams per shipment) and the research-oriented nature of the consignee (e.g., Analytic and Biologic Technology, Tunisia, and Analytical and Sample Prep. Machines Enterprise Inc., Philippines) negated the need for further scrutiny.

The SCOMET list, which was updated via DGFT Notification No. 05/2015-20 dated 24.04.2017 (effective from 01.05.2017) and Notification No. 47/2015-20 dated 31.01.2018., clearly identifies Diisopropylamine (CAS No. 108-18-9, SCOMET Entry 1D006) and Triethanolamine Hydrochloride (CAS No. 637-39-8, SCOMET Entry 1D023) as restricted items requiring DGFT authorization for export to non-Table 1 countries. Mangatram did not consult the updated SCOMET list or verify the classification of these chemicals, despite their obligation under Regulation 10(e) to ensure the accuracy of information related to cargo clearance. Thus, the CB Violated Regulation 10(e) of CBLR, 2018

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

“(f) 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;”

Based on the available records and statements, it appears that the CB breached Regulation 10(f) of CBLR 2018 by failing to communicate critical information about SCOMET export restrictions to their client, M/s SISCO Research Laboratories Pvt. Ltd. Specifically, they did not share the implications of DGFT Notification No. 05/2015-20 (24.04.2017) and No. 47/2015-20 (31.01.2018), which classified Diisopropylamine and Triethanolamine Hydrochloride as restricted items requiring DGFT authorization. These notifications, enforced by Customs authorities under the Customs Act, 1962, were essential for lawful cargo clearance. The CB’s reliance on SISCO’s verbal assurances and failure to verify or communicate these restrictions effectively

withheld information that the client was entitled to know, contributing to violations of regulation 10 (f) of CBLR, 2018.


5. From the above stated facts and outcome of the investigation, it appears that the CB M/s Mangatram Clearing & Forwarding Agent Pvt. Ltd., (CB No. 11/777) has failed in fulfilling the obligations as mandated under CBLR, 2018 and has violated the Regulation 10 (d), 10 (e) and 10 (f) of CBLR, 2018.

6. In terms of Regulation 17(1) of CBLR, 2018, CB M/s Mangatram Clearing & Forwarding Agent Pvt. Ltd., (CB No. 11/777) is hereby called upon to show cause, as to why:

- i. The Customs Broker license bearing no. 11/777 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.

7. The CB M/s Mangatram Clearing & Forwarding Agent Pvt. Ltd., (CB No. 11/777) 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 Ms. Meenakshi salvi, Deputy Commissioner, Export, NCH, Zone – I, Mumbai Customs 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.

8. 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.


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

To,
 CB M/s Mangatram Clearing & Forwarding Agent Pvt. Ltd., (CB No. 11/777),
 Address: 607 REAL TECH PARK PLOT NO 39/2,
 SECTOR 30A, OPP. VASHI RAILWAY STATION,
 Thane, MAHARASHTRA, 400705

Copy to:

1. The Pr. Chief Commissioner of Customs/ Chief Commissioner of Customs, Mumbai Zone – I, II & III.
2. Ms. Meenakshi salvi, Deputy Commissioner, Export, NCH, Zone – I, Mumbai Customs, 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