प्रधान सीमाशुल्क आयुक्त (सामान्य) का कार्यालय
**OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS (GENERAL)**
कस्टम ब्रोकरअनुभाग,नवीन सीमाशुल्क भवन,
**CUSTOMS BROKER SECTION, NEW CUSTOM HOUSE,**
बेलार्ड इस्टेट,मुंबई – I
**BALLARD ESTATE, MUMBAI – 400001**

F. No. GEN/CB/316/2026-CBS
DIN:
Date: 17.08.2026

DIN-20260877NO000073A475

**SHOW CAUSE NOTICE NO25/2026-27**

**UNDER REGULATION 17 OF CUSTOMS BROKER LICENSING REGULATIONS, 2018**

## 1. JURISDICTION:

1.1 M/s. TAS Clearing & Forwarding LLP (hereinafter referred to as the "Customs Broker" or "the Noticee") is the holder of Customs Broker Licence No. 11/2654 issued by the Commissioner of Customs, Mumbai Customs Zone under the provisions of the Customs Brokers Licensing Regulations, 2018 (hereinafter referred to as the "CBLR, 2018"). Being a licensed Customs Broker, the Noticee is bound to discharge the statutory obligations, responsibilities and conditions prescribed under the Customs Act, 1962 and the Customs Brokers Licensing Regulations, 2018.

1.2 An offence report in the form of Show Cause Notice No. 254/2026-27/COMMISSIONER/NS-II/CAC/JNCH dated 25.05.2026, along with the Relied Upon Documents, has been received in this Commissionerate from the Office of the Commissioner of Customs, NS-II, Jawaharlal Nehru Custom House, Nhava Sheva, in terms of Regulation 17 of the Customs Brokers Licensing Regulations, 2018. The offence report pertains to investigation into the attempted export of expired "Non-Alcoholic Beer" covered under Shipping Bill Nos. 7330900 and 7331190, both dated 26.11.2025, filed by M/s. Export Bloom Innovation through the present Customs Broker, and alleges contravention of the statutory obligation prescribed under Regulation 10(n) of the CBLR, 2018; the present proceedings also examine compliance with Regulation 10(a).

1.3 The offence report reveals, inter alia, that the Customs Broker accepted the export assignment through a freight forwarding intermediary, relied upon documents and assurances received through such intermediary, had no direct interaction with the exporter; the authorisation documents were also received through such intermediary; and failed to independently verify the functioning of the exporter at the declared address by using reliable, independent and authentic documents, data or information, as required under Regulation 10(n) of the CBLR, 2018. On completion of investigation, the investigating Commissionerate recommended initiation of proceedings against the Customs Broker under the Customs Brokers Licensing Regulations, 2018.

1.4 The Customs Brokers Licensing Regulations, 2018 have been framed by the Central Board of Indirect Taxes and Customs in exercise of the powers conferred under Section 146(2) of the Customs Act, 1962. Regulation 17 of the said Regulations provides that, upon receipt of an offence report indicating contravention of the provisions of the CBLR, the Principal Commissioner or Commissioner of Customs having jurisdiction over the licensing authority shall issue a notice to the Customs Broker requiring it to show cause as to why action contemplated under the Regulations should not be taken.

1.5 The Principal Commissioner of Customs (General), Mumbai, being the licensing authority having jurisdiction over the Customs Broker Licence issued to M/s. TAS Clearing & Forwarding LLP, is competent to examine the offence report, assess the conduct of the Customs Broker with reference to the obligations prescribed under the CBLR, 2018, and initiate proceedings under Regulations 14, 17 and 18 of the Customs Brokers Licensing Regulations, 2018, read with Section 146 of the Customs Act, 1962, wherever a prima facie case of contravention is made out.

1.6 It is pertinent to note that proceedings under the Customs Brokers Licensing Regulations, 2018 are independent disciplinary proceedings governing the continuance of the Customs Broker Licence and are distinct from adjudication proceedings initiated under the Customs Act, 1962 against the exporter or any other person. The scope of the present proceedings is confined to determining whether the Noticee discharged the statutory obligations cast upon it under the Customs Brokers Licensing Regulations, 2018 while acting as a licensed Customs Broker in relation to the impugned export consignments. The outcome of proceedings under the Customs Act, 1962 shall not preclude independent examination of the conduct of the Customs Broker under the CBLR, 2018.

1.7 Accordingly, in exercise of the powers conferred under Regulations 14, 17 and 18 of the Customs Brokers Licensing Regulations, 2018, read with Section 146 of the Customs Act, 1962, the undersigned proposes to initiate proceedings against M/s. TAS Clearing & Forwarding LLP for the alleged contravention of the obligations prescribed under Regulations 10(a) and 10(n) of the Customs Brokers Licensing Regulations, 2018, as discussed in the succeeding paragraphs.

## 2. BRIEF FACTS OF THE CASE:

**2.1** An offence report in the form of Show Cause Notice No. 254/2026-27/COMMISSIONER/NS-II/CAC/JNCH dated 25.05.2026, together with the Relied Upon Documents, has been received from the Office of the Commissioner of Customs, NS-II, Jawaharlal Nehru Custom House (JNCH), Nhava Sheva, recommending initiation of proceedings against M/s. TAS Clearing & Forwarding LLP, holder of Customs Broker Licence No. 11/2654, for alleged contravention of Regulations 10(a) and 10(n) of the Customs Brokers Licensing Regulations, 2018. The offence report arises out of an investigation conducted by the Special Investigation and Intelligence Branch (Export), JNCH, into an attempted export of expired "Non-Alcoholic Beer" under Shipping Bill Nos. 7330900 and 7331190, both dated 26.11.2025, filed through the Noticee on behalf of M/s. Export Bloom Innovation (IEC No. FLUPS7690C).

**2.2** The investigation was initiated pursuant to specific intelligence generated by the National Customs Targeting Centre (NCTC), which identified the subject export consignments as high-risk based on risk parameters indicating a doubtful supply chain and possible fraudulent availment of export incentives. Acting upon the intelligence, SIIB (Export), JNCH commenced verification of the export transaction and subjected the consignments to detailed scrutiny.

**2.3** The records reveal that the exporter, **M/s. Export Bloom Innovation**, filed Shipping Bill Nos. 7330900 and 7331190, both dated 26.11.2025, through the present Customs Broker for export of **"Non-Alcoholic Beer"** to the United Arab Emirates. The export consignments carried a declared **FOB value of ₹1,76,56,228.80** and involved a proposed **Integrated GST refund claim of ₹70,62,491.52**. The Customs Broker acted as the authorized Customs Broker for processing and filing the export documents before Customs.

**2.4** Acting upon the NCTC alert, the consignments were placed under hold and subjected to 100% examination under a Panchanama dated 04.12.2025 in the presence of independent Panch witnesses and representatives of the concerned parties. During examination, it was observed that although the description, quantity and packing of the export goods corresponded with the declarations made in the Shipping Bills, the individual cans as well as the outer cartons prominently bore the declaration **"Best Before August 2025"**, indicating that the goods had already crossed their declared shelf life prior to the proposed export. Representative samples were accordingly drawn and sealed for laboratory examination in accordance with the prescribed procedure.

**2.5** In view of the findings recorded during examination, the export goods were seized under the provisions of **Section 110 of the Customs Act, 1962**, being prima facie liable to confiscation under **Section 113 of the Customs Act, 1962**, read with the relevant provisions of the **Food Safety and Standards Act, 2006**. The seizure was effected on the reasonable belief that the goods proposed for export were prohibited for manufacture, storage, sale or distribution under the Food Safety and Standards Act, 2006 and that an attempt had been made to export goods which had already expired while simultaneously claiming export incentives.

**2.6** The representative samples drawn during examination were forwarded to the **Deputy Chief Chemist, Jawaharlal Nehru Custom House**, and to the **Food Safety and Standards Authority of India (FSSAI)** for examination. The Deputy Chief Chemist reported that the samples were Non-Alcoholic Beverages containing no ethyl alcohol. The FSSAI laboratory further reported that although the samples conformed to the prescribed standards in respect of the parameters tested, the products had already **expired** by the time they were received for laboratory examination. The investigation, therefore, concluded that the export goods had crossed their declared shelf life and were not legally fit for export in terms of the applicable statutory provisions.

**2.7** During investigation, summons under **Section 108 of the Customs Act, 1962** were issued to the exporter requiring appearance before the investigating authority and production of relevant records. The investigation records reveal that repeated summons remained uncomplied with and were returned undelivered. Enquiries conducted by the investigating authority further indicated that the exporter could not be located at the declared place of business. Investigation also disclosed that the Goods and Services Tax registrations connected with the exporter and its supplier had subsequently been found to be suspended during the course of investigation. These circumstances formed part of the material relied upon by the investigating authority while examining the genuineness of the exporter and the discharge of statutory obligations by the Customs Broker.

**2.8** During the course of investigation, statements under Section 108 of the Customs Act, 1962 were recorded from **Shri Sandeep Krishna Gowda**, Partner of M/s. TAS Clearing & Forwarding LLP, **Shri Vinayak Vasant Gulik** of M/s. IndiKos Forwarding Private Limited and **Shri Ajay Doulat Canser**, Director of M/s. Harbor Logistics Private Limited. Documentary records including authorisation letters, Know Your Customer (KYC) documents, shipping documents, photographs, e-mail correspondence and other relevant records connected with the export transaction were also collected and examined. The investigation disclosed, inter alia, that the export assignment had been received through a freight forwarding intermediary; that the Customs Broker had relied upon documents and information received through such intermediary; that there was no direct interaction between the Customs Broker and the exporter; and that no independent verification of the functioning of the exporter at its declared address had been undertaken by the Customs Broker prior to filing the Shipping Bills.

2.9 Upon completion of investigation, the Commissioner of Customs, NS-II, Jawaharlal Nehru Custom House issued Show Cause Notice dated 25.05.2026 under the Customs Act, 1962 proposing confiscation of the export goods and other consequential actions under the Customs Act, 1962. Simultaneously, an Offence Report was forwarded to the licensing authority recommending initiation of proceedings against M/s. TAS Clearing & Forwarding LLP under the Customs Brokers Licensing Regulations, 2018 on the ground that the Customs Broker had failed to discharge the statutory obligations cast upon it under Regulations 10(a) and 10(n), inter alia, without establishing that the required authorisation was obtained from the exporter and by not verifying the functioning of the exporter at the declared address through reliable, independent and authentic documents, data or information before undertaking customs clearance.

2.10 The records received with the offence report have been carefully examined. The material presently available on record prima facie indicates that the Noticee accepted the export assignment through an intermediary, relied upon documents including the authorisation received through such intermediary, and failed to establish that the required authorisation was obtained from the exporter and independently verify the functioning of its client at the declared address in the manner contemplated under Regulation 10(n) of the Customs Brokers Licensing Regulations, 2018. Accordingly, the offence report recommends initiation of proceedings under Regulations 14, 17 and 18 of the Customs Brokers Licensing Regulations, 2018 against the Noticee.

## 3. MATERIALS RELIED UPON IN THE OFFENCE REPORT:

**3.1** The allegations contained in the present Show Cause Notice are founded upon the offence report received from the Commissioner of Customs, NS-II, Jawaharlal Nehru Custom House, Nhava Sheva, together with the Relied Upon Documents forwarded therewith. The said documents comprise contemporaneous official records generated during investigation under the Customs Act, 1962, statements recorded under Section 108 of the Customs Act, 1962 and other documentary evidence collected during the course of investigation. These records constitute the material on the basis of which a prima facie view has been formed regarding the alleged contravention of Regulation 10(n) of the Customs Brokers Licensing Regulations, 2018.

**3.2** Examination Panchanama The export consignments covered under Shipping Bill Nos. 7330900 and 7331190, both dated 26.11.2025, were subjected to 100% examination under Panchanama dated 04.12.2025. The Panchanama records that although the goods corresponded with the declarations made in the Shipping Bills regarding description, quantity and packing, the individual cans as well as the outer cartons prominently displayed the declaration "Best Before August 2025", thereby indicating that the goods had already crossed their declared shelf life prior to the proposed export. Representative samples were drawn, sealed and forwarded for laboratory examination in accordance with the prescribed procedure. The Panchanama also records seizure of the goods under the provisions of the Customs Act, 1962. The said Panchanama constitutes an important contemporaneous record forming part of the investigation.

**3.3** Laboratory Reports: The representative samples drawn during examination were forwarded to the Deputy Chief Chemist, Jawaharlal Nehru Custom House, and the Food Safety and Standards Authority of India (FSSAI) for laboratory examination. The Deputy Chief Chemist reported that the samples were Non-Alcoholic Beverages containing no ethyl alcohol. The FSSAI laboratory reported that although the samples satisfied the prescribed standards in respect of the parameters tested, the products had already expired by the time they were received for laboratory analysis. These reports corroborate the findings recorded during physical examination regarding the nature and condition of the export goods and form an integral part of the material relied upon in the offence report.

**3.4** Statements Recorded under Section 108 of the Customs Act, 1962:

During investigation, statements under Section 108 of the Customs Act, 1962 were recorded from Shri Sandeep Krishna Gowda, Partner of M/s. TAS Clearing & Forwarding LLP, Shri Vinayak Vasant Gulik of M/s. IndiKos Forwarding Private Limited and Shri Ajay Doulat Canser, Director of M/s. Harbor Logistics Private Limited.

The statements reveal, inter alia, that the export assignment was received through a freight forwarding intermediary; that the Customs Broker had no direct interaction with the exporter; that documents including the authorisation relating to the exporter were received through the intermediary; and that no independent verification of the functioning of the exporter at the declared address was undertaken before filing the Shipping Bills. These statements constitute material evidence relied upon in the offence report while examining compliance with the statutory obligations prescribed under Regulations 10(a) and 10(n) of the Customs Brokers Licensing Regulations, 2018.

**3.5** Returned Summons and Verification of the Exporter:

The investigation records indicate that repeated summons issued to the exporter under Section 108 of the Customs Act, 1962 remained non-complied with and were returned undelivered. The investigating authority further recorded that the exporter could not be located at the declared place of business despite enquiries undertaken during investigation. These circumstances have been relied upon in the offence report while examining whether the Customs Broker had fulfilled its statutory obligation of verifying the functioning of its client at the declared address before undertaking Customs clearance.

**3.6** Verification of GST Registration

The investigation further records that the Goods and Services Tax registrations connected with the exporter and its supplier were found to have been suspended during the course of investigation. The investigating authority has relied upon this circumstance, along with the other materials collected during investigation, while examining the genuineness of the exporter and the adequacy of the due diligence exercised by the Customs Broker prior to accepting the export assignment.

3.7 Documentary Evidence

Apart from the above, the investigation relied upon various documentary records including the Shipping Bills, authorisation letters, Know Your Customer (KYC) documents, Importer Exporter Code particulars, GST registration documents, photographs of the export goods, e-mail correspondence, shipping documents, records obtained during investigation and other documents received from the Customs Broker and associated entities. These records have been examined by the investigating authority and collectively form the documentary basis of the offence report recommending initiation of proceedings under the Customs Brokers Licensing Regulations, 2018 and for examining compliance with Regulations 10(a) and 10(n).

**3.8** The above materials, when read collectively, disclose a prima facie case that the Noticee accepted the export assignment without undertaking independent verification of the functioning of the exporter at its declared address by using reliable, independent and authentic documents, data or information, as required under Regulation 10(n) of the Customs Brokers Licensing Regulations, 2018, and that the CB had no direct interaction with the exporter, received the documents through an intermediary, and there are circumstances creating doubt whether the authorisation/document was actually signed by the exporter or his duly authorised representative and same is contemplated under Regulation 10(a). The aforesaid materials accordingly constitute the basis for initiation of the present proceedings under Regulations 14, 17 and 18 of the Customs Brokers Licensing Regulations, 2018.

## 4. ROLE AND STATUTORY OBLIGATIONS OF A CUSTOMS BROKER UNDER THE CUSTOMS BROKERS LICENSING REGULATIONS, 2018:

**4.1** The Customs Act, 1962 envisages a regulated framework governing the transaction of Customs business through licensed Customs Brokers. Section 146 of the Customs Act, 1962 provides that no person shall carry on business as a Customs Broker unless duly licensed in accordance with the Regulations framed by the Central Board of Indirect Taxes and Customs. The grant of a Customs Broker Licence is, therefore, a statutory privilege conferred upon persons possessing the prescribed qualifications and integrity and is accompanied by corresponding statutory duties and responsibilities intended to safeguard the interests of revenue, ensure compliance with the Customs law and preserve the integrity of international trade.

**4.2** In exercise of the powers conferred under Section 146(2) of the Customs Act, 1962, the Central Board of Indirect Taxes and Customs has framed the **Customs Brokers Licensing Regulations, 2018 (CBLR, 2018)**. The Regulations constitute a complete statutory code governing the licensing, conduct, obligations, disciplinary control and accountability of Customs Brokers. Compliance with the obligations prescribed under the Regulations is not optional or contractual in nature but is a mandatory statutory requirement, the breach of which renders the Customs Broker liable to disciplinary action, including revocation of licence, forfeiture of security deposit and imposition of penalty under Regulations 14, 17 and 18 of the CBLR, 2018.

**4.3** The Customs Broker occupies a position of trust within the Customs administration. A licensed Customs Broker is not merely an agent engaged for filing Bills of Entry or Shipping Bills on behalf of importers and exporters. Rather, the Customs Broker performs an important statutory function in facilitating legitimate trade while simultaneously ensuring compliance with the Customs Act, 1962 and the allied laws administered through Customs. The licence granted under the CBLR, 2018 carries with it a corresponding duty to exercise due diligence and professional care while undertaking Customs transactions on behalf of clients.

**4.4** The Customs Brokers Licensing Regulations, 2018 prescribe various obligations which every Customs Broker is required to discharge while acting on behalf of an importer or exporter. These obligations are independent statutory obligations imposed by law and are not dependent upon private contractual arrangements between the Customs Broker and its client. Consequently, the Customs Broker cannot absolve itself of statutory responsibility merely because documents have been furnished by the client or through an intermediary or because the client has made declarations regarding the correctness of such documents. The responsibility for compliance with the obligations prescribed under the CBLR, 2018 remains exclusively that of the licensed Customs Broker.

**4.5** Regulation 10(a) of the Customs Brokers Licensing Regulations, 2018 provides that a Customs Broker shall obtain an authorisation from each of the companies, firms or individuals by whom he is for the time being employed as a Customs Broker and produce such authorisation whenever required by the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be. Another significant obligation is contained in Regulation 10(n) of the Customs Brokers Licensing Regulations, 2018. The said Regulation mandates that every Customs Broker shall verify the correctness of the Importer Exporter Code (IEC), Goods and Services Tax Identification Number (GSTIN), identity of the client and, significantly, the functioning of the client at the declared address by using reliable, independent and authentic documents, data or information. The legislative intent underlying this provision is to ensure that Customs procedures are not misused by fictitious, non-existent or fraudulent entities and that Customs Brokers exercise an appropriate degree of professional diligence before undertaking Customs work on behalf of any person.

**4.6** The expression "verify" occurring in Regulation 10(n) is of considerable significance. Verification is not synonymous with mere collection or retention of KYC documents. The Regulation requires the Customs Broker to independently satisfy itself regarding the identity and functioning of the client by using reliable, independent and authentic documents, data or information. Thus, mere possession of copies of PAN, GST registration, IEC certificate, Aadhaar Card, authorisation letter or other documents supplied by the client cannot, by itself, constitute compliance with Regulation 10(n) unless the Customs Broker has undertaken reasonable and independent verification of the correctness of such particulars and the actual functioning of the client from the declared place of business.

**4.7** Equally important is the fact that the statutory responsibility cast under Regulation 10(n) **is** personal to the Customs Broker and cannot be delegated or diluted by reliance upon third parties. Commercial transactions may involve freight forwarders, logistics service providers, consolidators or other intermediaries; however, the existence of such intermediaries does not shift the statutory responsibility imposed by law upon the Customs Broker. Reliance solely upon documents, assurances or representations received through intermediaries, without independent verification by the Customs Broker, defeats the very object of Regulation 10(n) and is inconsistent with the standard of diligence expected from a licensed Customs Broker.

**4.8** The Customs Broker thus functions as the first line of regulatory scrutiny in Customs clearance. Before facilitating any import or export transaction, the Customs Broker is expected to satisfy itself that the client is genuine, identifiable and actually functioning from the declared place of business. This statutory responsibility serves an important public purpose by preventing misuse of Customs procedures by shell entities, fictitious exporters or importers, and other persons seeking to obtain unlawful benefits under the Customs law. Failure to discharge this responsibility undermines the integrity of the Customs clearance mechanism and defeats the very object for which the licensing framework has been enacted.

**4.9** It is, therefore, evident that the obligations prescribed under Regulation 10(n) are not procedural formalities but substantive statutory safeguards forming an integral part of the regulatory framework governing Customs Brokers. Every licensed Customs Broker is expected to exercise independent judgment, due diligence and reasonable care before accepting any client or undertaking Customs clearance on its behalf. Any failure to discharge these statutory obligations renders the Customs Broker liable to proceedings under the Customs Brokers Licensing Regulations, 2018.

**4.10** The allegations contained in the present proceedings are required to be examined in the above statutory framework to determine whether the Noticee discharged the obligations cast upon it under Regulations 10(a) and 10(n) of the Customs Brokers Licensing Regulations, 2018 while acting as the Customs Broker for the impugned export consignments. The material available on record in this regard is discussed in the succeeding chapter.

## 5. CONTRAVENTION OF REGULATIONS 10(a) AND 10(n) OF THE CUSTOMS BROKERS LICENSING REGULATIONS, 2018:

5.1 Statutory Scope of Regulations 10(a) and 10(n)

Regulation 10(a) of the Customs Brokers Licensing Regulations, 2018 casts a mandatory statutory obligation upon every Customs Broker to obtain an authorisation from each of the companies, firms or individuals by whom he is for the time being employed as a Customs Broker and produce such authorisation whenever required by the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be. Regulation 10(n) of the Customs Brokers Licensing Regulations, 2018 casts a mandatory statutory obligation upon every Customs Broker to verify the correctness of the Importer Exporter Code (IEC), Goods and Services Tax Identification Number (GSTIN), identity of the client and, more importantly, the functioning of the client at the declared address by using reliable, independent and authentic documents, data or information.

The obligation is preventive in nature and has been incorporated with the legislative object of ensuring that Customs Brokers do not facilitate Customs transactions on behalf of fictitious, non-existent or fraudulent entities merely on the basis of documents furnished before them. The Regulation obliges every Customs Broker to exercise independent professional diligence before accepting a client and undertaking Customs clearance.

The expression "verify" employed in Regulation 10(n) necessarily imports an obligation to independently satisfy oneself regarding the existence and functioning of the client. Mere collection of documents or mechanical reliance upon declarations furnished by the client cannot amount to compliance with the statutory mandate.

5.2 Customs Broker accepted the assignment without any direct interaction with the exporter and without establishing that authorisation was obtained from the exporter:

The investigation records disclose that the export assignment relating to the impugned Shipping Bills was not received directly from M/s. Export Bloom Innovation, but through M/s. IndiKos Forwarding Private Limited, acting as a freight forwarding intermediary. The authorisation and other documents relating to the exporter were also received through the said intermediary.

The statement recorded under Section 108 of the Customs Act, 1962 from Shri Sandeep Krishna Gowda, Partner of the Noticee, clearly establishes that the Noticee had **no direct interaction** with the exporter before accepting the assignment. The Noticee admittedly relied upon documents and information received through the forwarding intermediary and undertook Customs clearance on that basis.

The absence of any direct interaction with the exporter assumes considerable significance in the context of Regulation 10(a). A Customs Broker acting under a statutory licence is required to obtain authorisation from the company, firm or individual by whom it is employed as a Customs Broker. In the present case, the assignment and the authorisation documents were received through the intermediary and there was no direct interaction with the exporter. In the present case, the CB had no direct interaction with the exporter, received the documents through an intermediary, and there are circumstances creating doubt whether the authorisation/document was actually signed by the exporter or his duly authorised representative. A Customs Broker is also expected to satisfy itself regarding the identity and functioning of its client before undertaking Customs work. Acceptance of an export assignment entirely through an intermediary, without independently establishing the identity and functioning of the exporter, is inconsistent with the standard of diligence envisaged under Regulation 10(n).

5.3 Reliance upon freight forwarding intermediary cannot substitute statutory verification:

The investigation further establishes that the Noticee relied substantially upon documents, authorisations and KYC particulars received through the freight forwarding intermediary. Thus, the Noticee has not established that the authorisation required under Regulation 10(a) was obtained from M/s. Export Bloom Innovation itself. Commercial arrangements involving freight forwarders or logistics service providers cannot dilute or substitute the statutory obligations cast upon a licensed Customs Broker. The CB had no direct interaction with the exporter, received the documents through an intermediary, and there are circumstances creating doubt whether the authorisation/document was actually signed by the exporter or his duly authorised representative. The statutory responsibility under Regulation 10(n) is personal to the Customs Broker. A Customs Broker cannot avoid liability by merely asserting that documents were received through another intermediary or that such intermediary introduced the exporter. Acceptance of documents routed through a third party without undertaking independent verification defeats the very object of Regulation 10(n), which requires verification through reliable, independent and authentic sources. Therefore, the reliance placed by the Noticee upon the freight forwarding intermediary, instead of independently satisfying itself regarding the exporter, prima facie constitutes failure to discharge the statutory obligation prescribed under Regulation 10(n).

5.4 Failure to independently verify functioning of exporter:

The investigation records further disclose that no independent verification of the functioning of **M/s. Export Bloom Innovation** at its declared place of business was undertaken before filing the Shipping Bills. No material has been produced indicating that the Noticee:

- visited the declared premises;
- caused any independent verification to be undertaken;
- verified the business functioning through reliable independent sources;
- verified the existence of the exporter beyond the documents supplied through the intermediary;
- made any independent enquiry regarding the actual conduct of business by the exporter.

The statement of the Noticee itself does not disclose any exercise of independent verification contemplated under Regulation 10(n). On the contrary, the investigation establishes that the Noticee proceeded with Customs clearance solely on the basis of documents received through the intermediary. Such conduct falls substantially short of the standard of professional diligence expected from a licensed Customs Broker.

5.5 Mere collection of KYC documents does not amount to compliance:

The investigation indicates that copies of IEC, GST registration, PAN, Aadhaar Card and authorisation were available with the Noticee. However, mere possession of an authorisation received through an intermediary does not, by itself, establish compliance with Regulation 10(a), which requires the Customs Broker to obtain authorisation from the company, firm or individual by whom it is employed. Regulation 10(n) further requires verification and not merely collection of documents. Possession of photocopies or electronic copies of statutory documents cannot by itself establish compliance with the Regulation unless the Customs Broker independently verifies their correctness and satisfies itself regarding the functioning of the client. Acceptance of documentary records exactly in the form supplied by the intermediary, without any independent verification, amounts merely to collection of KYC documents and not discharge of the statutory obligation contemplated under Regulation 10(n). The legislative intent behind Regulation 10(n) would stand defeated if mere possession of documentary records were accepted as sufficient compliance.

5.6 Failure to exercise due diligence expected from a licensed Customs Broker:

A Customs Broker is entrusted with a statutory responsibility which extends beyond preparation and filing of Customs documents. The licence granted under Section 146 of the Customs Act, 1962 carries with it a corresponding obligation to exercise reasonable care, professional diligence and independent judgment before facilitating Customs transactions. In the present case, the material available on record prima facie indicates that the Noticee:

- accepted the exporter introduced through an intermediary;
- relied entirely upon documents supplied by such intermediary;
- undertook no independent verification of the functioning of the exporter;
- filed the Shipping Bills without satisfying itself regarding the actual existence of the exporter.

Such conduct demonstrates absence of the degree of due diligence expected from a licensed Customs Broker under the Customs Brokers Licensing Regulations, 2018.

5.7 Subsequent investigation reinforces the failure of verification:

The subsequent course of investigation assumes significance while evaluating the adequacy of the verification undertaken by the Noticee. The investigation records reveal that:

- repeated summons issued under Section 108 of the Customs Act, 1962 remained unserved or uncomplied with;
- the exporter could not be located at the declared address;
- enquiries failed to establish the functioning of the exporter from the declared premises;
- GST registrations connected with the exporter and supplier were found suspended during investigation;
- the export transaction itself involved expired goods having no legally realizable commercial value coupled with a substantial claim of Integrated GST refund.

Although these circumstances emerged during investigation, they reinforce the allegation that the Customs Broker failed to undertake the independent verification contemplated under Regulation 10(n) before accepting the exporter as its client.

Had the Noticee exercised the degree of diligence expected under the Regulations, the deficiencies relating to the functioning of the exporter could reasonably have been detected at the threshold itself.

5.8 Subsequent intimation to Customs does not cure prior statutory default:

The investigation records indicate that the Noticee subsequently informed SIIB (Export) regarding expiry of the goods after noticing the discrepancy during operational follow-up. Such subsequent conduct cannot cure the statutory default already committed. The obligation under Regulation 10(n) is required to be discharged **before** accepting a client and before undertaking Customs clearance. Compliance with a statutory obligation cannot be deferred until after discrepancies are discovered during execution of the export transaction. Therefore, irrespective of the subsequent communication addressed to Customs authorities, the primary question remains whether the mandatory verification prescribed under Regulation 10(n) had been carried out before filing the Shipping Bills. The material presently available on record prima facie indicates that it had not been so carried out.

5.9 Prima facie contravention of Regulation 10(n):

Upon cumulative consideration of the offence report, statements recorded under Section 108 of the Customs Act, 1962, documentary evidence and other records forwarded by the investigating Commissionerate, it appears that the Noticee accepted the export assignment through a freight forwarding intermediary, relied substantially upon documents including the authorisation received through such intermediary, failed to establish that the required authorisation was obtained from the exporter as contemplated under Regulation 10(a), and failed to independently verify the functioning of the exporter at the declared address by using reliable, independent and authentic documents, data or information, thereby failing to discharge the statutory obligations cast upon it under Regulations 10(a) and 10(n) of the Customs Brokers Licensing Regulations, 2018. The material presently available on record, therefore, discloses a prima facie contravention of Regulations 10(a) and 10(n) warranting initiation of proceedings under Regulations 14, 17 and 18 of the Customs Brokers Licensing Regulations, 2018.

## 6. LEGAL ANALYSIS OF REGULATIONS 10(a) AND 10(n) OF THE CUSTOMS BROKERS LICENSING REGULATIONS, 2018

6.1 Purpose and Legislative Intent of Regulation 10(n):

The Customs Brokers Licensing Regulations, 2018 have been framed in exercise of the powers conferred under Section 146(2) of the Customs Act, 1962 with the object of regulating the conduct of licensed Customs Brokers and ensuring the integrity of Customs administration. Regulation 10 enumerates the statutory obligations required to be discharged by every Customs Broker while transacting Customs business on behalf of importers and exporters. Amongst these obligations, Regulation 10(n) assumes particular significance. The Regulation requires every Customs Broker to verify the correctness of the Importer Exporter Code (IEC), Goods and Services Tax Identification Number (GSTIN), identity of the client and, importantly, the functioning of the client at the declared address by using reliable, independent and authentic documents, data or information. The legislative purpose underlying the said provision is to prevent misuse of Customs procedures by fictitious, non-existent or fraudulent entities and to ensure that licensed Customs Brokers act as responsible participants in the Customs clearance process. The Regulation, therefore, embodies a preventive safeguard intended to protect the interests of revenue, maintain the integrity of international trade and prevent abuse of export and import facilitation measures.

6.2 Regulations 10(a) and 10(n) cast independent statutory obligations:

The obligations prescribed under Regulation 10 are statutory in nature and operate independently of the contractual relationship between a Customs Broker and its client. Regulation 10(a) specifically requires the Customs Broker to obtain an authorisation from each company, firm or individual by whom it is for the time being employed as a Customs Broker. A Customs Broker is not merely an agent engaged for filing Customs documents but is a licensed professional authorised under Section 146 of the Customs Act, 1962 to transact Customs business before the Customs authorities. The licence carries with it corresponding statutory responsibilities which are personal to the Customs Broker and cannot be delegated or diluted. Accordingly, the Customs Broker cannot absolve itself of liability by contending that the documents were supplied by the exporter, freight forwarder or any other intermediary. The statutory obligation under Regulation 10(n) requires the Customs Broker to independently satisfy itself regarding the correctness of the client's particulars and the actual functioning of the client at the declared address before undertaking Customs clearance. The obligation is one of independent verification and not merely one of document collection.

6.3 Collection of KYC documents is not compliance with Regulation 10(n):

The language employed in Regulation 10(n) is clear and unambiguous. The Regulation does not merely require a Customs Broker to obtain copies of KYC documents such as PAN, IEC, GST Registration Certificate, Aadhaar Card or authorisation letters. Instead, it mandates verification of:

- IEC;
- GSTIN;
- identity of the client; and
- functioning of the client at the declared address.

The expression "verify" necessarily contemplates an active exercise undertaken by the Customs Broker using reliable, independent and authentic documents, data or information. Acceptance of documents exactly in the form supplied by the client or through an intermediary, without undertaking any independent enquiry regarding the actual existence and functioning of the client, cannot be regarded as compliance with the statutory requirement. If mere possession of documentary records were accepted as sufficient compliance, the legislative requirement of verification would become otiose and Regulation 10(n) would lose its entire purpose. Therefore, the obligation imposed under Regulation 10(n) extends far beyond collection of KYC documents and requires the Customs Broker to exercise independent professional diligence before accepting any client.

6.4 Reliance on intermediaries does not discharge statutory responsibility under Regulations 10(a) and 10(n):

Commercial transactions frequently involve freight forwarders, logistics providers or other intermediaries. However, the statutory obligations prescribed under the Customs Brokers Licensing Regulations, 2018 remain personal to the licensed Customs Broker. In the context of Regulation 10(a), reliance upon an intermediary for the authorisation does not, by itself, establish that the authorisation was obtained from the company, firm or individual by whom the Customs Broker is employed. The Customs Broker cannot rely exclusively upon representations made by an intermediary and thereafter contend that statutory due diligence has been exercised. The use of intermediaries in commercial transactions cannot override the mandatory statutory framework prescribed under the Customs Brokers Licensing Regulations, 2018. Accordingly, reliance upon documents received through a freight forwarding intermediary, without undertaking independent verification of the exporter, cannot constitute compliance with Regulation 10(n).

6.5 Judicial principles governing the obligations of Customs Brokers:

The legal position regarding the obligations of Customs Brokers under the CBLR has been consistently recognised by judicial forums. The Hon'ble High Court of Delhi in **Kunal Travels (Cargo) v. Commissioner of Customs** [2017 (354) E.L.T. 447 (Del.)] held that a Customs Broker is expected to exercise due diligence in the discharge of statutory obligations and cannot function merely as a forwarding agent for documents supplied by clients. The Court recognised that the licensing framework casts responsibilities intended to ensure proper compliance with Customs law. Similarly, the Hon'ble High Court of Madras in **Commissioner of Customs v. A.M. Ahamed & Co.** [2014 (309) E.L.T. 433 (Mad.)] observed that a Customs Broker occupies an important position in the Customs clearance mechanism and is expected to exercise reasonable care and diligence while undertaking Customs work on behalf of importers and exporters. The Hon'ble CESTAT has also consistently held in several decisions that the obligation prescribed under Regulation 10(n) requires independent verification of the client's credentials and functioning and that mere collection of KYC documents does not, by itself, amount to compliance where surrounding circumstances indicate lack of reasonable diligence. The aforesaid judicial principles reinforce the legislative intent that a Customs Broker cannot function merely as a conduit for filing documents but must actively discharge the statutory responsibilities cast under the Customs Brokers Licensing Regulations, 2018.

6.6 Subsequent conduct cannot cure an earlier statutory default:

The investigation records indicate that the Noticee subsequently informed SIIB (Export) regarding the discrepancy noticed in the export goods. Such subsequent conduct, even if taken at face value, cannot determine whether the statutory obligation prescribed under Regulation 10(n) had already been discharged prior to accepting the export assignment. The obligation under Regulation 10(n) is required to be fulfilled before the Customs Broker undertakes Customs work on behalf of a client. Once the export assignment has been accepted without carrying out the verification mandated under the Regulation, the subsequent discovery of discrepancies or subsequent communication to Customs authorities cannot retrospectively validate an earlier failure to comply with the statutory requirement. The issue requiring examination in the present proceedings is not whether the Noticee subsequently informed Customs regarding expiry of the goods, but whether the mandatory verification of the exporter had been undertaken before filing the Shipping Bills. The material presently available on record prima facie indicates that such verification had not been undertaken.

6.7 Prima facie legal conclusion:

In view of the statutory framework governing Customs Brokers, the object underlying Regulations 10(a) and 10(n), the settled judicial principles governing the scope of the obligations cast upon licensed Customs Brokers and the material contained in the offence report, it appears that the Noticee accepted the export assignment through an intermediary without establishing that the required authorisation was obtained from the exporter as contemplated under Regulation 10(a), and without independently verifying the functioning of the exporter at the declared address by using reliable, independent and authentic documents, data or information. The Noticee, therefore, appears to have failed to discharge the mandatory statutory obligations prescribed under Regulations 10(a) and 10(n) of the Customs Brokers Licensing Regulations, 2018, thereby rendering itself liable for consideration of action under Regulations 14, 17 and 18 of the Customs Brokers Licensing Regulations, 2018.

## 7. ARTICLE OF CHARGES:

7.1 On the basis of the offence report, the statements recorded under Section 108 of the Customs Act, 1962, the documentary evidence collected during investigation and the material discussed in the preceding paragraphs, it appears that M/s. TAS Clearing & Forwarding LLP, holder of Customs Broker Licence No. 11/2654, while acting as the Customs Broker for M/s. Export Bloom Innovation in respect of Shipping Bill Nos. 7330900 and 7331190, both dated 26.11.2025, accepted the export assignment through a freight forwarding intermediary without establishing that the required authorisation was obtained from M/s. Export Bloom Innovation as contemplated under Regulation 10(a), and without independently verifying the functioning of the exporter at its declared address by using reliable, independent and authentic documents, data or information, as required under Regulation 10(n) of the Customs Brokers Licensing Regulations, 2018.

7.2 The investigation further indicates that the Noticee relied substantially upon documents, including the authorisation, and information received through the intermediary, had no direct interaction with the exporter and did not undertake any independent verification of the functioning of the exporter before filing the Shipping Bills. Such conduct also raises a prima facie issue of compliance with Regulation 10(a), in addition to the failure to exercise the degree of due diligence and independent verification mandated under Regulation 10(n) of the Customs Brokers Licensing Regulations, 2018.

7.3 The subsequent inability of the investigating agency to locate the exporter at the declared address, the non-compliance with summons issued under Section 108 of the Customs Act, 1962, and the suspension of the GST registrations connected with the exporter and its supplier are circumstances which, when read together with the admissions made by the Noticee during investigation, prima facie reinforce the allegation that the statutory verification contemplated under Regulation 10(n) had not been undertaken before accepting the exporter as a client.

7.4 By the aforesaid acts and omissions, the Noticee appears to have failed to discharge the statutory obligations cast upon every licensed Customs Broker under Regulations 10(a) and 10(n) of the Customs Brokers Licensing Regulations, 2018. Such failure renders the Noticee liable for consideration of action under Regulations 14, 17 and 18 of the Customs Brokers Licensing Regulations, 2018, read with Section 146 of the Customs Act, 1962.

## 8. SHOW CAUSE NOTICE:

8.1 In view of the facts and circumstances discussed hereinabove and on the basis of the material available on record, it appears that M/s. TAS Clearing & Forwarding LLP, holder of Customs Broker Licence No. 11/2654, has failed to comply with the provisions of Regulations 10(a) and 10(n) of the Customs Brokers Licensing Regulations, 2018, thereby rendering itself liable for action under the provisions of the Customs Brokers Licensing Regulations, 2018.

8.2 Accordingly, in terms of Regulation 17(1) of the Customs Brokers Licensing Regulations, 2018, M/s. TAS Clearing & Forwarding LLP, holder of Customs Broker Licence No. 11/2654, is hereby called upon to SHOW CAUSE, as to why:
(i) the Customs Broker Licence bearing No. 11/2654 issued to it should not be revoked;
(ii) the security deposit furnished by it should not be forfeited; and
(iii) penalty should not be imposed upon it
under Regulation 14 read with Regulations 17 and 18 of the Customs Brokers Licensing Regulations, 2018, for its failure to comply with the provisions of Regulations 10(a) and 10(n) of the Customs Brokers Licensing Regulations, 2018, as elaborated in the foregoing paragraphs of this Show Cause Notice.
The Noticee shall furnish its written reply to this Show Cause Notice within 30 (thirty) days from the date of receipt of this Notice.

8.3 The Noticee is directed to appear for personal hearing on the date as may be fixed and to produce such evidence/documents, if any, in its defence before the Inquiry Officer, **Shri Joshi Suyog Padmakar**, who shall conduct the inquiry under Regulation 17 of the Customs Brokers Licensing Regulations, 2018. If no reply is received within the stipulated period, it shall be presumed that the Noticee has no explanation to offer and does not desire to avail itself of the opportunity of personal hearing, and the matter shall be decided on the basis of the facts and records available.

8.4 This Show Cause 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..

8.5 This SHOW CAUSE NOTICE is issued only in respect of issues discussed in the show cause notice.

8.6 The Department reserves the right to add, amend, modify etc. this notice based on any fresh facts or evidence which may come to the notice of the Department after issue of this notice but prior to adjudication thereof.

8.7 This SHOW CAUSE NOTICE is issued without prejudice to any other action that may be taken against the persons/ firms mentioned herein or any other person.

8.8 List of the documents relied upon in this notice (RUDs) are attached herewith this notice.

17.8.26

**(AJAY KUMAR PANDEY)**
Pr. Commissioner of Customs (General)
New Customs House, Mumbai

To,

M/s TAS Forwarding and Clearing LLP
Address: - 202 Atlanta Tower, Sahar Road, Chakala, Andheri (E), Mumbai, 400099

Copy to:

1. The Pr./Chief Commissioner of Customs, Mumbai Zone I, II, III.
2. CIU's of NCH, ACC & JNCH.
3. The Commissioner of Customs, Mumbai Zone I, II, III.
4. EDI of NCH, ACC & JNCH.
5. BCBA.
6. Office copy.
7. Notice Board.
8. IO Shri Joshi Suyog Padmakar, AC, General