



प्रधानआयुक्त (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/492/2026-CBS

Date: 22.10.2026.

DIN No. 20261077MO00007A53D3

SHOW CAUSE NOTICE (SCN) No. 35 /2026-27

ISSUED UNDER REGULATION OF 17 OF THE CBLR, 2018

M/s. P. V. Agencies Freight Forwarders Pvt. Ltd (CB License No. 11/783, PAN No. AABCP4495N), having address: 301, Kuntal Building, Mody Estate, L.B.S. Marg, Ghatkopa (W), Mumbai - 400086 (hereinafter referred to as the Customs Broker/CB), is the holder of Customs Broker License No. 11/783 (PAN No. AAACE3301MCH001), 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 Assistant Commissioner of Customs, CEAC, NS-II, JNCH in the form of OIO No. 542/(L)/2026-27/AC/CEAC/N II/CAC/JNCH dated 28.08.2026 issued vide F. No. CUS/DOCK/521/2026-Exp(Docks)/JNC and Corrigendum to the Order-In-Original dated 04.09.2026 issued vide F. No. CUS/DOCK/521/2026-Eex(Docks) was received in the Customs Broker Section, NCH, Zone I, Mumbai on 31.08.2026 and 07.09.2026 respectively.

Brief Facts of the case:

2. M/s Banaras Beads Limited filed **Shipping Bill No. 4540139** dated **27.06.2026** through their Customs Broker, **M/s P. V. Agencies Freight Forwarders Pvt. Ltd.**, for export of goods to USA. The goods were lying at GDL CFS. The Shipping Bill covered six items and the total FOB value declared was **USD 1,152.48 (Rs. 1,07,872.13)** The details of the goods covered under the above said Shipping Bill are as under:-

Item No.	Description	RITC	Qty.	Weight	FOB Value(USD)
1	Glass Pebbles in Assorted Color and Design	70181090	444 PCS	475.916 Kgs	591.41
2	Plastic Box - Part of Item No. 1	39261019	444 PCS	52.880 Kgs	65.71
3	Pebble Stone in Assorted Color and Design	25171010	188 PCS	201.517 Kgs	313.02
4	Plastic Box - Part of Item No. 3	39261019	188 PCS	22.391 Kgs	34.78
5	Stone Powder in Assorted Color and	71059000	124	132.916	132.80

	Design		PCS	Kgs	
6	Plastic Box – Part of Item No. 5	39261019	124	14.768	14.76
			PCS	Kgs	

The total FOB value declared under the Shipping Bill was USD 1,152.48 (Rs. 1,07,872.13).

3. Upon scrutiny of the Shipping Bill and accompanying documents, it was observed that the goods covered under Item No. 5, though declared in the Shipping Bill under RITC 71059000 as "Stone Powder in Assorted Color and Design", were described in the corresponding Packing List as "Natural Sand". The Tax Invoice, however, described the said goods as "Stone Powder". Thus, a material discrepancy was noticed in the description of the subject goods in the export documents.

4. In compliance with the RMS/System instructions, the packages were opened and examined. During the course of examination, the goods declared as Stone Powder prima facie appeared to be Natural Sand. Accordingly, samples of the goods were drawn and forwarded to DYCC for laboratory examination.

5. Further, the letter dated 03.07.2026, the exporter had specifically described the relevant goods as River Sand and Stone Pebbles, whereas in its subsequent letter dated 06.08.2026 the relevant goods were described as Stone Powder and Stone Pebbles. Further, the corresponding Packing List described Item No. 5 as Natural Sand.

LABORATORY EXAMINATION

6. As per the DYCC Test Report dated 29.07.2026, the sample of Stone Pebbles was reported to contain mainly silica, along with small quantities of oxides of aluminium, iron, calcium and potassium. DYCC also stated that the remaining query could not be ascertained from the samples. As per the DYCC Test Report dated 03.08.2026, the sample of River Sand/Stone Powder was found to contain mainly SiO (silica) along with oxides of aluminium, iron, titanium, calcium and magnesium.

7. In view of the above, the Competent Authority rejected the declared description and classification of the goods covered under Item No. 5 of Shipping Bill No. 4540139 dated 27.06.2026 as "Stone Powder in Assorted Color and Design" under RITC 71059000 of Chapter 71 and hold the said goods to be River Sand/Natural Sand, appropriately classifiable under the relevant tariff entry of heading 2505 of Chapter 25, which is covered under the restricted export policy in terms of DGFT Notification No. 60/2023 dated 13.02.2024. Accordingly, the goods were held liable to confiscation under Sections 113(d) and 113(i) of the Customs Act, 1962. However, in terms of Section 125 of the Customs Act, 1962, the Adjudicating Authority given the exporter an option to redeem the aforesaid confiscated goods on payment of redemption fine of Rs. 3,000/- and also imposed penalty of Rs. 3,000/- on the CB M/s P. V. Agencies Freight Forwarders Pvt. Ltd. under Section 114(i) of the Customs Act, 1962

8. Role of the Customs Broker:

The Shipping Bill was filed/processed by M/s P. V. Agencies Freight Forwarders Pvt. Ltd. as the Customs Broker. The adjudicating authority specifically observed that Item No. 5 was declared in the Shipping Bill as "Stone Powder in Assorted Color and Design", whereas the corresponding Packing List described the goods as "Natural Sand". It was further recorded that although the Customs Broker had submitted that clarification had been sought from the exporter regarding the goods, the material discrepancy remained unaddressed while filing the Shipping Bill.

The adjudicating authority accordingly held that the acts/omissions of the Customs

Broker contributed to the goods being entered for export under an incorrect description and rendered the goods liable to confiscation under Section 113 of the Customs Act, 1962. Consequently, a penalty of **Rs. 3,000/- under Section 114(i) of the Customs Act, 1962** was imposed upon the Customs Broker.

In view of the above, the relevant provisions of CBLR, 2018 outlining the obligations of customs broker, are extracted below:

(i) Regulation 10(d) of 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.

In the instant case, M/s. P. V. Agencies Freight Forwarders Pvt. Ltd., acting as the Customs Broker for M/s. Banaras Beads Limited, filed Shipping Bill No. 4540139 dated 27.06.2026 for export of goods to the United States of America. The goods covered under Item No. 5 of the Shipping Bill were declared as "Stone Powder in Assorted Color and Design" under RITC 71059000. However, the corresponding packing list described the goods as "Natural Sand", thereby disclosing a material discrepancy in the description and classification of the goods in the export documents.

The aforesaid discrepancy was material in view of Section 50(2) and Section 50(3) of the Customs Act, 1962, which require a truthful declaration and accuracy and completeness of the information furnished in the Shipping Bill and supporting documents. Further, Section 11(1) of the Foreign Trade (Development and Regulation) Act, 1992, read with Rule 11 of the Foreign Trade (Regulation) Rules, 1993, requires compliance with the applicable provisions governing export and the furnishing of a correct declaration regarding the description, value and other particulars of the goods. In this regard, DGFT Notification No. 60/2023 dated 13.02.2024 is relevant to the export policy applicable to Natural Sand falling under ITC (HS) heading 2505, which was placed in the restricted category subject to the prescribed conditions and authorisation requirements.

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.

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.

(ii) Regulation 10(e) of 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 present case, the documents available with the Customs Broker contained an apparent and material inconsistency. While the Shipping Bill and Tax Invoice described the goods as "Stone Powder", the corresponding Packing List described the goods as "**Natural Sand**". The subsequent examination also raised the same issue, and the exporter itself initially clarified that the goods were **River Sand**.

Thus, the material available on record indicates that the Customs Broker proceeded with filing/processing the Shipping Bill despite the discrepancy between the Shipping Bill and the Packing List. Such circumstances called for further due diligence and verification of the correctness of the description/classification of the goods before the Shipping Bill was filed.

Accordingly, based on the facts, it appears that the Customs Broker did not exercise the requisite due diligence in ascertaining the correctness of the information/documents relating to the subject export, thereby indicating contravention of Regulation 10(e) of CBLR, 2018.

9. 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:

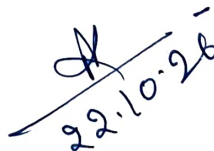
- i. the license, bearing no. 11/666, issued to them, should not be revoked;
- ii. security deposit should not be forfeited;
- iii. penalty should not be imposed;

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.

10. They are directed to appear for personal hearing on the date as may be fixed and to produce evidence/documents, if any, in their defence to the Inquiry Officer Shri Mahesh S. Bhalerao, AC, General Commissionerate Mumbai Customs, Zone-I, who shall conduct inquiry under Regulation 17 of CBLR, 2018.

11. 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.

12. 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.


22.10.26

(Ajay Kumar Pandey)

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

Encl:- RUDs

To,

M/s. P. V. Agencies Freight Forwarders Pvt.
CB License No. 11/783, PAN No. AABCP4495N
301, Kuntal Building, Mody Estat,
L.B.S. Marg, Ghatkopar (W),
Mumbai- 400086.

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. Assistant Commissioner of Customs, CEAC, NS-II, JNCH
4. CIU of NCH, ACC & JNCH.
5. EDI of NCH, ACC & JNCH.
6. BCBA.
7. Notice Board.