



प्रधानआयुक्त / आयुक्त (सामान्य) सीमाशुल्ककार्यालय)
OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS (GENERAL)
कस्टमब्रोकरअनुभाग,नवीनसीमाशुल्कभवन, बेलाईइस्टेट,मुंबई – I
CUSTOMS BROKER SECTION, NEW CUSTOM HOUSE, BALLARD ESTATE, MUMBAI
ZONE – I

EMAIL: cbsec.nch@gov.in

F. No. GEN/CB/114/2026-CBS

Date:30.09.2026

DIN: 20260977NO0000197032

SHOW CAUSE NOTICE No. 29/2026-27
UNDER REGULATION 17 OF THE CUSTOMS BROKER LICENSING
REGULATIONS, 2018

M/s Komal Cargo Service Pvt. Ltd., having its office at Flat No. 104/F, 1st Floor, Shree Adinath Towers, Nancy Colony, Borivali (East), Mumbai – 400066 (hereinafter referred to as “the Customs Broker” or “the CB”), are the holders of **Customs Broker Licence No. 11/1036** issued by the Commissioner of Customs, Mumbai, which licence is presently governed by the Customs Brokers Licensing Regulations, 2018, and as such they are bound by the regulations and the conditions stipulated therein. Shri Santosh Ganpat Manchekar is the Director of the said Customs Broker firm and has been looking after its affairs since the year 2013.

2. The offence report in the matter, namely **Show Cause Notice No. 1389/2025-26/ADC/CEAC/NS-II/CAC/JNCH dated 26.11.2025**, issued under Section 124 of the Customs Act, 1962 by the Additional Commissioner of Customs, CEAC, NS-II, CAC, JNCH in respect of the exporter M/s Sandhya Organic Chemicals Pvt. Ltd. (IEC 0393041620), was received in this office on **09.03.2026**. Certain documents were thereafter called for from SIIB(X), JNCH vide this office letters dated 10.03.2026 and 03.09.2026, and the complete relied upon documents were received on 04.09.2026. The present notice is issued on the basis of the material available on record.

Brief facts of the case

3. The case began with a Premises Based Audit carried out by the Commissioner of Customs (Audit), New Custom House, Mumbai Customs Zone-I in respect of M/s Sandhya Organic Chemicals Pvt. Ltd. (IEC 0393041620), having its registered office at 101, Sangam CHS Ltd., 1st Floor, A Wing, S.V. Road, Santacruz (West), Mumbai – 400054 and its manufacturing unit at Plot No. 808, A-2, III Phase, GIDC, Vapi, Dist. Valsad, Gujarat. During the audit it was seen that the auditee had been exporting Phosphorus Oxychloride and Phosphorus Trichloride, which are SCOMET items and require a licence from the Directorate General of Foreign Trade. On scrutiny of ADVAIT data for the period from 01.01.2021 to 05.08.2023, the Audit found 245 shipping bills cleared without a SCOMET GAEC licence, being 34 shipping bills of Phosphorus Oxychloride and 211 shipping bills of Phosphorus Trichloride. The Audit Commissionerate accordingly forwarded the matter to the Commissioner of Customs (Export), JNCH vide letter F. No. CADT/CIR/ADT/PBA/34/2023-THBA-CIR-C1 dated 28.03.2024, asking that these exports, and any other such exports of the auditee not covered by the annexures, be investigated.

4. On receipt of the said letter, SIIB(X), JNCH took up the matter for investigation. Summonses were issued to the exporter and to the Customs Brokers concerned, and their statements were recorded under Section 108 of the Customs Act, 1962, namely those of Shri Atmaram Ganpat Newalkar, Asstt. Manager (Export) of the exporter, on 11.06.2024 and 16.08.2024; Shri Santosh Ganpat Manchekar, Director of M/s Komal Cargo Service Pvt. Ltd., on 12.07.2024; Shri Gangadhar Kashinath Jadhav of M/s All Win Shipping Service on 28.08.2024; and Shri Ravindra Krishna Kunder of M/s Raspn Shipping Services Pvt. Ltd. on 08.10.2024. On completion of the investigation, the offence report referred to at para 2 above came to be issued.

5. Phosphorus Oxychloride and Phosphorus Trichloride are Category 1C chemicals of the SCOMET list, covered respectively by **SCOMET Entries 1C005 and 1C006** of Appendix-3 to Schedule-2 of the ITC(HS) Classification of Export and Import Items. SCOMET items are dual-use goods, that is, goods, technology, chemicals and organisms capable of both civil and military application and of being deployed as weapons of mass destruction, and their export is governed by Chapter IV-A of the Foreign Trade (Development and Regulation) Act, 1992 read with Para 2.09 of the Foreign Trade Policy and Chapter 10 of the Handbook of Procedures. Till 18.01.2022, these two chemicals could be exported to the countries listed in Table-1 of the relevant policy condition without an export authorisation, provided the exporter notified the Department of Chemicals and Petrochemicals and the DGFT within thirty days of the export and furnished the End-Use Certificate and the bill of entry of the destination country. By **Notification No. 47/2015-2020 dated 20.12.2021**, the DGFT amended that policy condition and made the General Authorisation for Export of Chemicals and related equipment (GAEC) compulsory for the export of these chemicals **with effect from 19.01.2022**.

6. The investigation by SIIB(X), JNCH revealed that the exporter had filed **93 shipping bills between 19.01.2022 and 09.10.2022** for export of these two chemicals to Table-1 countries, comprising 22 shipping bills of Phosphorus Oxychloride and 71 shipping bills of Phosphorus Trichloride, of a total FOB value of **Rs. 40,58,08,402/-** with drawback of **Rs. 40,58,084/-**, without holding any GAEC authorisation. The exporter obtained GAEC/SCOMET Authorisation No. 0101006021 only on 10.10.2022. Although the exporter came to know of the amended policy in October 2022, it approached the SCOMET Division of the DGFT for regularisation under the Voluntary Self Disclosure Scheme only on 06.06.2024, that is, after summons dated 31.05.2024 had been issued by SIIB(X), JNCH.

7. The offence report holds that the goods so exported were prohibited goods within the meaning of Section 2(33) of the Customs Act, 1962 and were liable to confiscation under Section 113(d) and Section 113(ia) *ibid*, and proposes recovery of the drawback erroneously sanctioned besides penalty on the exporter under Section 114(i) and Section 114AA of the Customs Act, 1962.

Role of the Customs Broker

8. As recorded at para 8.11 of the offence report, the Customs Broker-wise break-up of the said 93 shipping bills is as under:

S. No.	Name of the Customs Broker	Licence No.	No. of Shipping Bills filed
1	M/s Komal Cargo Service Pvt. Ltd.	11/1036	90
2	M/s All Win Shipping Service	11/2008	02
3	M/s Raspn Shipping Services Pvt. Ltd.	11/1949	01
	TOTAL		93

8.1 On the figures appearing in Table-I of the offence report, the **90 shipping bills filed by M/s Komal Cargo Service Pvt. Ltd. (11/1036)** account for a FOB value of the order of Rs. 40,26,03,525/- and drawback of the order of Rs. 40,26,035/-. These shipping bills run from 19.01.2022 to 09.10.2022, that is, across the whole of the period for which the GAEC authorisation was compulsory and the exporter did not hold one.

9. In his statement recorded on 12.07.2024 (RUD-VI to the offence report), **Shri Santosh Ganpat Manchekar, Director of M/s Komal Cargo Service Pvt. Ltd.**, inter alia stated:

- (i) that his firm is a private limited company holding Customs Broker Licence No. 11/1036 and that he has been its Director since 2013, the firm dealing in import-export clearance work;
- (ii) that he had visited the office of M/s Sandhya Organic Chemicals Pvt. Ltd. in October 2017, after which a contract was signed between the two companies, the exporter having told him that they would be exporting hazardous and non-hazardous chemicals;
- (iii) that the exporter exported Aluminium Phosphide, Tricresyl Phosphate, Tri-phenyl Phosphite, Phosphorus Oxychloride and Phosphorus Trichloride etc. through his CB firm;
- (iv) that he knew of the GAEC licence issued by the DGFT for export of certain chemical products to the countries mentioned in Table-1 of Appendix-3 of the SCOMET list;
- (v) that as per DGFT Notification No. 13/2015-2020 dated 28.06.2017 no GAEC licence was required for export of Phosphorus Oxychloride and Phosphorus Trichloride, all that was needed being intimation to the National Authority, Chemical Weapons Convention, the Ministry of External Affairs (D&ISA), the Department of Chemicals and Petrochemicals and the DGFT in the prescribed Aayat Niryat Form, and that the exporter had given a self-declaration to that effect;
- (vi) that it was only in October 2022 that they came to know that the DGFT had, vide Notification No. 47/2015-2020 dated 20.12.2021, amended the export policy of the chemicals in Appendix-3 of the SCOMET list and that a GAEC licence was now required for these two chemicals even for the countries mentioned in Table-1, after which they informed the exporter, who applied for and received the GAEC licence on 10.10.2022; and
- (vii) that before filing the shipping bills they had checked the CCR instructions for CTH 28121300 and CTH 28121200 on ICEGATE, which showed that export of these goods was permitted only to the countries specified in Table-1 without an export

authorisation but subject to the conditions specified therein as per DGFT Notification No. 13/2015-2020 dated 28.06.2017, and that the CCR instructions nowhere mentioned that a GAEC licence was required as per Notification No. 47/2015-2020 dated 20.12.2021.

10. At paras 7.5, 8.11 and 8.12 of the offence report it is held that the Customs Brokers who handled these export clearances failed to get the goods cleared with proper documentation; that Regulation 10(d) of the CBLR, 2018 puts an onus on the Customs Broker to advise his client to comply with the provisions of the Act, other allied Acts and the rules and regulations thereof and, where the client does not comply, to bring the matter to the notice of the Deputy Commissioner or Assistant Commissioner of Customs, which the Customs Broker did not do; that Regulation 10(e) requires the Customs Broker to exercise due diligence to ascertain the correctness of the information he imparts to his client in relation to the clearance of cargo; and that the Customs Broker ought to have informed the exporter of the requirement of a GAEC authorisation from the DGFT for the export of Phosphorus Oxychloride and Phosphorus Trichloride. Penalty under Section 114(i) of the Customs Act, 1962 has accordingly been proposed on M/s Komal Cargo Service Pvt. Ltd. and penalty under Section 114AA ibid on Shri Santosh Ganpat Manchekar, Director.

Contraventions of the Customs Brokers Licensing Regulations, 2018

11. On going through the offence report and the relied upon documents received therewith, it appears that the Customs Broker M/s Komal Cargo Service Pvt. Ltd. (Licence No. 11/1036) has failed to comply with the following provisions of the Customs Brokers Licensing Regulations, 2018:

11.1 Regulation 10(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;”

11.1.1 This obligation has two parts. The Customs Broker must advise his client to follow the law, and where the client does not, he must report the matter to the Deputy Commissioner or Assistant Commissioner of Customs. The words “other allied Acts and the rules and regulations thereof” take in the Foreign Trade (Development and Regulation) Act, 1992, the Foreign Trade Policy and the ITC(HS) Export Policy, under which the GAEC authorisation was required. The Customs Broker had been handling the export documentation of this very exporter, for this very line of chemicals, since October 2017 under a written contract, and by his own admission had looked into the export authorisation position under Notification No. 13/2015-2020 dated 28.06.2017 before filing the shipping bills. Having taken that task upon himself and advised his client on that basis, he was expected to keep track of changes in the very requirement he had verified. Notification No. 47/2015-2020 was issued on 20.12.2021 and was brought into force only after thirty days, the object of the transition period being to give the trade time to comply. Even so, the Customs Broker did not advise the exporter for nearly nine months, and 90

shipping bills were filed and cleared by him in that period without the required authorisation.

11.1.2 The second part of the obligation is where the failure is more serious. In October 2022 the Customs Broker admittedly came to know of Notification No. 47/2015-2020 and advised the exporter to obtain the GAEC licence, which the exporter obtained on 10.10.2022. He did not, however, report to the Deputy Commissioner or Assistant Commissioner of Customs that 90 shipping bills had already been filed and cleared by him without that authorisation. The second part of Regulation 10(d) is unqualified, and advising the client for the future does not answer it; the duty to report arises precisely where a non-compliance has already taken place. Had he reported the matter in October 2022, the exports made without authorisation would have come to the notice of the Department then and could have been dealt with in accordance with law. Instead the matter surfaced only two years later, through the Premises Based Audit and the investigation that followed. The default is not a technical one, since the goods have been held liable to confiscation under Sections 113(d) and 113(ia) of the Customs Act, 1962 and drawback of the order of Rs. 40,26,035/- stands sanctioned on the exports made through this Customs Broker. It therefore appears that the Customs Broker has violated Regulation 10(d) of the CBLR, 2018.

11.2 Regulation 10(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;”

11.2.1 The Customs Broker says that he checked the CCR instructions on ICEGATE against CTH 28121200 and CTH 28121300 and, on that basis, advised his client that no export authorisation was needed. That information was wrong for the whole period from 19.01.2022 onwards. What Regulation 10(e) asks is not whether the Customs Broker did something, but whether the diligence he exercised was *due*, that is, in keeping with the goods he was dealing with and the responsibility he had taken on. The CCR instruction on ICEGATE is a facilitation message on the EDI system; it is neither the source nor the repository of the export policy. The policy is to be found in the Schedule-2 Export Policy of the ITC(HS) and in the notifications issued by the DGFT under it, which are published in the Gazette of India and hosted on the DGFT web-portal.

11.2.2 The goods here are SCOMET Category 1C dual-use chemicals, controlled not for revenue but in the interest of national security and of India’s non-proliferation commitments, including under the Chemical Weapons Convention. A Customs Broker who has held the licence since 2013, who deals in the clearance of hazardous chemicals and who had been handling this exporter’s chemical exports since 2017 was expected to satisfy himself of the current policy position from the source, and not to rest on a system-generated message alone. His own statement shows that he was aware both of the SCOMET character of these two chemicals and of the GAEC mechanism, so the lapse does not come from unfamiliarity with the subject but from a failure to check whether the policy condition he was relying on was still in force. That the correct position was easy to find is clear from his own conduct in October 2022, when, on looking into the matter, he was able to have the exporter apply for and obtain the authorisation without difficulty. Nothing prevented the same exercise at any time after 20.12.2021, and a verification made in 2017 cannot answer for 90 consignments exported in 2022. It therefore appears that the Customs Broker has

failed to exercise due diligence to ascertain the correctness of the information imparted to his client and has thereby violated Regulation 10(e) of the CBLR, 2018.

11.3 Regulation 10(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”.

11.3.1 In the present case, the requirement of GAEC authorisation for export of Phosphorus Oxychloride and Phosphorus Trichloride, introduced with effect from 19.01.2022, was a condition directly affecting clearance of the said goods. The Customs Broker, who had been handling the export clearance of the client's chemical consignments since 2017, has himself stated that he used Customs/CCR instructions available on ICEGATE to ascertain the applicable requirements and conveyed such information to the exporter. The exporter, on the other hand, stated that it was not aware of the amended requirement and continued exports under the earlier policy. Thus, the Customs Broker was the channel through which such clearance-related information was expected to reach the client, who was entitled to receive the same.

11.3.2 In October 2022, upon coming to know of the amended requirement, the Customs Broker informed the exporter, pursuant to which the exporter obtained the GAEC authorisation on 10.10.2022. However, during the period from 19.01.2022 to 09.10.2022, 90 shipping bills were filed through the Customs Broker without the required authorisation. The fact that the Customs Broker subsequently informed the exporter demonstrates that the information was capable of being ascertained and communicated. The plea that the Customs Broker itself was unaware of the amendment does not, by itself, answer the obligation under Regulation 10(f), particularly where the Broker was professionally engaged in clearance of the same SCOMET chemicals and was expected to keep itself informed of Customs orders, instructions and notices governing their clearance. Accordingly, the omission to communicate the applicable clearance-related requirement to the client appears to constitute a violation of Regulation 10(f) of the CBLR, 2018.

12. The acts and omissions set out above are those of Shri Santosh Ganpat Manchekar, Director of the Customs Broker firm himself, and not of any subordinate employee, and the responsibility for them therefore rests directly on the Customs Broker.

13. From the above facts, it appears that prima facie the Customs Broker M/s Komal Cargo Service Pvt. Ltd. (Licence No. 11/1036) has violated **Regulation 10(d), Regulation 10(e) and Regulation 10(f) of the CBLR, 2018**, and has thereby rendered themselves liable for penal action under **Regulations 14, 17 and 18 of the CBLR, 2018**.

14. In view of the above, as per the provisions of **Regulation 17(1) of the CBLR, 2018**, the Customs Broker M/s Komal Cargo Service Pvt. Ltd. (Licence No. 11/1036) are hereby called upon to show cause, in writing, to the Principal Commissioner of Customs (General), New Custom House, Ballard Estate, Mumbai – 400001, within **30 (thirty) days** of the receipt of this notice, as to why –

- (i) the Customs Broker Licence No. 11/1036 issued to them should not be revoked under Regulation 14 read with Regulation 17 of the CBLR, 2018;

- (ii) the security deposit furnished by them should not be forfeited, in whole or in part, under Regulation 14 read with Regulation 17 of the CBLR, 2018; and
- (iii) penalty should not be imposed upon them under Regulation 18 read with Regulations 14 and 17 of the CBLR, 2018, for their failure to comply with the provisions of **Regulation 10(d), Regulation 10(e) and Regulation 10(f) of the CBLR, 2018** as brought out in the paragraphs above.

15. The Customs Broker is further directed to appear for personal hearing on the date that may be fixed and to produce proof of evidence/documents, if any, in their defence before the Inquiry Officer, **Shri GVSS Sharma, AC, Audit**, who shall conduct the inquiry under Regulation 17 of the CBLR, 2018. If no reply is received within the stipulated time, it shall be presumed that they have no explanation to offer and do not wish to be heard in person, and the matter shall be decided ex-parte on the basis of the facts and evidence available on record.

16. This notice is 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 the Rules/Regulations framed thereunder, or under any other law for the time being in force in the Union of India.

LIST OF RELIED UPON DOCUMENTS

RUD-1 Offense report in form of Show Cause Notice No. 1389/2025-26/ADC/CEAC/NS-II/CAC/JNCH dated 26.11.2025, issued by the Additional Commissioner of Customs, CEAC, NS-II, CAC, JNCH, along with the Annexures, Tables and RUDs thereto.


30.9.26

(Ajay Kumar Pandey)
Principal Commissioner of Customs (General)
New Custom House, Mumbai - I

To,

M/s Komal Cargo Service Pvt. Ltd. (Licence No. 11/1036),
Flat No. 104/F, 1st Floor, Shree Adinath Towers,
Nancy Colony, Borivali (East), Mumbai - 400066.

Copy to:

1. CIUs of NCH, ACC and JNCH.
2. The Commissioner of Customs, Mumbai Zone-I, II and III.
3. EDI of NCH, ACC and JNCH.
4. Bombay Custom House Agents Association.
5. Notice Board.
6. Office copy.