



प्रधान आयुक्त, सीमाशुल्क (सामान्य) का कार्यालय
OFFICE OF THE PR. COMMISSIONER OF CUSTOMS (G),
नवीन सीमाशुल्क भवन, बेलाई इस्टेट, मुंबई - 400001. NEW CUSTOM
HOUSE, BALLARD ESTATE, MUMBAI - 400001.

संचिका सं./F. No.- GEN/CB/582/2025-CBS

CAO No. 17/2026-27/CAC/PCC(G)/AKP/Adj-CBS

आदेश दिनांक/Date of Order: 18.06.2026

जारी दिनांक/Date of issue: 18.06.2026

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द्वारा जारी: अजय कुमार पाण्डेय

Issued By : Ajay Kumar Pandey

प्रधान आयुक्त, सीमाशुल्क (सामान्य)

Principal Commissioner of Customs (Gen.)

मुंबई -400 001

Mumbai - 400 001

ORDER-IN-ORIGINAL मूल आदेश

ध्यान दीजिए/ N.B. :

1. यह प्रति उस व्यक्ति को निजी उपयोग हेतु निःशुल्क प्रदान की जाती है, जिसे यह जारी की जा रही है।
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2. इस आदेश के विरुद्ध अपील माँगे गए राशी के 7.5% के भुगतान पर सीमाशुल्क अधिनियम, 1962 की धारा 129A(1B)(i) के संबंधमें सीमाशुल्क, केंद्रीय उत्पाद शुल्क एवं सेवाकर अपील अधिकरण में स्वीकार्य है, जहाँ शुल्क या शुल्क एवं जुर्माना विवादित हों, या जुर्माना, जहाँ सिर्फ जुर्माना ही विवादित हो। यह अपील इस आदेश के संप्रेषण की तारीख के तीन महीने के अंदर दायर की जाएगी। यह अपील सीमाशुल्क, केंद्रीय उत्पाद शुल्क एवं सेवाकर अपील अधिकरण (कार्यविधि) नियमावली, १९८२, के प्रावधानों के अंतर्गत, यथोत्तखंडपीठ में स्वीकार्य है।

An appeal against this order lies with the Customs, Central Excise and Service Tax Appellate Tribunal in terms of section 129A(1B)(i) of the Customs Act, 1962, on payment of 7.5% of the amount demanded where duty or duty and penalty are in dispute, or penalty, where penalty alone is in dispute. It shall be filed within three months from the date of communication of this order. The appeal lies with the appropriate bench of the Customs, Central Excise and Service Tax Appellate as per the applicable provisions of the Customs, Excise and Service Tax Appellate Tribunal (Procedure) Rules, 1982.

3. यह सूचित किया जाता है की इस आदेश के अमल में आते ही, न्याय निर्णयन अधिकारी का अधिकार क्षेत्र समाप्त होता है और सीमाशुल्क, केंद्रीय उत्पाद शुल्क एवं सेवाकर अपील अधिकरण, पश्चिम क्षेत्री यखंडपीठ, के M/s Knowledge Infrastructure Systems Pvt. Ltd. & Others vs ADG, DRI, Mumbai के संदर्भ में जारी आदेश क्रमांक A/86617-86619/2018 दिनांक के अनुसार न्यायिक आदेश तदोउ 31.05.2018 प्रांत न्याय निर्णयन अधिकारी 'functus officio' बन जाता है

It is informed that the jurisdiction of the Adjudicating Authority stands alienated with the conclusion of the present adjudication order and the Adjudicating Authority attains the status of 'functus officio' as held by Hon'ble CESTAT, Mumbai

in its decision in the case of M/s Knowledge Infrastructure Systems Pvt. Ltd. & Others vs ADG, DRI, Mumbai vide Order No. A/86617-86619/2018 dated 31.05.2018.

4. यदि एक ही प्रकरण में उसी पक्षकार के विरुद्ध कई कारण बताओ नोटिस लगाकर आदेश पारित किया जाता है तो प्रत्येक प्रकरण में अलग अपील दायर की जाए।

In case where an order is passed by bunching several show cause notices on an identical issue against the same party, separate appeal may be filed in each case.

5. यह अपील फॉर्म C.A.-3 में दायर की जानी चाहिए जो कि सीमाशुल्क (अपीलस) नियमावली, 1982 के नियम के तहत निर्धारित है एवं उसी नियमावली के नियम 3 के उपनियम 2 में उल्लेखित व्यक्ति 6 द्वारा हस्ताक्षरित एवं सत्यापित की जाएगी।

The Appeal should be filed in Form C.A.-3 prescribed under Rule 6 of the Customs (Appeals) Rules, 1982 and shall be signed and verified by the person specified in sub-rule 2 of rule 3 rules ibid.

6. (i) यदि प्रतिवादित आदेश, जिसके विरुद्ध अपील की गई है, में शुल्क एवं मांगे गए ब्याजवलागाएगए जुर्माने की राशि रु-पाँच लाख या इस से कम होतो रु. 1000 ., (ii)यदि यह राशि रुपाँच लाख से अधिक .) हो किंतु पचास लाख से अधिक न होतो रु. 5000/- एवंiii) यदि यह राशि रुपचास लाख से अधिक होतो . रु. 10000/- के शुल्क का भुगतान क्रॉस्ड बैंक ड्राफ्ट के माध्यम से अधिकरण की खंडपीठ के सहायक पंजीयक के पक्ष में जिस स्थान पर खंडपीठ स्थित है, के किसी भी राष्ट्रीय क्रत बैंक की शाखा में किया जाए एवं डिमांड ड्राफ्ट अपील के साथ संलग्न किया जाए।

A fee of (i) Rs. 1000/- in case where the amount of duty and interest demanded and the penalty imposed in the impugned order appealed against is Rupees Five Lakhs or less, (ii) Rs. 5000/- in case where such amount exceeds Rupees Five Lakhs but not exceeding Rupees Fifty Lakhs and (iii) Rs. 10000/- in case where such amount exceeds Rupees Fifty Lakhs, is required to be paid through a crossed bank draft in favour of the Assistant registrar of the Bench of the Tribunal on a branch of any nationalized bank located at the place where the bench is situated and demand draft shall be attached to the Appeal.

7. अपील की एक प्रति में कोर्ट फी अधिनियम, की अनुसूची मद 6 के तहत निर्धारित रु. 50 1870 का कोर्ट फी स्टैम्प लगा होना चाहिए एवं इसके साथ संलग्न इस आदेश की उक्त प्रति में रु 50 .का कोर्ट फी स्टैम्प लगा होना चाहिए।

One copy of the Appeal should bear a Court Fee Stamp of Rs. 50 and said copy of this order attached therein should bear a Court Fee Stamp of Rs. 50 as prescribed under Schedule item 6 of the Court Fee Act, 1870, as amended.

Brief Facts of the Case:

1. M/s S.J. Thacker Freight Forwarders Pvt. Ltd. (11/622), (PAN No. AAKCS3983PCH001), having registered address: OFFICE 703, Neptune Uptown, NS Road, Near Station, Mulund (W), MUMBAI 400080 (hereinafter referred to as the Customs Broker/CB), is the holder of Customs Broker License No. (11/622), 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.
2. An offence report regarding the offences made by the CB, issued by the Joint Director, DRI, MZU vide letter F. No. DRI/MZU/E/INT-128/2024/3243 dated 22.09.2025 was received in the Customs Broker Section, NCH, Zone-I, Mumbai.
3. Specific intelligence was developed by DRI, Mumbai Zonal Unit that importers M/s Krishna Enzytech Pvt. Ltd. (IEC No. 3116900701) & M/s Collagen Lifesciences Pvt. Ltd. (IEC No. AAKCC0490P) are engaged in importing all kinds of nutrition products from China like Pea Protein, etc. by declaring them as glycine. Glycine is classifiable under CTI 29224910, attracting Basic Customs Duty @ 7.5%, with the effective duty rate, including IGST, amounting to 27.735%. On the other hand, Pea Protein/Collagen is classifiable under CTI 35040099, which attracts Basic Customs Duty @ 20% and an effective duty rate, including IGST, of 43.960%. By deliberately declaring the imported goods as Glycine instead of Pea Protein, the importers sought to evade the differential duty of 16.225% on each consignment, thereby causing substantial loss of revenue to the Government exchequer.
4. Acting on the intelligence, the DRI/MZU intercepted and examined live consignments of M/s Collagen Lifesciences Pvt. Ltd., covered under Bill of Entry Nos. 7574058 and 7573646, both dated 02.01.2025 and samples were drawn. The said samples were then sent to FSSAI and NABL accredited laboratory to conduct the necessary tests and analysis to determine the composition of the samples, specifically to identify whether they contain pure Glycine, Fish Collagen, Bovine Collagen, Pea Protein, or any other substance. The test reports established that the imported goods are a combination of amino acids and not a single amino acid, i.e. pure glycine as declared by the importer. Additionally, the test results indicated the presence of "Plant endogenous control", signifying the presence of plant-specific genetic material. This confirmed that the protein originated from plant sources i.e. pea protein.
5. During the course of investigation, accepting their duty liability, M/s Krishna Enzytech Pvt. Ltd. (IEC No. 3116900701) & M/s Collagen Lifesciences Pvt. Ltd. (IEC No. AAKCC0490P), have paid the differential duty along with

applicable interest thereon and penalty @15% total amounting to Rs. 12,15,03,947/- (Twelve Crore Fifteen Lakhs Three Thousand Nine Hundred and Forty-Seven only) and subsequently requested for conclusion of proceedings under Section 28(6) of the Customs Act, 1962. The Pr. Commissioner of Customs, NS-1, JNCH vide order dated 04.09.2025 had concluded the proceedings in terms of Section 28(6) read with Section 110AA of the Customs Act, 1962.

6. Recording of Statement of Importer and Customs Broker

6.1 Shri Samrat Wanna, Director of M/s Collagen Lifesciences Pvt. Ltd., in his statement dated 28.05.2025 stated inter alia that they used to consult their Customs Broker, M/s S.J. Thacker, in the classification of goods.

6.2 Shri Suresh Londhe, Import Manager of M/s Krishna Enzytech Pvt. Ltd., in his statement dated 30.05.2025, clearly admitted that the company actually imported "Pea Protein" while declaring the same as "Glycine" in import documents. He specifically stated that they were misguided both by their supplier and by their Customs Broker, M/s S. J. Thacker, who told them that there was no specific tariff entry for Pea Protein and that only Glycine was available under the tariff.

6.3 Shri Yogesh Shashikant Thacker, Director of M/s S.J. Thacker Freight Forwarders Pvt. Ltd., in his statement dated 16.06.2025 stated inter alia that his firm handled imports of M/s Krishna Enzytech Pvt. Ltd. and M/s Collagen Lifesciences Pvt. Ltd. He claimed that only one item, "Glycine" (CTH 29224910), was imported by these clients and that the classification was taken directly from supplier invoices and Bills of Lading. He explained that their staff prepared and filed documents on ICEGATE, initially seeking the importer's approval but later filing directly due to repetitive consignments. When confronted with email communications referring to "Pea Protein", he admitted that he did not report the discrepancy to Customs authorities, relying instead on the importer's explanation that Glycine is used as a supplement in Pea Protein, and proceeded to file documents as per invoices showing the product as "Glycine".

7. Investigation has revealed email communications wherein Shri Samrat Warma, Director of M/s. Collagen Lifesciences Pvt. Ltd., repeatedly shared documents mentioning "Pea Protein" in email communication with Shri Suresh Londhe, Import Manager of M/s. Krishna Enzytech Pvt. Ltd., who in turn forwarded the same to M/s S.J. Thacker Freight Forwarders Pvt. Ltd., the CHA for both companies. When confronted with this discrepancy, Shri Yogesh Thacker admitted that he did not bring the matter to the notice of the Assistant/Deputy Commissioner of Customs. He relied only on the importer's explanation that Glycine is a supplement to Pea Protein and continued to file

documents strictly on the basis of invoices and Bills of Lading showing the item as "Glycine".

8. Further, scrutiny of sales invoices of M/s S.J. Thacker Freight Forwarders Pvt. Ltd. shows that the firm charged significantly higher clearance fees for the above two importers (Rs. 20,000 per container, with instances of Rs. 35,000) compared to charges of Rs. 5,000-10,000 per container levied on other clients. This abnormal variance, coupled with the discrepancy in product description, indicates that the CB was aware of sensitive aspects of these consignments and continued to facilitate their clearance despite irregularities raising concerns of potential collusion.

9. The above facts establish that the CB failed to discharge obligations under Regulation 10(d) of the CBLR, 2018, which mandates that the Customs Broker shall promptly bring to the notice of the Deputy/Assistant Commissioner of Customs any irregularity or discrepancy noticed in the documents submitted by clients. By failing to report the discrepancy between the product description in emails ("Pea Protein") and statutory documents ("Glycine"), while at the same time charging abnormally high fees, the CB M/s S.J. Thacker Freight Forwarders Pvt. Ltd. has not only acted in dereliction of statutory obligations but also compromised the integrity of the customs clearance process.

10. Role of Customs Broker -

It is evident that the Customs Broker M/s S.J. Thacker Freight Forwarders Pvt. Ltd. (AAKCS3983PCH001) (11/622) has failed to fulfil their obligations laid down under the Customs Broker Licensing Regulations (CBLR), 2018. The CB appears to have actively guided the importer in committing the offence. In view of the above, the relevant provision of CBLR, 2018, outlining the obligations of customs brokers, is extracted below:

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

"A Customs Broker shall 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."

10.1 Investigation has revealed email communications wherein Shri Samrat Warma, Director of M/s. Collagen Lifesciences Pvt. Ltd., repeatedly shared documents mentioning "Pea Protein" in email communication with Shri Suresh Londhe, Import Manager of M/s. Krishna Enzytech Pvt. Ltd., who in turn forwarded the same to M/s S. J. Thacker Freight Forwarders Pvt. Ltd., the CHA for both companies. When confronted with this discrepancy, Shri Yogesh

Thacker admitted that he did not bring the matter to the notice of the Assistant/Deputy Commissioner of Customs.

10.2 Further, the scrutiny of sales invoices of M/s S.J. Thacker Freight Forwarders Pvt. Ltd. shows that the firm charged significantly higher clearance fees for the above two importers (Rs. 20,000 per container, with instances of Rs. 35,000) compared to charges of Rs. 5,000 Rs. 10,000 per container levied on other clients. This abnormal variance, coupled with the discrepancy in product description, indicates that the CB was aware of sensitive aspects of these consignments and continued to facilitate their clearance despite irregularities raising concerns of potential collusion.

10.3 Their failure to undertake their responsibilities under the CBLR Rules, 2018 led to the evasion of customs duty amounting to approx. Rs 9.53/- Crores, which could have been avoided if they had fulfilled their responsibility laid down under the said regulations.

10.4 This represents a clear deviation from the responsibilities outlined in Regulation 10(d) of the 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.

11. In view of the above, in terms of Regulation 17(1) of the CBLR, 2018, the CB M/s S.J. Thacker Freight Forwarders Pvt. Ltd. (11/622) is hereby called upon to Show Cause as to why:

- i. The license bearing no. 11/622, 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.

12. They are directed to appear for a personal hearing on the date as may be fixed and to produce evidence/documents, if any, in their defence to the Inquiry Officer, Shri Abhishek Jain, Deputy Commissioner, Export, Zone I, who shall conduct the inquiry under Regulation 17 of CBLR, 2018.

INQUIRY REPORT: -

13. The Inquiry officer (here in after referred to as the 'IO') concluded the inquiry proceedings and submitted the inquiry report dated 13.03.2026, wherein

the charge levelled against the CB of violation of Regulation 10(d) of the CBLR, 2018 is held as **“Proved”**.

FINDINGS OF THE INQUIRY OFFICER: -

14. The IO submitted that he had gone through the records of the case, the Show Cause Notice dated 18.12.2025 issued by the Pr. Commissioner of Customs (General), wherein he had been appointed as Inquiry Officer to inquire into the charges framed against the CB M/s S.J. Thacker Freight Forwarders Pvt. Ltd. (11/622) in terms of Regulation 17(1) of the CBLR, 2018. The IO submitted that he had further gone through the details of Examination, and Cross examination and also noted the contentions of the charged CHA. The IO had further gone through various submissions made by the CB.

15. The IO submitted that the Grounds of imputation had fixed the CB in respect of one Articles of Charge. The IO submitted that an Offence Report regarding the offences made by the CB, issued by the Joint Director, DRI, MZU vide letter F. No. DRI/MZU/E/INT-128/2024/3243 dated 22.09.2025 was received in the Customs Broker Section, NCH, Zone-I, Mumbai. The IO submitted that the subject Article of Charge was framed based on the Offence Report issued by the Joint Director, DRI, MZU vide letter F. No. DRI/MZU/E/INT-128/2024/3243 dated 22.09.2025. The Charge framed was that the Customs Broker had contravened the provisions of Regulation 10(d) of CBLR, 2018 by not ensuring compliance with the relevant statutory requirements and by neglecting to inform the Deputy/Assistant Commissioner of the irregularities.

16. The IO submitted that the case was referred to him to ascertain whether the CB had failed to comply with the provisions of Regulations of the CBLR, 2018, specifically Regulation 10(d) of CBLR, 2018. The IO submitted that he had initiated inquiry proceedings against the CB by way of fixing several personal hearings to get clear-cut picture of these issues. The IO stated that the charged CB along with Defence Assistant had attended all the hearings and submitted his oral and written submissions. The IO had also given opportunities to the charged CB to examine / cross examine the witnesses of this case, as requested by the CB to follow the principle of natural justice. The IO submitted the charge-wise Inquiry Report in an elaborated form is as under:

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

"A Customs Broker shall 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."

17. The IO submitted that the Show Cause Notice alleged that the Customs Broker M/s S.J. Thacker Freight Forwarders Pvt. Ltd. (AAKCS3983PC1001) (11/622) had failed to fulfil their obligations laid down under the provisions of Regulation 10(d) of Customs Broker Licensing Regulations (CBLR), 2018. The CB appears to have actively guided the importer in committing the offence.

18. The IO submitted that to sum up the issue, it is stated that the Directorate of Revenue Intelligence (DRI), Mumbai Zonal Unit, found that two companies, M/s Krishna Enzytech Pvt. Ltd. and M/s Collagen Lifesciences Pvt. Ltd., were importing nutrition products like Pea Protein from China. They declared these products as Glycine to avoid paying higher customs duty. Glycine attracts a Customs Duty of 27.735%, while Pea Protein attracts 43.960%. The IO submitted that by mis-declaring the products, the firms evaded a differential duty of 16.225%, causing a loss to the government exchequer. During investigation, it has been found that the imported products were not Glycine but Pea Protein. The two firms admitted to the mistake and paid the differential duty, interest, and a penalty of Rs. 12,15,03,947/- by availing the provisions of Sections 28(6) read with Section 110AA of the Customs Act, 1962.

18.1 Further investigation revealed that the Customs Broker, M/s S.J. Thacker Freight Forwarders Pvt. Ltd., involved in the misdeclaration of imports. The CB knew about the discrepancy but neither they advised the importers nor they informed the customs authorities about the mis-declaration. In addition, the CB charged higher fees for clearing these imports, suggesting they were aware of the irregularities. The Customs Broker failed to follow the rules, which require them to inform customs authorities about any irregularities. The Custom Broker's failure led to a duty evasion of about Rs. 9.53 Crores. The relevant Regulation 10(d) of the CBLR, 2018, states that a Customs Broker must advise clients to follow customs rules and inform authorities about they did not comply these Regulations and contributed to the duty evasion. However, the Customs Broker did not comply with this Regulation.

19. The IO submitted that during inquiry, as per the request of the CB, cross examination of Shri Suresh Londhe, Assistant Accounts Manager of M/s. Krishna Enzytech Pvt Ltd has been allowed on 18.12.2025. During examination by IO. Shri Suresh Londhe confirmed that the statements dated 25.02.2025, 19.03.2025, 27.05.2025 & 30.05.2025 recorded by DRI have correctly recorded as per his say, which confirms that he has given statements without coercion and without any influence. Therefore, these statements have evidentiary value. The IO submitted that during cross examination by the CB, on being asked that

in his statement dated 25.02.2025, reply to Question no. 21 and in his statement dated 19.03.2025, reply to Question no. 8, he mentioned that he had consulted M/s SJ Thacker who provided guidance with respect to classification. He had cleared the same goods in the year 2022, in the year 2023 and the HSN classification was mentioned in the import documents also, then what was the need to consult M/s SJ Thacker again in the matter. For this question, Shri Suresh Londhe replied that 'the documents provided by the supplier mentioned the HS details. However, M/s SJ Thacker being their CHA they had to confirm whether the details provided by the supplier is okay or not. The IO submitted that this cross examination gives strength to the fact that once the HSN code was mentioned in the documents and the documents were sent to the CB for filing the Bill of Entry, it is the duty of the CB to cross verify the HSN and confirm whether the HSN is correct and as per the classification of the product. The IO stated that in case any discrepancy was found, it was duty of the CB to advise the importer for correct classification and also inform the Customs about the discrepancy. However, the CB failed to do so and instead filed the Bill of Entry and charged high clearing fees from the importer. This proves that the CB have colluded with the importer to clear the consignments for monetary benefits. The IO submitted that the CB's cross-examination of Shri Suresh Londhe has had a negative impact on their case. The IO submitted that the facts revealed during the cross-examination indicate that the CB did not fulfil their obligations under the Customs Broker Licensing Regulations (CBLR), 2018. The IO submitted that the CB's failure to verify the classification and inform customs about discrepancies has contributed to the alleged duty evasion. The investigation has established that the CB's actions have facilitated the importer's non-compliance with Customs Rules and Regulations.

20. The IO submitted that he had perused the statement of Shri Suresh Londhe recorded on 25.02.2025 by DRI, wherein he confessed that they consult with Shri Jayesh Thacker, Owner of M/s S.J. Thacker regarding the HSN classification of the products. The IO submitted that he had also perused the statement of Shri Suresh Londhe recorded on 19.03.2025 by DRI, wherein he confessed that the classification of imported goods is primarily first determined by the supplier and in case of any doubt or classification regarding HSN classification, he consulted with their CHA, Shri Jayesh Thacker, who provided guidelines on the correct classification as per the prevailing customs laws and regulations. The IO had further perused the statement of Shri Suresh Londhe recorded on 30.05.2025 by DRI, wherein he finally confessed that they had been misguided by their China Supplier to mention imported goods as Glycine rather than Pea Protein and he further confessed that their Customs Broker M/s. S.J. Thacker, the goods were incorrectly mentioned as glycine as they were told that

there was no specific entry of Pea Protein in tariff and only Glycine was mentioned in Tariff.

21. The IO submitted that the aforementioned confessions of Shri Suresh Londhe possess evidentiary value and lead to the conclusion that the CB was cognizant of the fact that the goods imported were not Glycine, but actually Pea Protein. Notwithstanding this knowledge, the CB failed to advise the correct classification of the imported goods to the importers and also neglected to inform Customs about the mis-declaration of the goods. The IO submitted that the CB's omission to discharge their obligations under the Customs Broker Licensing Regulations (CBLR), 2018, and the Customs Act, 1962, is manifest. The IO stated that the CB's failure to ensure accurate classification and inform customs about discrepancies has facilitated the importer's non-compliance with customs regulations. In light of the foregoing, the IO stated that the CB's actions/inactions had contributed to the alleged duty evasion.

22. Further, the IO submitted that as per the request of the CB, during inquiry, cross examination of Shri Samrat Warma, Director in M/s Collagen Lifesciences Private Limited and General Manager in M/s Krishna Enzytech Private Limited has been allowed on 18.12.2025. During examination, he confirmed that the statements dated 18.03.2025, 25.05.2025 & 28.05.2025 recorded by DRI have correctly recorded as per his say, which confirms that he has given statements without coercion and without any influence. During cross examination the CB has asked Shri Samrat Warma that in his statement dated 18.03.2025 and 28.05.2025, Shri Samrat Warma stated that they did not import Pea protein for either of both the companies. The CB asked him whether his say in the said statement is correct. For this, Shri Samrat Warma replied affirmatively. The CB further asked him by quoting his statement dated 25.05.2025 (Q No. 9) and email communications dated 24.04.2024 to 03.10.2024, that whether the goods imported in these consignments were "glycine" only? For this Shri Samrat Warma responded affirmatively, confirming that the goods imported under these consignments were indeed Glycine.

23. The IO submitted that the CB's attempt to establish during cross-examination that the goods imported were Glycine and not Pea Protein is untenable in light of the contradictory statements provided by Shri Suresh Londhe and Shri Samrat Warma during the initial stages of the investigation. It is evident that both individuals initially misled the investigation by claiming that the imported product was Glycine, only to later admit that they had actually imported Pea Protein. The version of the importers was that they had procured Pea Protein domestically from a supposed supplier, M/s. Kalika Ji Traders, Indore. However, thorough investigations by the DRI established that no raw material of Pea Protein was procured from M/s. Kalika Ji Traders. When

confronted with the evidence of Invoices/inward supply of E-Way Bill data for vehicle movements, Shri Suresh Londhe had to admit that they did not receive the raw material of peas from M/s. Kalika Ji Traders during the said period, as recorded in his statement on 30.05.2025. In the same statement, Shri Suresh Londhe confessed that the imported product was Pea Protein, not Glycine. Similarly, Shri Samrat Warma also admitted to the above fact in his final statement recorded on 28.05.2025, after being presented with email communications with CB firm, wherein he had mentioned Pea Protein as his final product. These admissions establish the fact that the importers had initially misrepresented the nature of the imported goods. However, later on, on account of gathering evidences during investigation, they admitted the above facts. In light of these developments, the statements of Shri Suresh Londhe dated 30.05.2025, and Shri Samrat Warma dated 28.05.2025, possess greater evidentiary value than their previous statements, recorded during investigation. The earlier statements, particularly those dated 25.02.2025, and 19.03.2025, are rendered unreliable due to the misleading information provided by the importers. It is pertinent to note that Shri Samrat Warma attempted to misrepresent the factual position in his statement dated 28.05.2025, by claiming that they did not import Pea Protein. However, in the same statement, he subsequently admitted to consulting the Customs Broker, M/s, S.J. Thacker, regarding the classification of the goods and expressed willingness to pay the differential duty along with interest and penalty.

24. The IO submitted that during inquiry, examination & cross examination of Shri Yogesh Thacker, Director of the CB firm has been conducted on 02.03.2026, wherein he has been asked that there was a mention of 'pea protein' in some emails received from the importers, therefore, why did this not raise suspicion on the import product. For this, he replied that in a limited number of emails wherein the term "Pea Protein" appeared, the matter was handled by their staff, who telephonically clarified the same with the importer person Mr. Suresh Londhe. The IO submitted that on being asked that why should he had not alerted Customs when he saw the term 'pea protein', he replied that importer explanation was found satisfactory to him so they did not inform Customs. The IO stated that on being further asked that the Importer statements suggested that he advised on classification. For this, he replied that this allegation is incorrect. He further added that the statements relied upon were contradictory and self-serving, recorded after investigation.

25. The IO submitted that the above testimony provided by Shri Yogesh Thacker is untenable and lacks credibility. The attempt to shift responsibility onto employees and claim that telephonic clarification was sought from Shri Suresh Londhe is not a satisfactory explanation for the CB's failure to inform

Customs about the discrepancy in the classification of the imported goods. The IO submitted that as a Customs Broker, Shri Yogesh Thacker has a statutory obligation to ensure that the imported goods are correctly classified and to inform Customs about the discrepancies in the classification. The IO submitted that the email correspondence with the importer, wherein the term "Pea Protein" appears, should have raised doubts and prompted the CB to seek clarification from Customs. The IO submitted that the CB's failure to inform Customs about the discrepancy is a clear breach of Regulation 10(d) of the Customs Broker Licensing Regulations (CBLR), 2018, which mandates that a CB shall advise the importer to comply with the provisions of the Customs Act and inform Customs about any non-compliance. The IO submitted that the testimony of Shri Suresh Londhe and Shri Samrat Warma clearly establishes that they had consulted the CB regarding the classification of the imported goods. These confessions, coupled with the sequence of events and evidence in the form of email correspondence, demonstrate that the CB was well aware of the misdeclaration and mis-classification of the imported goods. The IO submitted that the CB's attempt to downplay the significance of the email correspondence and shift the blame onto employees is not acceptable. The IO stated that the CB's primary responsibility is to ensure compliance with customs regulations, and their failure to do so in this case is a serious lapse. The investigation has established that the CB was aware of the misdeclaration and mis-classification of the imported goods, but failed to advise the importer or inform Customs. The IO submitted that this is a clear violation of Regulation 10(d) of CBLR, 2018.

26. The IO submitted that the assertion made by the Customs Broker in their written submission, disputing the reliance on the statements of Shri Samrat Warma and Shri Suresh Londhe, is devoid of merit. The CB's attempt to downplay the significance of these statements is undermined by the existence of corroborative documentary evidence in the form of email correspondence. The IO submitted that the email correspondence between the importer and the CB assumes significant evidentiary value, as it establishes that the CB was privy to information regarding the true nature of the imported goods. The contents of these emails, when read in conjunction with the statements of Shri Samrat Warma and Shri Suresh Londhe, unequivocally demonstrate that the CB was aware of the mis-classification of the imported goods. The IO submitted that the statements of Shri Samrat Warma and Shri Suresh Londhe, which are corroborated by the email correspondence, provide a clear chain of evidence indicating that the CB was consulted regarding the classification of the imported goods. The cumulative effect of the statements and documentary evidence is that the CB was aware of the mis-classification of the imported goods and failed to

discharge their obligations by way of intimating the same to Customs, under the provisions of Regulation 10(d) of CBLR, 2018.

27. The IO submitted that the Customs Broker's contention that classification disputes cannot be fastened upon them is a baseless argument, bereft of merit, and warrants outright rejection. The preponderance of circumstantial evidence, as adduced supra, incontrovertibly establishes that the CB was cognizant of the mis-classification of the imported goods, yet failed to discharge their statutory obligation to inform Customs, thereby contravening the provisions of Regulation 10(d) of the Customs Broker Licensing Regulations (CBLR), 2018. The IO submitted that the CB's attempt to detach themselves from the culpability is unavailing, as the evidence on record demonstrates a failure on their part to adhere to the prescribed norms of diligence and prudence. The IO submitted that the CB's omission to inform Customs about the mis-classification, despite being aware of the same, constitutes a deliberate breach of their statutory duties and obligations. In light of the foregoing, the IO manifested that the Article of Charge-I is 'Proved' beyond the realm of doubt.

RECORDS OF PERSONAL HEARING: -

28. An opportunity for a Personal Hearing was granted to the CB M/s. S. J. Thacker Forwarders Pvt. Ltd. (11/622), on 22.05.2026 at 12:45 p.m. Shri Yogesh Shashikant Thacker, Director of the CB firm, along with Shri Vijai Kumar Singh, Defence Assistant/ authorized representative appeared for the Personal Hearing before the Principal Commissioner of Customs (General). During the hearing, they had reiterated their earlier written submissions dated 19.05.2026 as discussed below, which was taken on record. Consequently, the matter was taken up for final adjudication based on the facts of the case, the Inquiry Officer's report, their written submissions, and the evidence available on record.

SUBMISSIONS MADE BY THE NOTICEE:

29. In their Personal Hearing Submissions dated 21.05.2026, M/s S.J. Thacker Freight Forwarders Pvt. Ltd. (the Noticee CB), represented by Authorised Representative Shri Vijai Kumar Singh, has strongly contested the findings of the Inquiry Officer dated 13.03.2026. The CB submits that the allegation of violation of Regulation 10(d) of the Customs Brokers Licensing Regulations, 2018 is not sustainable and is contrary to documentary evidence, witness testimony, cross-examination records, and settled legal principles. The CB prays for rejection of the Inquiry Report and dropping of proceedings.

30. The Noticee was introduced to the importers — M/s Krishna Enzytech Pvt. Ltd. and M/s Collagen Lifesciences Pvt. Ltd. — in December 2023. The first consignment was declared as “Glycine”. All documents submitted by the importers were consistent in declaring the goods as Glycine, including:

- i) Commercial Invoice and Packing List,
- ii) Bill of Lading,
- iii) Certificate of Analysis,
- iv) Batch Release Certificate,
- v) NOC from Deputy Drug Controller (India),
- vi) Product labels with FSSAI details,
- vii) Material Safety Data Sheet.

31. The supplier documents mentioned the Chinese HS Code 2922491990, which the CB verified and correctly mapped to Indian Customs Tariff Item 29224910. The CB prepared the checklist, obtained importer approval, and filed the Bill of Entry. The consignments were self-assessed and cleared only after “No Objection” from the Assistant Drug Controller (ADC).

32. The CB emphasizes that it was engaged only for customs clearance after shipment formalities (order placement, invoicing, and B/L generation) were already completed. The CB acted merely as a processing agent of pre-existing importer/supplier documents. A total of 56 consignments were cleared through regular customs procedures. Several consignments underwent physical examination, sampling, and detailed scrutiny by FSSAI and ADC authorities before clearance.

33. The defence highlights that classification and product details were entirely controlled by the importers and their foreign suppliers. Importer representatives (Shri Suresh Londhe and Shri Samrat Warma) admitted during cross-examination that:

- i) Classification particulars originated from supplier documents,
- ii) The importers took final decisions on description and classification,
- iii) The CB did not determine or advise on classification.

34. Both importers had been importing “Glycine” as well as “Pea Protein” even prior to engaging the Noticee CB. Evidence in the form of previous Bills of Entry, EDI Data, and DRI working sheets was submitted during inquiry. Shri Yogesh Shashikant Thacker, Director of the CB, categorically stated that no classification advice was sought by the importers, as the tariff details were already reflected in the documents. This was corroborated by Shri Samrat Warma in cross-examination.

35. The CB submits that the entire case rests on a few internal email subject lines mentioning “Pea Protein / PP 80%”. Key points raised:

- i) The first such email appeared only on 14.04.2024, after 9 consignments had already been cleared as Glycine.
- ii) All attached documents in these emails declared the goods as “Glycine” only.
- iii) Upon noticing the reference, the CB’s employee immediately sought telephonic clarification from the importer.
- iv) The importer explained that Glycine was used in manufacturing Pea Protein products; the references related only to end-use, while the imported goods remained pure Glycine.

This explanation was reaffirmed during cross-examination by both Shri Suresh Londhe and Shri Samrat Warma, who confirmed that the consignments were imported as “Glycine” and that “Pea Protein” classification was never discussed with the CB.

36. The CB argues that the Inquiry Report selectively relies on initial DRI statements while ignoring material admissions made during cross-examination. Shri Suresh Londhe confirmed that supplier documents already carried HSN details and the CB merely processed them. Shri Samrat Warma maintained that the goods were Glycine even after confrontation with emails. The CB submits that cross-examination evidence carries higher probative value and cannot be disregarded. Contradictory statements require independent corroboration, which is absent against the Noticee.

37. Absence of Collusion or Knowledge: There is no evidence that the CB:

- i) Advised misdeclaration of Pea Protein as Glycine,
- ii) Suggested any HSN code,
- iii) Altered documents, or
- iv) Knowingly participated in any suppression.

38. The case is based merely on inference from email subject lines. Suspicion, however strong, cannot substitute legal proof.

- i) Regulation 10(d) is not strict liability: It requires proof of actual knowledge and conscious failure to report. The CB was not required to conduct forensic analysis, scientific testing, or override statutory documents and NOCs from FSSAI/ADC.
- ii) Higher Professional Fees: The elevated charges (Rs.20,000–35,000 per container) were commercially justified due to additional work involving ADC clearance, FSSAI procedures, sampling, and coordination. There is no link to any alleged misdeclaration.

iii) Reliance on Documents: A Customs Broker is entitled to rely upon importer/supplier documents unless deliberate collusion is proved.

38.1. Settled Legal Position is supported by:

- i) Andaman Timber Industries v. Commissioner of Central Excise [2015 (324) ELT 641 (SC)],
- ii) Basudev Garg v. Commissioner of Customs [2013 (294) ELT 353 (Del.)],
- iii) Kunal Travels (Cargo) v. Commissioner of Customs [2017 (354) ELT 447 (Del.)],
- iv) Him Logistics Pvt Ltd v. Commissioner of Customs [2016 (340) ELT 388 (Tri.)].

These judgments hold that classification disputes cannot be fastened upon the CB without proof of conscious wrongdoing.

39. The CB prays that the Hon'ble Commissioner may:

- i) Reject the Inquiry Report dated 13.03.2026,
- ii) Hold that no violation of Regulation 10(d) of CBLR, 2018 is established,
- iii) Drop the proceedings initiated vide SCN dated 18.12.2025.

DISCUSSIONS AND FINDINGS: -

40. I have carefully gone through the Show Cause Notice No. 38/2025-26 dated 18.12.2025 issued under Regulation 17 of the CBLR, 2018; the detailed Inquiry Report dated 13.03.2026 submitted by Shri Abhishek Jain, Deputy Commissioner (Inquiry Officer); the evidence on record (including DRI Offence Report, test reports from accredited laboratories, statements of Shri Suresh Londhe, Shri Samrat Warma, and Shri Yogesh Shashikant Thacker, email correspondences, fee invoices, and Bills of Entry), as well as the comprehensive written submissions dated 19.05.2026 and oral arguments advanced by the Noticee M/s S.J. Thacker Freight Forwarders Pvt. Ltd. In compliance with the principles of natural justice, sufficient opportunities were granted to the Noticees to present their defence through written submissions as well as during personal hearing. All the submissions advanced by the Noticees have been carefully considered and taken on record before proceeding to adjudicate the present proceedings on merits.

41. I find that the present Show Cause Notice No. 38/2025-26 dated 18.12.2025 against Customs Broker License No. 11/622 M/s S.J. Thacker Freight Forwarders Pvt. Ltd. was originated from an Offence Report received from the Joint Director, DRI, Mumbai Zonal Unit vide F. No. DRI/MZU/E/INT-128/2024/3243 dated 22.09.2025, alleging involvement of the CB M/s S.J.

Thacker Freight Forwarders Pvt. Ltd. in misdeclaration of goods by their clients, M/s Krishna Enzytech Pvt. Ltd. (IEC 3116900701) and M/s Collagen Lifesciences Pvt. Ltd. (IEC AAKCC0490P). The importers had mis-declared Pea Protein (CTH 35040099, effective duty @43.96%) as Glycine (CTH 29224910, effective duty @27.735%), evading differential duty of @16.225% and causing a revenue loss of approximately Rs. 9.53 Crores. Live consignments were intercepted, samples tested by accredited labs confirmed and conclusively established the goods as Pea Protein (plant-origin protein with amino acid combination, not pure Glycine). The importers admitted the misdeclaration, paid differential duty, interest, and penalty totalling **Rs. 12,15,03,947/-** under Section 28(6) of the Customs Act, 1962, and proceedings against the importers were concluded.

42. I also find that during investigation by the DRI, in their voluntary statements recorded under Section 108 of the Customs Act, 1962, importers' representatives (Shri Suresh Londhe and Shri Samrat Warma) admitted consulting the CB M/s S.J. Thacker Freight Forwarders Pvt. Ltd. on classification and being misguided. Emails referencing the imported goods as "Pea Protein" were shared with the CB by the importers. Shri Yogesh Shashikant Thacker (Director of CB) in his voluntary statements under Section 108 of the Customs Act, 1962 admitted seeing "Pea Protein" references in emails from the importers but relied on importer's verbal explanations and foreign supplier's documents without reporting the discrepancy to Customs or adapting the correct classification Pea Protein (CTH 35040099, effective duty @43.96%). It was also alleged that the CB M/s S.J. Thacker Freight Forwarders Pvt. Ltd. had charged abnormally high clearance fees (Rs. 20,000–35,000 per container in case of these import consignments vs. Rs. 5,000–10,000 for others) for clearance of these import consignments, which raised suspicion of awareness and collusion. The Show Cause Notice dated 18.12.2025 proposes Revocation of License No. 11/622; Forfeiture of Security Deposit; and Imposition of Penalty under Regulation 14 and 18 of CBLR, 2018 for violation of Regulation 10(d) of CBLR, 2018 (failure to advise compliance and report discrepancies/irregularities to Assistant/Deputy Commissioner of Customs).

43. I find that the Inquiry Officer, in his report dated 13.03.2026, held the charge of violation of Regulation 10(d) of the Customs Brokers Licensing Regulations, 2018 against M/s S.J. Thacker Freight Forwarders Pvt. Ltd. as "Proved" beyond reasonable doubt. The IO concluded that the Customs Broker was fully aware of the misdeclaration of Pea Protein as Glycine through email communications and consultations with the importers on classification. Despite this knowledge, the CB neither advised the importers to comply with law nor reported the clear discrepancy to Customs authorities. The IO found the CB's

defence — reliance on supplier documents and telephonic clarifications — untenable and lacking credibility. Cross-examination of key witnesses (Shri Suresh Londhe and Shri Samrat Warma) and corroborative email evidence established that the CB failed in its statutory obligation. Abnormally high clearance fees further indicated conscious facilitation for monetary benefit, resulting in duty evasion of approximately Rs. 9.53 Crores. The IO held that the CB's acts/omissions constituted a serious breach of Regulation 10(d), compromising the integrity of the customs clearance process.

44. Upon careful consideration of the brief facts and allegations contained in the Show Cause Notice No. 38/2025-26 dated 18.12.2025, the written submissions advanced by the Noticees dated 19.05.2026, the Inquiry Report dated 13.03.2026 and the evidence available on record, I find that the following principal issues arise for determination in the present proceedings:

- a) Whether the Noticee Customs Broker has violated Regulation 10(d) of the Customs Brokers Licensing Regulations, 2018?
- b) Whether the evidence on record establishes complicity / conscious facilitation or negligence by the Customs Broker?
- c) Whether the Inquiry Officer's findings dated 13.03.2026 are sustainable?
- d) Whether the CB can claim absolute immunity by relying solely on importer/supplier's documents and verbal clarification and statutory NOCs (FSSAI/ADC) in the face of apparent discrepancies?
- e) Whether the proposed penalties under CBLR, 2018 are justified and proportionate?

45. Regulation 10(d) of the Customs Brokers Licensing Regulations, 2018, casts a clear and mandatory obligation upon every Customs Broker. It provides:

“A Customs Broker shall 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.”

This provision is not directory but mandatory in nature. This regulation positions the Customs Broker as an important compliance overseer in the customs clearance process. It requires due diligence, ethical conduct, and prompt reporting of any irregularity or suspected non-compliance to safeguard revenue and uphold the integrity of the system.

45.1 In the instant case, the Department has overwhelmingly established violation of this regulation. The DRI Offence Report dated 22.09.2025, supported by contemporaneous email correspondences and recorded statements,

demonstrates that the Noticee Customs Broker (M/s S.J. Thacker Freight Forwarders Pvt. Ltd.) received multiple emails from the importers (Shri Samrat Warma and Shri Suresh Londhe) in which the imported goods were explicitly referred to as “Pea Protein / PP 80%”. Despite this, the Noticee continued to file Bills of Entry declaring the goods as “Glycine” under CTH 29224910, which attracts a substantially lower effective duty rate (27.735%) compared to Pea Protein under CTH 35040099 (43.960%). This discrepancy was not trivial. It resulted in evasion of differential duty of approximately 16.225% per consignment, leading to a cumulative revenue loss of around Rs. 9.53 Crores. Laboratory reports from FSSAI and NABL-accredited labs conclusively established that the goods were a combination of amino acids of plant origin (Pea Protein), and not pure Glycine as declared. The importers themselves admitted the misdeclaration and paid differential duty, interest, and penalty amounting to Rs. 12,15,03,947/-.

45.2 The Noticee’s primary defence — that they relied solely on supplier documents (Commercial Invoice, Packing List, Certificate of Analysis, Bill of Lading, FSSAI/ADC NOCs, etc.) and received telephonic clarification from the importer — is not acceptable. Once the CB came into possession of contradictory information through official email communications from the importer, they were duty-bound under Regulation 10(d) to either advise the client to correct the declaration or report the irregularity to the proper officer. Continuing to process and file documents without escalation amounts to a clear breach of statutory obligation.

45.3 The Inquiry Officer, after detailed examination and cross-examination of witnesses (Shri Suresh Londhe, Shri Samrat Warma, and Shri Yogesh Thacker), rightly rejected the CB’s explanations as untenable. The IO observed that the CB’s attempt to shift responsibility to staff and reliance on “satisfactory” importer clarification lacked credibility, especially when viewed alongside the abnormally high clearance fees charged by the Noticee.

45.4 In view of the foregoing, I hold that the Noticee M/s S.J. Thacker Freight Forwarders Pvt. Ltd. has committed the violation of Regulation 10(d) of the Customs Brokers Licensing Regulations, 2018, which translated into huge revenue loss for the Department.

46. I find that the evidence on record clearly establishes that the Noticee Customs Broker had actual knowledge of the misdeclaration and acted with gross negligence and conscious facilitation. The Department has placed strong and cogent evidence against the Noticee CB, which includes:

a) Multiple emails exchanged between the importers and the Noticee CB contained explicit references to “Pea Protein / PP 80%”. These emails were

received by the CB well before majority of consignments were cleared. This constitutes direct knowledge of the actual description and nature of the imported goods, which was materially different from the declared description of “Glycine” which have a significantly lower effective rate of duty than the actual duty payable on the imported goods if classified properly.

b) Shri Suresh Londhe (Import Manager of M/s Krishna Enzytech Pvt. Ltd.) and Shri Samrat Warma (Director of M/s Collagen Lifesciences Pvt. Ltd.) admitted in their voluntary statements recorded under Section 108 of the Customs Act, 1962 that they had consulted the Customs Broker on classification and HSN-related issues. The statements dated 30.05.2025 (Shri Suresh Londhe) and 28.05.2025 (Shri Samrat Warma), which were recorded after confrontation with email evidence, are more reliable and carry higher evidentiary value. These voluntary statements are duly corroborated by the email correspondence.

c) During his examination and cross-examination on 02.03.2026 before the IO, Shri Yogesh Thacker admitted that emails mentioning “Pea Protein” had been received but claimed that the matter was handled by his staff, who obtained telephonic clarification from Shri Suresh Londhe. He further stated that the importer’s explanation was found satisfactory, and therefore, the discrepancy was not reported to Customs. He denied having advised on classification. But I find that Shri Yogesh Thacker’s testimony as untenable and lacking credibility. Shifting responsibility to employees and relying on an uncorroborated telephonic clarification does not discharge the statutory obligation of a licensed Customs Broker. The email correspondence should have raised serious doubts and prompted the CB to seek clarification from Customs authorities rather than proceeding with the filings. The IO has correctly observed that the statements of the importers, when read with the email evidence, establish that the CB was consulted on classification and was well aware of the misdeclaration and misclassification. Shri Suresh Londhe confirmed that the CB was approached to verify whether the supplier-provided HSN code was correct. This admission reinforces the statutory duty of the CB to verify classification and report discrepancies.

d) The Noticee charged significantly higher professional fees of Rs. 20,000 to Rs. 35,000 per container, compared to their normal rate of Rs. 5,000–10,000 charged to other clients. This abnormal variance is a strong circumstantial evidence of the CB’s awareness of the sensitive and risky nature of these consignments.

46.1 The CB's defence of "bonafide reliance" on supplier documents (Invoice, CoA, B/L, FSSAI/ADC NOCs) is not tenable in the face of glaring red flags present in their own email records. A licensed Customs Broker cannot ignore contradictory information and continue to facilitate clearances. I, therefore, hold that the CB's attempt to shift responsibility to its staff and the plea of "telephonic clarification" from the importer as an afterthought lacking credibility.

46.2 The preponderance of evidence — both documentary (emails) and circumstantial (high fees) — read with the corroborated statements, clearly establishes that the Customs Broker had knowledge of the misdeclaration and acted with gross negligence and conscious facilitation in the clearance of the misdeclared consignments and in causing huge amount of duty evasion for the revenue.

47. The Inquiry Officer, Shri Abhishek Jain, Deputy Commissioner of Customs, conducted the inquiry proceedings in a thorough and judicious manner. He granted multiple opportunities of personal hearing to the Noticee Customs Broker M/s S.J. Thacker Freight Forwarders Pvt. Ltd. As per the request of the CB, he also allowed full cross-examination of the key witnesses — Shri Suresh Londhe, Shri Samrat Warma, and Shri Yogesh Shashikant Thacker. All written submissions, oral arguments, and defence documents filed by the Noticee were duly considered by the Inquiry Officer.

47.1 The Inquiry Report dated 13.03.2026 is a well-reasoned and detailed document. It contains a meticulous appreciation of the entire evidence on record, including the DRI Offence Report, email correspondences, laboratory test reports, statements recorded during investigation, and the testimony given during the inquiry proceedings. The IO has properly reconciled the apparently contradictory statements of the importers and assigned appropriate evidentiary value to them. He has given due weight to the cross-examination evidence elicited by the CB, but rightly held that such evidence does not diminish the Department's case when viewed in light of strong corroborative documentary evidence, particularly the email communications referring to "Pea Protein".

47.2 The CB's allegation that the Inquiry Officer has selectively relied upon certain statements while ignoring cross-examination is not substantiated. A careful reading of the report reveals that the IO has taken a balanced view and has given cogent reasons for preferring the later statements of the importers (dated 28.05.2025 and 30.05.2025), which stand corroborated by independent documentary evidence.

47.3 The entire inquiry has been conducted in full compliance with the principles of natural justice. The Noticee was given adequate opportunity to defend themselves, produce evidence, and cross-examine witnesses. I, therefore,

held that the Inquiry Officer's Report dated 13.03.2026 is detailed, objective, well-reasoned, and sustainable. It merits full acceptance by the Adjudicating Authority.

48. The violation committed by the Noticee Customs Broker is undoubtedly serious and grave in nature. By failing to report the glaring discrepancy in the description and classification of goods despite having direct knowledge of actual nature and classification of imported goods through email communications, the Noticee CB facilitated large-scale duty evasion amounting to approximately **Rs. 9.53 Crores** over multiple (more than 56) consignments. Such repeated acts of omission have not only caused substantial loss to the Government exchequer but have also undermined the very foundation of the customs clearance system.

48.1 A licensed Customs Broker occupies a position of high trust and responsibility in the Customs clearance system. The regulation CBLR, 2018 positions the Customs Broker as a key guardian in the customs clearance process. It requires them to exercise due diligence, maintain ethical conduct, and promptly report any irregularity or suspected non-compliance to protect government revenue and uphold the integrity of the clearance system. When a Customs Broker, who is expected to act as a gatekeeper of compliance, chooses to ignore known irregularities for monetary gain (evidenced by abnormally high clearance fees), it strikes at the root of the regulatory framework.

48.2 The defence raised by the Noticee CB that Regulation 10(d) is not a strict liability provision is duly acknowledged. However, in the facts of the present case, it is not a question of strict liability. The Department has clearly established actual knowledge of the description and classification of imported goods on the part of the CB through documentary evidence (emails) coupled with inaction and failure to report. This constitutes a wilful, deliberate or grossly negligent breach of statutory obligations.

48.3 The judicial precedents cited by the Noticee (Andaman Timber Industries, Basudev Garg, Kunal Travels, Him Logistics, etc.) are distinguishable on facts. Those cases do not deal with a situation where the Customs Broker had direct documentary evidence of discrepancy in product description and still continued to facilitate the clearances without reporting the matter to Customs.

48.4 Considering the gravity of the offence, the repeated nature of the violation involving multiple consignments, the quantum of revenue evasion, and the position of trust enjoyed by the Noticee; I hold the proposed actions of Revocation of Customs Broker License No. 11/622, forfeiture of the Security Deposit, and imposition of a penalty under Regulation 14 and 18 of the CBLR, 2018 are just and proportionate, and commensurate with the seriousness of the contravention.

49. The Noticee has heavily relied upon the fact that several consignments underwent scrutiny by FSSAI and the Assistant Drug Controller (ADC) and were cleared only after issuance of statutory “No Objection Certificates” (NOCs). It is contended that the goods were cleared after due verification by expert technical authorities.

49.1 This defence is not sustainable. While it is a matter of record that certain consignments received NOCs from FSSAI and ADC, these approvals were granted entirely on the basis of the declarations, documents, and representations made by the importers and the Customs Broker. The regulatory authorities processed the consignments based on the declared description of the goods as “Glycine”, supported by the Certificate of Analysis, product labels, and other documents submitted by the Noticee on behalf of the importers.

49.2 It is a settled principle that approvals or NOCs granted by any authority on the strength of declarations made by the parties concerned do not absolve the declarant (or the Customs Broker facilitating the clearance) of their independent statutory obligations. The obligations of a Customs Broker under the CBLR, 2018, particularly under Regulation 10(d), are independent and non-delegable. The CB is duty-bound to bring any noticed irregularity or discrepancy in the documents or information to the notice of the proper officer of Customs, irrespective of clearances granted by other agencies.

49.3 In the present case, the CB had direct knowledge of contradictory information through email references to “Pea Protein”. This discrepancy in description/ classification of imported goods existed independently of the FSSAI/ADC scrutiny. The CB cannot discharge his statutory obligation in the disguise of these NOCs when it failed to disclose the material discrepancy in its possession to Customs authorities. The independent obligations cast upon the CB under Regulation 10(d) of CBLR, 2018 remain un-diluted.

50. I find that a Customs Broker occupies a very important position in the Custom House and is supposed to safeguard the interests of both the importers/exporters and the Customs Department. The findings are based on the preponderance of evidence, which includes strong documentary records (email correspondences), corroborated statements of the importers, cross-examination testimony, and circumstantial evidence such as abnormally high clearance fees. These establish beyond doubt that the Noticee had actual knowledge of the misdeclaration of “Pea Protein” as “Glycine” but failed to discharge its statutory obligations under Regulation 10(d) of the Customs Brokers Licensing Regulations, 2018.

50.1 The acts of omission and commission by the Noticee — particularly the failure to advise the clients properly and the deliberate inaction in reporting the glaring discrepancy to Customs authorities — have resulted in substantial loss to the Government exchequer to the tune of approximately Rs. 9.53 Crores. Such conduct has not only facilitated large-scale duty evasion over multiple consignments but has also seriously compromised the integrity of the customs clearance process. A licensed Customs Broker, who is expected to act as a key guardian of compliance, cannot be permitted to abdicate its responsibilities for monetary considerations.

50.2 The defence put forward by the Noticee, including reliance on supplier documents, telephonic clarifications, statutory NOCs from FSSAI/ADC, and cited judicial precedents, has been duly examined and found to be insufficient to rebut the overwhelming evidence against them. The Inquiry Officer's findings are reasoned, balanced, and sustainable.

50.3 I, therefore, hold the Noticee, M/s S.J. Thacker Freight Forwarders Pvt. Ltd., guilty of violating Regulation 10(d) of the CBLR, 2018. Consequently, the proceedings initiated vide SCN No. 38/2025-26 dated 18.12.2025 are liable to be confirmed. Hence, while deciding the matter, I rely on the following case laws:

a) The Hon'ble Supreme Court in the case of Commissioner of Customs V/s. K. M. Ganatra and Co. in civil appeal no. 2940 of 2008 upheld the observation of Hon'ble CESTAT Mumbai in M/s. Noble Agency V/s. Commissioner of Customs, Mumbai that:

“the CHA occupies a very important position in the Custom House. The Customs procedures are complicated. The importers have to deal with a multiplicity of agencies viz. carriers, custodians like BPT as well as the Customs. The importer would find it impossible to clear his goods through these agencies without wasting valuable energy and time. The CHA is supposed to safeguard the interest 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. To ensure appropriate discharge of such trust, the relevant regulations are framed. Regulation 14 of the CHA Licensing Regulations lists out obligations of the CHA. Any contravention of such obligations even without intent would be sufficient to invite upon the CHA the punishment listed in the Regulations”.

b) The Hon'ble CESTAT Delhi in case of M/s. Rubal Logistics Pvt. Ltd. Versus Commissioner of Customs (General) wherein in (para 6.1) it is opined that:-

"6.1 These provisions require the Customs Broker to exercise due diligence to ascertain the correctness of any information and to advise the client accordingly. Though the CHA was accepted as having no mensrea of the noticed mis-declaration /under- valuation or mis-quantification but from his own statement acknowledging the negligence on his part to properly ensure the same, we are of the opinion that CH definitely has committed violation of the above mentioned Regulations. These Regulations caused a mandatory duty upon the CHA, who is an important link between the Customs Authorities and the importer/exporter. Any dereliction/lack of due diligence since has caused the Exchequer loss in terms of evasion of Customs Duty, the original adjudicating authority has rightly imposed the penalty upon the appellant herein."

(c) In case of M/s Cappithan Agencies Versus Commissioner Of Customs, Chennai-Viii, (2015(10) LCX 0061), the Hon'ble Madras High Court had opined that :-

"(i) The very purpose of granting a licence to a person to act as a Customs House Agent is for transacting any business relating to the entry or departure of conveyance or the import or export of goods in any customs station. For that purpose, under Regulation 9 necessary examination is conducted to test the capability of the person in the matter of preparation of various documents determination of value procedures for assessment and payment of duty, the extent to which he is conversant with the provisions of certain enactments, etc. Therefore, the grant of licence to act as a Custom House Agent has got a definite purpose and intent. On a reading of the Regulations relating to the grant of licence to act as CHA, it is seen that while CHA should be in a position to act as agent for the transaction of any business relating to the entry or departure of conveyance or the import or export of goods at any customs station, he should also ensure that he does not act as an Agent for carrying on certain illegal activities of any of the persons who avail his services as CHA. In such circumstances, the person playing the role of CHA has got greater responsibility. The very description that one should be conversant with the various procedures including the offences under the Customs Act to act as a Custom House Agent would show that while acting as CHA, he should not be a cause for violation of those provisions. A CHA cannot be permitted to misuse his position as CHA by taking advantage of his access to the Department. The grant of licence to a person to act as CHA is to some extent to assist the Department with the various procedures such as

scrutinizing the various documents to be presented in the course of transaction of business for entry and exit of conveyances or the import or export of the goods. In such circumstances, great confidence is reposed in a CHA. Any misuse of such position by the CHA will have far reaching consequences in the transaction of business by the customs house officials. Therefore, when, by such malpractices, there is loss of revenue to the custom house, there is every justification for the Respondent in treating the action of the Petitioner Applicant as detrimental to the interest of the nation and accordingly, final order of revoking his licence has been passed.

(ii) In view of the above discussions and reasons and the finding that the petitioner has not fulfilled their obligations under above said provisions of the Act, Rules and Regulations, the impugned order, confirming the order for continuation of prohibition of the licence of the petitioner is sustainable in law, which warrants no interference by this Court. Accordingly, this writ petition is dismissed.”

(d) In the case of Pundole Shahrukh & Co. V/s. Commissioner (General), Mumbai [2012 TIOL 925 CESTAT-MUM] the Hon’ble Tribunal observed that the maximum punishment prescribed in the CHALR is attracted in cases of major involvement in aiding and abetting fraudulent exports leading to substantial loss of revenue to the exchequer.

51. I have gone through the available records and find that the Inquiry Report in the matter was received on 13.03.2026. Meanwhile, the Adjudicating Authority changed due to the transfers ordered vide CBIC Order No. 59/2026 dated 30.04.2026. Consequently, in the interest of natural justice, Personal Hearing was conducted 22.05.2026. The adjudication proceedings could not be completed within the prescribed 90 days period of receipt of the Inquiry Report due to the aforementioned administrative reason. Further, with respect to the timelines prescribed under Regulation 17 of the CBLR, 2018, I observe that the timelines under CHALR/CBLR are directory in nature and not mandatory in cases where the complexity of the investigation or administrative exigencies prevent the adjudication within the prescribed timeline. In this regard, I place reliance on the following case laws:

a) Hon’ble High Court of Judicature at Bombay in the case of Principal Commissioner of Customs (General), Mumbai Versus Unison Clearing P. Ltd. reported in 2018 (361) E.L.T. 321 (Bom.), observed that:

"15. In view of the aforesaid discussion, the time limit contained in Regulation 20 cannot be construed to be mandatory and is held to be directory. As it is already observed above that though the time line

framed in the Regulation need to be rigidly applied, fairness would demand that when such time limit is crossed, the period subsequently consumed for completing the inquiry should be justified by giving reasons and the causes on account of which the time limit was not adhered to. This would ensure that the inquiry proceedings which are initiated are completed expeditiously, are not prolonged and some checks and balances must be ensured. One step by which the unnecessary delays can be curbed is recording of reasons for the delay or non-adherence to this time limit by the Officer conducting the inquiry and making him accountable for not adhering to the time schedule. These reasons can then be tested to derive a conclusion whether the deviation from the time line prescribed in the Regulation, is "reasonable". This is the only way by which the provisions contained in Regulation 20 can be effectively implemented in the interest of both parties, namely, the Revenue and the Customs House Agent.”

b) The Hon’ble High Court of Telangana, in the matter of M/s. Shasta Freight Services Pvt Ltd vs Principal Commissioner of Customs, [Writ Petition No. 29237 of 2018] held that: -

“42. Therefore, if the tests laid down in Dattatreya Moreshwar, which have so far held the field, are applied, it would be clear (i) that the time limit prescribed in Regulation 20 (7) is for the performance of a public duty and not for the exercise of a private right; (ii) that the consequences of failure to comply with the requirement are not spelt out in Regulation 20(7) (iii) that no prejudicial consequences flow to the aggrieved parties due to the non-adherence to the time limit; and (iii) that the object of the Regulations, the nature of the power and the language employed do not give scope to conclude that the time limit prescribed is mandatory. Hence, we hold that the time limit prescribed in [Regulation 20 \(7\)](#) is not mandatory but only directory.”

(c) The Hon’ble High Court of Karnataka, in the matter of The Commissioner of Customs vs M/s. Sri Manjunatha Cargo Pvt Ltd on 12 January [C.S.T.A. No. 10/2020] held that: -

“13. A reading of Regulation 17 of the C.B.L.R., 2018 makes it very clear that though there is a time limit stipulated in the Regulations to complete a particular act, non-compliance of the same would not lead to any specific consequence.

14. A reading of the Regulation 17 would also go to show that the Inquiry Officer during the course of his inquiry is not only required to

record the statement of the parties but also to give them an opportunity to cross-examine and produce oral and documentary evidence. In the event of the respondents not co-operating, it would be difficult for the Inquiry Officer to complete the inquiry within the prescribed period of 90 days, as provided under Regulation 17(5). Therefore, we find force in the argument of the learned counsel for the appellant that the Regulation No.17 is required to be considered as directory and not mandatory. Though the word "shall" has been used in Regulation 17, an overall reading of the said provision of law makes it very clear that the said provision is procedural in nature and non-compliance of the same does not have any effect. If there is no consequence stated in the Regulation for non-adherence of time period for conducting the inquiry or passing an order there afterwards, the time line provided under the 22 statute cannot be considered as fatal to the outcome of inquiry.

15. Under the circumstances, we are of the considered view that the provisions of Regulation 17 of the C.B.L.R., 2018 is required to be considered as directory and not mandatory and accordingly, we answer the substantial questions of law Nos.1 to 3 in favour of the appellant and against the respondent.”

(d) The Hon’ble CESTAT Mumbai in the matter of M/s. Muni Cargo Movers Pvt. Ltd. Vs. Commissioner of Customs (General), Mumbai [Order No. A/996/13CSTB/C-I dated 23.04.2013] held that: -

“Para 4.2:- As regards the third issue regarding non-adherence to the time-limit prescribed in CBLR, there is some merit in the argument. But nevertheless, it has to be borne in mind that time-limit prescribed in the law though required to be followed by the enforcement officers, at times could not be adhered to for administrative reasons. That by itself does not make the impugned order bad in law”.

52. In view of the above-discussed facts and for their acts of omission and commission, the CB M/s S.J. Thacker Freight Forwarders Pvt. Ltd. (11/622), (PAN No. AAKCS3983PCH001) is held liable and guilty for violating the provisions of the CBLR, 2018. I hold that the CB has failed to discharge the duties cast upon them with respect to Regulations 10(d) of the CBLR, 2018 and is liable for Revocation of Customs Broker License No. 11/622, forfeiture of the Security Deposit, and imposition of a penalty under Regulation 14 and 18 of the CBLR, 2018. Accordingly, I pass the following order:

ORDER

53. I, Principal Commissioner of Customs (General), in exercise of the power conferred upon me under Regulation 17(7) of the CBLR, 2018, pass the following order:

(i) I hereby order for revocation of the CB license held by M/s S.J. Thacker Freight Forwarders Pvt. Ltd. (11/622), (PAN No. AAKCS3983PCH001) under Regulation 14 of the CBLR, 2018.

(ii) I hereby order for forfeiture of the entire amount of the security deposit furnished by the CB M/s S.J. Thacker Freight Forwarders Pvt. Ltd. (11/622), (PAN No. AAKCS3983PCH001) under Regulation 14 of the CBLR, 2018.

(iii) I, hereby impose a penalty of **Rs. 50,000/- (Rupees Fifty Thousand Only)** on the CB M/s S.J. Thacker Freight Forwarders Pvt. Ltd. (11/622), (PAN No. AAKCS3983PCH001) under Regulation 18(1) of the CBLR, 2018.

(iv) I hereby order the CB to immediately surrender the original License as well as all the F, G and H cards issued thereunder.

54. This order is passed without prejudice to any other action, which may be taken or purported to be taken against the Customs Broker and their employees under the Customs Act, 1962, or any other act for the time being in force in the Union of India.


18.6.26

(AJAY KUMAR PANDEY)

Principal Commissioner of Customs (General)
New Customs House, Mumbai-I

To,

M/s S.J. Thacker Freight Forwarders Pvt. Ltd. (11/622), (PAN No. AAKCS3983PCH001)

Copy to:

1. The Pr. Chief Commissioner/ Chief Commissioner of Customs, Mumbai - I, II, III Zone.
2. The Deputy Commissioner of Customs, Customs Broker Section, New Custom House, Mumbai Zone-1.
3. EDI of NCH, ACC & JNCH
4. ACC (Admn), Mumbai with a request to circulate among all departments.
5. JNCH (Admn) with a request circulate among all the concerned.
6. Office copy