



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

संचिका सं./F. No.-GEN/CB/399/2025-CBS

आदेश दिनांक/Date of Order: 27.02.2026

CAO No./51/2025-26/CAC/CC(G)/SJS/Adj-CBS जारी दिनांक/Date of issue: 13.03.2026

संख्या:

DIN:- 20260377NO000032323F

द्वारा जारी : श्रद्धा जोशी शर्मा

Issued By : Shraddha Joshi Sharma

आयुक्त, सीमाशुल्क (सामान्य)

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 129 की धाराA(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 नियमावली (कार्यविधि), 1982, 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 नियमावली (अपीलस), १९८२ के नियम में उल्लेखित व्यक्ति 2 के उपनियम 3 के तहत निर्धारित है एवं उसी नियमावली के नियम 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-/1000 .पाँच लाख या इस से कम होतो रु ., (ii)यदि यह राशि रुपाँच लाख से अधिक . ) एवं -/5000 .हो किंतु पचास लाख से अधिक न होतो रुiii) यदि यह राशि रुपचास लाख से अधिक होतो . के शुल्क -/10000 .रु 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, 50 के तहत निर्धारित रु 6 की अनुसूची मद 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:**

M/s. IOCC Shipping Pvt. Ltd. having address at 203, Sai Samarth Business Park, Deonar Village Road, Govandi (East), Mumbai - 400088 (hereinafter referred as the Customs Broker/CB) is holder of Customs Broker License No. 11/750, 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. As per the offence report received in the form of SCN No. 266/2025-26/JC/GR. I&IA/NS-I/CAC/JNCH dated 11.06.2025 an Intelligence was developed by SIIB(I) (Special Investigation and Intelligence Branch - Import), JNCH that the importer M/s Petrolube Industry (IEC-GOLPK8444F) having address at Office No. 220, 2nd Floor, RG Trade Tower, Netaji Subhash Place, Pitampura, DELHI-110034 had imported 10(20 ft.) containers declaring goods as Bitumen Grade 60/70 vide Bill of Lading No. VSL5683JEATKD dated 28.05.2024 IGM No. 2378310 dated 30.05.2024 Line No./Subline No. 46/0, which may contain Arecanuts.

2.1 Acting on the said intelligence, 10 containers (20 ft.) mentioned in table –I below, covered under Bill of Lading No. VSL5683JEATKD dated 28.05.2024 imported in the name of M/s Petrolube Industry (IEC - GOLPK8444F) were put on hold vide hold no. 59/2024-25 dated 06.06.2024 and examined under Panchanama dated 07.06.2024 drawn at Sarveshwar Logistics Pvt. Ltd. Digode Circle, Village – Digode, Taluka - Uran, District – Raigad, Pin - 400702.

2.2 The declared relevant details of the 10 containers (20 ft.) covered under Bill of Lading No. VSL5683JEATKD dated 28.05.2024 and weight found during examination at the said CFS were as follows:

**Table-I**

Sr No.	Container No. (20 ft. each)	Customs seal found	Seal Found as per BL	Gross/cargo weight as per BL (in Kgs)	Weight as per weighment slip (in kgs)		
					Gross Weight	Container Tare weight	Cargo net weight
1	GLDU5501428	4561713	SVNL100512	21780	18090	2230	15860

2	TEMU0683108	4561707	SVNL100511	21780	17950	2180	15770
3	CXDU1441850	4561706	SVNL100562	21780	18130	2250	15880
4	GESU3828586	4561710	SVNL100563	21780	18190	2200	15990
5	TEMU3802622	4561711	SVNL100560	21780	18110	2200	15910
6	MEDU1995392	4561705	SVNL100567	21780	18240	2280	15960
7	TGHU0833869	4561712	SVNL100564	21780	18260	2200	16060
8	CRSU1382054	4561709	SVNL100566	21780	18230	2210	16020
9	SEGU1577465	4561714	SVNL100565	21780	18220	2180	16040
10	SEGU1269436	4561708	SVNL100561	21780	18170	2180	15990

2.3 The details of the goods found during the examination under Panchanama dated 07.06.2024 were as below: -

**Table-II**

Sr. No.	Container No. (20 Ft. each)	No. of Drums	No. of Drums Containing Areca nuts	Average Weight of Drums containing Areca Nuts (in Kgs)	No. of Drums Containing Dark Black Viscous Fluid	Average Weight of Drums Containing dark black Viscous fluid (in kgs)	Average Weight of Areca Nuts per container (in kgs)	Average weight of dark black viscous fluid (in kgs)
1	GLDU5501428	110	90	134.6	20	192.9	11214	3658
2	TEMU0683108	110	90	134.6	20	192.9	11214	3658
3	CXDU1441850	110	90	134.6	20	192.9	11214	3658
4	GESU3828586	110	90	134.6	20	192.9	11214	3658
5	TEMU3802622	110	90	134.6	20	192.9	11214	3658
6	MEDU1995392	110	90	134.6	20	192.9	11214	3658
7	TGHU0833869	110	90	134.6	20	192.9	11214	3658
8	CRSU1382054	110	90	134.6	20	192.9	11214	3658
9	SEGU1577465	110	90	134.6	20	192.9	11214	3658
10	SEGU1269436	110	90	134.6	20	192.9	11214	3658
	<b>Total</b>	<b>1100</b>	<b>900</b>		<b>200</b>		<b>112140</b>	<b>36580</b>

2.4 As detailed above, the Areca Nuts totally weighing 1,12,140 Kgs and black viscous fluid which appeared to be bitumen totally weighing 36580 Kgs were found in the above said 10 containers. The examination proceedings, recorded under Panchanama dated 07.06.2024, revealed that areca nuts were attempted to be smuggled into India by way of misdeclaration/concealment.

2.5 Areca nuts are classifiable under CTH 08028010. As per Table-3 of Notification No. 37/2024-Customs (N.T.) dated 21st May 2024 issued by the Central Board of Indirect Taxes, Department of Revenue, Ministry of Finance, Govt. of India, the tariff value of the areca nuts was fixed at \$ 6033 per metric ton. Further, as per Schedule-I (Sr. No. 20) of the

Notification No. 36/2024-Customs (N.T.) dated 16.05.2024 issued by the Central Board of Indirect Taxes and Customs, Department of Revenue, Ministry of Finance, Govt. of India, the rate of exchange of one unit of US Dollar was equivalent to Rs. 84.35 for import. Thereby, the tariff value for the imported areca nut came to Rs. 5,08,883.55/- per metric ton. Consequently, the total value of 1,12,140 kgs of smuggled areca nuts amounted to Rs. 5,70,66,201/- (Rupees Five Crores Seventy Lakhs Sixty-Six Thousand Two Hundred One only) (112.14 MTS x Rs. 5,08,883.55). Further, since the Areca nuts are classified under the CTH 08028010 of the Customs Act, the effective rate of Customs duty on the same was around 110% of the value of the said goods which in this case was around Rs. 6,27,72,821/- (Rupees Six Crores Twenty-Seven Lakhs Seventy-Two Thousand Eight Hundred Twenty-One only).

2.6 Now, Given the facts mentioned above, the areca nuts, having a total weight of 1,12,140 Kgs. and a total value of Rs. 5,70,66,201/- which were attempted to be smuggled into India in the above mentioned 10 containers were seized vide Seizure Memo No. 38/2024-25 dated 13.06.2024 under Section 110(1) of the Customs Act, 1962 under the reasonable belief that they were liable to confiscation under the provisions of Section 111 of the Customs Act, 1962. Further, the goods "Black Viscous Fluid which appeared to be Bitumen Grade 60/70" having a total weight of 36,580 Kgs and which were used as a cover cargo for concealing the smuggled areca nuts stuffed in the above said 10 containers were also seized under Section 110(1) of the Customs Act, 1962 under the reasonable belief that they were liable to confiscation under the provisions of Section 119 of the Customs Act, 1962.

2.7 Since the assessable value of the Bitumen Grade 60/70 was not available, the quantum of contemporary data regarding the import of Bitumen Grade 60/70 at Nhava Sheva port, from the country of origin 'UAE', imported by same importer were taken into account to determine the value of the imported goods. For the purpose of Customs Tariff Act, 1975, valuation of imported goods is to be done in terms of Section 14 of the Customs Act, 1962 read with Customs Valuation (Determination of value of Imported Goods)

Rules, 2007 (CVR) and Customs Valuation (Determination of Value of Imported Goods) Amendment Rules, 2017. As per the provisions of Act/Rules, transaction value of the goods is to be accepted, subject to Rule 12 of Customs Valuation (Determination of value of Imported Goods) Rules, 2007. Prima facie, on examination of contemporary import of the Bitumen Grade 60/70, is to be determined under Rule 12 of the CVR and the said value is required to be re-determined by subsequently proceeding in terms of Rule 4 to 7 or 9 of the Customs Valuation Rules, 2007.

In terms of Rule 4 *ibid*, transaction value of identical goods has to be considered as the value of the imported goods at or about the same time as the goods being valued. Term 'identical goods', as defined under Rule 1(d) of the CVR, 2007, means imported goods which are same in all respect, including physical characteristics, quality and reputation, as the goods being valued except for minor differences in appearance that do not affect the value of the goods. In addition, in terms of Rule 5 *ibid*, the term 'similar goods' as defined under Rule 2(1)(f) of the Customs Valuation Rule, 2007 includes comparison of the impugned goods with goods although not like in all respects, having like characteristics and like components making them have the same functions and to be interchangeable commercially. In the instant case, contemporary data was perused for ascertaining the value of the subject imported goods based on contemporaneous price of identical goods under Rule 4 of Customs Valuation (Determination of value of Imported Goods) Rules, 2007 (CVR) and Customs Valuation (Determination of Value of Imported Goods) Amendment Rules, 2017. Hence, the approx. valuation has been taken into the account to determine the assessable value at 1395/- AED per MTS for the Bitumen Grade 60/70. Further, as per Schedule-I (Sr. No. 19) of the Notification No. 36/2024 Customs (N.T.) dated 16<sup>th</sup> May 2024 issued by the Central Board of Indirect Taxes and Customs, Department of Revenue, Ministry of Finance, Govt. of India, the rate of exchange of one unit of AED was equivalent to Rs. 23.45 for import.

Hence, as per contemporary import of Bitumen Grade 60/70 from UAE origin, imported by same importer, the price came to Rs. 32,715.75 per MTS. Accordingly, the value of the goods "Black Viscous Fluid which appeared to be as Bitumen Grade 60/70"

weighing 36,580 Kgs found during the examination was calculated to around Rs. 11,96,632/- (Rupees Eleven Lakhs Ninety-Six Thousand Six-Hundred Thirty-Two only)

### 3. Search Proceedings

#### 3.1 **Search conducted at the Office premises of Shri Vimal Kumar, Importer M/s Petrolube Industry.**

The registered address of the Importer, 220, 2<sup>nd</sup> Floor, R G Trade, Netaji Subash Place, Pitampura, North West Delhi was visited on 03.09.2024. The said premises were found locked. Nothing was written on the walls and gate of the said premises. The Proprietor of M/s Petrolube Industry, Shri Vimal Kumar arrived voluntary at the said premises to open the lock of the premises. On being asked, he accepted that he was the actual IEC holder of M/s Petrolube Industry (IEC - GOLPK8444F) and he worked on the directions of some other person namely Mohit Dubey. On being asked, Shri Vimal Kumar opened the lock of the said premises.

The following documents were resumed from the said premises during the search.

- Two A4 size papers having some calculations, name of the firms, mobile nos etc. and Tax Invoice No. SF454021875FPL having address - Anand Pandey, 608, 6th floor, R G Trade, Pitampura, New Delhi-110034 sold by Doda, Agra, Uttar Pradesh-282010.

#### 3.2 **Search conducted at the Residential premises of Shri Vimal Kumar, Importer M/s Petrolube Industry.**

Officers reached at the Residential premises of Shri Vimal Kumar at Kunwar Singh Nagar, near SGN Public School, Nangloi, Delhi at 03.09.2024, which was later found as a grocery shop. On being asked, Vimal Kumar told that he ran a small grocery shop on temporary office to run his livelihood and there were no documents, whatsoever in the said grocery shop. Accordingly, the search warrant could not be executed.

4. During the investigation, statements of various persons were recorded under Section 108 of the Customs Act, 1962. The details of the statements are summarized in the following paragraphs.

4.1 During the course of the investigation, Shri Nitin Saxena, Country Head of Shipping Line M/s Sea Gold Logistics Pvt. Ltd. was examined and his statement was recorded on 21.06.2024 under Section 108 of the Customs Act, 1962, wherein, he inter-alia, stated that:

- Sea Gold Logistics Pvt. Ltd. was involved in the business of shipping and logistics as a NVOCC (Non-Vessel Operating Common Carrier) agent and Freight Forwarding. They had their own self-containers about 800-900 in the name of sea gold.
- Vellamo Shipping Line LLC got the booking from Haitun Container line LLC (from Branch manager of Haitun Container Line LLC (Ravi Vashisht mobile no. +971504244797 email [bdm@haituncontainerline.com](mailto:bdm@haituncontainerline.com)). They received KYC document of Haitun Container line LLC certificate of registration, Membership certificate, commercial registration and commercial license, also they got the shipper license certificate and as per given shipping instruction and ED (Dubai customs document) Vellamo shipping made the draft B/L copy and provided the same to Haitun Container line LLC. After getting draft B/L approval, after sailing vessel, Vellamo shipping line LLC sent the cargo manifest along with draft B/L copy to Sea Gold Logistics Pvt. Ltd. for IGM and Sea gold Logistics Pvt. Ltd. submitted the IGM.
- They received all KYC documents of M/s Petrolube Industry at the time of import in May, 2024. They had not verified their physical address by any means.
- The primary function of Sea Gold as NVOCC agency was not outsourced, however any related task like surveyor or yard operations were outsourced.
- Vellamo Shipping Line LLC, Dubai handled business from UAE and they nominated the agent to Sea Gold Logistics Pvt. Ltd in Malaysia, Singapore and India.
- Only three consignments were booked by Vellamo Shipping line LLC through Haitun container line out of which two consignments were under investigation by SIIB(I), JNCH. One consignment bearing BL No. HCL/JEA/NSA-41/24 having 07 containers in the name of M/s Petrolube Industry was cleared by them in the month of May, 2024.
- The consignment cleared under BL No. HCL/JEA/NSA-41/24 was booked in the name of M/s Petrolube Industry. Mrs. Geetanjali having mobile no 9910369977, who introduced herself as an employee of M/s Kripa Absa Jus Cargo contacted for the clearance of the said cargo. The payment of Rs. 8,40,000 was received from Mrs. Geetanjali in their bank account. He had received the payment from RTGSCr-IBKLR0001625-Petrolube-seagoldlogisticsPvtLtd-IBKLR62024052001528894 on 20.05.2024.

- They had not received any payment for the consignment covered under draft BL No. VSL5731JEATKD and BL No. VSL5683JEATKD dated 28.05.2024 as the goods had been put on hold by SIIB(I).
- On being asked about any rectification/modification, he stated that the B/L VSL5731JEATKD was issued at origin and they did not have any intimation of amendment done.
- On being shown the ED copy of the subject consignment, he stated that it is a Customs documents at origin and CHA or booking party handed over the ED copy to overseas agent Vellamo Shipping Line LLC and they raised the BL on the basis of the subject ED copy only.
- For the subject consignment, Mrs. Geetanjali from M/s Kripa Absa Jus Cargo, CHA contacted them for clearance. However, the subject consignment was put on hold by SIIB(I).

4.2 During the course of the investigation, Shri Yugbodh, G-card Holder, ID Card No. 36/2011 of M/s Kripa Absa Jus Cargo Handling Pvt. Ltd. was examined and his statement was recorded on 14.06.2024 under Section 108 of the Customs Act, 1962, wherein, he inter-alia, stated that: -

- He was the employee, G-Card Holder at CB Firm M/s Kripa Absa Jus Cargo Handling Pvt. Ltd.
- Importer M/s Petrolube Industry had not contacted for the live consignment covered under Bill of Landing NO. VSL5683JEATKD dated 28.05.2024. However, shipping line M/s Sea Gold Logistics contacted him through mail.
- He first met Mr. Vimal Kumar, Proprietor of M/s Petrolube Industry at ICD Tughlakabad
- They had cleared two consignments of M/s Petrolube Industry.
- He had no knowledge that the current consignment had Areca nuts.
- He verified KYC documents by himself. He verified import documents and accordingly prepared checklist to file Bill of Entry.
- He last filed Bill of Entry No. 3634557 dated 24.05.2024 for Importer M/s Petrolube Industry but after that Importer had not contacted them. However, Shipping Line informed them that there was one more consignment on the way.

4.3 During the investigation, Shri Saajiid Iqbal Patel, CB of M/s Airtrax Freight Logistics was examined and his statement was recorded on 18.06.2024 under Section 108 of the Customs Act, 1962, wherein, he inter-alia, stated that: -

- He was H-card Holder at CB Firm M/s Airtrax Freight Logistics and did Customs clearance related work.
- He had filed three Bills of Entry of M/s Petrolube Industry.
- Mr. Taranjeet Singh Rathore, Director of M/s IOCC Shipping Pvt. Ltd Freight Forwarder contacted him for clearance of Consignments of M/s Petrolube Industry.
- They had verified KYC documents of Importer. They had not verified the address of the Importer physically.
- He did not know Mr. Vimal Kumar and had never met him. But indirectly they knew the Importer through Mr. Taranjeet Singh Rathore.
- Their CB firm had not received the payment for three Bills of Entry filed by them for the importer, M/s Petrolube Industry.

4.4 During the investigation, Shri Taranjeet Singh Rathore, G-Card Holder/Employee of M/s IOCC Shipping Pvt. Ltd. was examined and his statement was recorded on 18.06.2024 under Section 108 of the Customs Act, 1962, wherein he, inter-alia, stated that:

- He is employee of M/s IOCC Shipping Pvt. Ltd. His Mother was proprietor in the company. Address of the firm is Room No. 203, Sai Samarth Business Park, Deonar Village Road, Gond East, Mumbai - 400088. He had been associated with this firm for the last 16 years.
- There were four firms registered at the said address namely (i) M/s IOCC Shipping Pvt. Ltd., a Freight Forwarding Company (ii) M/s Sai Petrochem -Trading Firm (iii) M/s Blue Marlin-Freight Forwarding Company (iv) Bhupendar Shipping Services- CB firm ran by his younger brother Mr. Bhupendra Singh.
- Vimal Kumar contacted him through WhatsApp in Feb, 2024 regarding import of Bitumen. He asked Vimal Kumar to submit all the pre-requisite document such as PAN Card, Aadhar Card, Bank Verification letter, GSTIN, IEC, Previous Bills of Entry etc.
- He met him at a hotel in Nhava Sheva along with Mr. Kirit Shah, CB of M/s Airtrax Freight Logistics.
- He forwarded all the import documents received from the importer to M/s Airtrax Freight Logistics. He did not have any documentary evidence of that as his phone was broken on 16.06.2024.
- Their role in the consignment was of Transportation. After out-of-charge of the goods, they delivered the goods at destined address mentioned in E-Way Bill.
- They had been working with the Importer since Feb, 2024.
- They did not verify the destined address physically. They relied on the KYC documents.

- They worked with the importer for three Bills of Entry. All the documents were of Bitumen and they delivered the goods at Port Babana, Mundka, New Delhi.
- A person name Anand Pandey in charge of Godown situated in Port Babana, Mundka, New Delhi contacted the Truck driver to deliver the Goods at different addresses as he received the goods. He was not informed about the incident by any person. He informed the driver that address mentioned in E-Way Bill was office address and godown was at another place. Afterwards, Anand Pandey told him the address where the goods were to be delivered.

4.5 During the investigation, Shri Kirit Mohanlal Shah- employee of M/s Airtrax Freight Logistics was examined and his statement was recorded on 19.06.2024 under Section 108 of the Customs Act, 1962, wherein, he inter-alia, stated that: -

- He was G-Card Holder of CB firm M/s Airtrax Fright Logistics and did customs clearance related work.
- He had filed three Bills of Entry (9995770 dated 05.02.2024, 2347586 dated 28.02.2024 and 2682772 dated 21.03.2024) for Importer M/s Petrolube Industry.
- Mr. Taranjeet Singh Rathore, Director of M/s IOCC Shipping Pvt. Ltd Freight Forwarder contacted him for clearance of consignment of M/s Petrolube Industry.
- Taranjeet Singh forwarded import documents for clearance of above said three Bills of Entry on behalf of the Importer M/s Petrolube Industry.
- They had verified KYC documents of the Importer; however, they had not verified the importer and his address physically.
- He did not know Mr. Vimal Kumar and had never met Mr. Vimal Kumar, Proprietor of M/s Petrolube Industry.
- Their CB firm had not received the payment for three Bills of Entry filed by them for the Importer M/s Petrolube Industry.

4.6 During the investigation, Shri Tejpal Singh, Director of M/s Kripa Absajus Cargo Handling Pvt Ltd was examined and his statement was recorded on 27.06.2024 and 09.07.2024 under Section 108 of the Customs Act, 1962, wherein, he inter-alia, stated that:

- He was the Director of M/s Kripa Absajus Cargo Handling Pvt Ltd and did customs clearance work.
- His CB firm had filed 02 Bills of Entry for M/s Petrolube Industry having BE No. 2820780 dated 30.03.2024 and 3634557 dated 24.05.2024.
- Sh. Yugbodh, G-Card Holder of his CB firm informed him that Sh. Vimal Kumar contacted him for the clearance of consignment of Bitumen. The above-mentioned

Bills of Entry were filed by Sh. Harish Chandra Pandey, G-Card Holder of his CB Firm.

- On being asked, he submitted that they had verified the KYC documents of the Importer, M/s Petrolube Industry before taking the clearance job viz. authorization letter, IEC Copy, PAN Card Copy, GSTIN Registration Certificate, office address via speed post and Aadhar Card but they had not verified the Importer and his house address physically.
- On being asked, who received the documents from importer and prepared the checklist, he stated that office staff of M/s Kripa Absajus Cargo Handling Pvt Ltd received all the necessary supporting documents in person from office of the importer i.e. invoice, packing list, BL copy and Certificate of Analysis. The Checklist was prepared by the office staff Sh. Harish Chander Pandey.
- On being asked, whether he knew about the importer, Sh. Vimal Kumar, he stated that he met the IEC Holder Shri Vimal Kumar through Sh. Yugbodh, G-Card Holder. Shri Yugbodh, brought the importer Sh. Vimal Kumar in his office for clearance of consignment of Bitumen. He met Sh. Vimal Kumar only once when Sh. Yugbodh brought him in his office. No further contact was done either physically or telephonically.
- On being asked, whether they had been contacted for the import of consignment vide IGM No. 2378310 dated 30.05.2024 and BL No. VSL5683JEATKD dated 28.05.2024, he stated that he came to know about this consignment through Shipping Line (M/s Seagold Logistics Pvt. Ltd.) telephonically.
- On being asked about the real beneficiary of the consignment, he stated that he only knew Mr. Vimal Kumar regarding this consignment. Mr. Vimal Kumar was the real beneficiary and wholly responsible for the import of the consignment. Mr. Vimal Kumar used to look after all the import clearance related procedures on the behalf of M/s Petrolube Industry.
- On being asked about the deletion of some mail conversation with shipping line M/s Sea Gold Logistics Pvt. Ltd. from e-mail of M/s Kripa Absajus Cargo Handling Pvt Ltd, he stated that the mail was deleted by his employee Ms. Geetanjali.
- On being asked, that Shri Nitin Saxena of Shipping Line M/s Sea Gold Logistics Pvt. Ltd. informed that there has been no communication over landline and all the communication was done either through Whatsapp call or mail he replied that their employee M.s Geetanjali was in contact with Ms. Kusum. Ms. Geetanjali had informed him that Bill of Lading No. was communicated to them telephonically and accordingly they had mailed to M/s Sea Gold Logistics Pvt. Ltd.
- On being asked about the person who contacted his firm for filling of Bill of Entry of the said Consignment, he stated that they came to know about the hold of the

consignment by SIIB(I), JNCH through Shipping Line M/s Sea Gold Logistics Pvt. Ltd. Thereafter, they tried to contact Sh. Vimal Kumar, Proprietor of M/s Petrolube Industry regarding the said consignment but he could not be contacted as his mobile was switched off.

4.7 Further, during the course of Investigation it was found that there were two cases of illegal imports of Arecanut/betel nut by M/s Petrolube Industry (IEC - GOLPK8444F) and M/s Global Natural Petro Industries (IEC - DBAPK7141C) where the supplier of the smuggled Areca Nuts was same viz. M/s Peregrine General Trading Co. FZE, UAE whose owner was Mr. Harsh Nilesh Kumar Rajyaguru, an Indian Citizen residing in UAE for business/Export Purpose and was directly involved in the smuggling of Areca Nuts from UAE to India. Accordingly, a letter was sent to Bureau of Immigration, New Delhi on 05.08.2024 to issue Look Out Circular (LOC) with request to intimate the arrival of Mr. Harsh Nilesh Kumar Rajyaguru or on receiving of any information about him. On 30.08.2024, Bureau of Immigration telephonically informed that Mr. Harsh Rajyaguru had arrived at Dabolim Airport, Goa. Goa Customs was requested to record the statement of Mr. Harsh Nilesh Kumar Rajyaguru under section 108 of the Customs Act, 1962.

Accordingly, Mr. Harsh Nilesh Kumar Rajyaguru was examined and his statement was recorded on 31.08.2024 under Section 108 of the Customs Act, 1962, wherein, he inter-alia, stated that: -

- His name is Harsh Nilesh Kumar Rajyaguru and his residence address in India was MIG, 2499, Gayatrinagar, Ghogha Jakatnaka, near Omkareshwar Temple, Bhavnagar – 364001, Gujarat, India. He had been living in Dubai from last 02 years.
- He set up trading company M/s Peregrine general trading FZE in Dubai.
- He dealt in Base oil, Mineral Hydrocarbon oil, fuel oil, Bitumen internationally including India.
- He was the proprietor of the company M/s Peregrine General Trading FZE and had 14 employees. His father Shri Nilesh Kumar Rajyaguru guided him in all his business activity and he knew about all his import export activities. His sister Ms. Hinal Rajyaguru was Public relation officer, PRO of his company who handled all documents and accounts related work along with his father. His father knew about consignments sent to M/s Petrolube Industry & M/s Global Natural Petro Industries.

- On being asked about the recent case wherein SIIB(I), JNCH intercepted containers of areca nuts/supari which were imported by M/s Petrolube Industry & M/s Global Natural Petro Industries he stated that those containers were exported by his company M/s Peregrine General Trading FZE but they were not aware that areca nuts were being exported in those containers. As far he knew the goods were replaced in the warehouse.
- On being asked about the export procedure followed by his company in respect of M/s Petrolube Industry & M/s Global Natural Petro Industries, he stated that after purchasing the goods from local market and from Iraq, the goods were warehoused at M/s AJI Shipping and Logistics, Dubai. Further the subject goods were exported to India on his instruction to M/s Petrolube Industry & M/s Global Natural Petro Industries from 2022 till now. He had given instructions to warehouse to load the goods in the said containers. He had also coordinated with the shipping line M/s Haitun Container Line Limited & M/s Vellamo Shipping Line LLC through his agent which he couldn't recall right then. He used to do the payment to shipping line via cash and bank transfer.
- On being asked about the declaration of the goods as Bitumen and LLDPE in the Shipping Bill/Bill of Lading, he stated that he had filed above mentioned documents having goods Bitumen and LLDPE which were purchased from local market and from Iraq.
- On being asked about possibility of export of areca nuts without his knowledge, he stated that they imported goods from Iraq to Dubai and the imported goods were placed in warehouse. As soon as he got order of the commodity, the goods are stuffed/loaded in containers by godown laborers. In this case as per his knowledge, due to some mistakes, goods were misplaced by the laborers. As soon as he came to know, he enquired the warehousing agent about that incident who said the goods were exchanged by mistake.
- He was asked that if the goods were exchanged then why the Arecanut were found concealed behind the Bitumen and LLDPE. He refused to comment on this.
- On being asked about the name and address of the warehouse and its contact details, he stated that Blue Dolphine LLC was the name of the warehousing company having address at AL-05 JAFZA, South Jabel Ali. Usama was the person whom he contacted. He did not have his contact no. as he was always contacted by his manager.
- When asked whether he communicated the mistake to shipping line, he stated that he did not communicate to the shipping line as he thought that it was not necessary to update shipping line for the same.

- On being asked about the communication done with the Importers M/s Petrolube Industry & M/s Global Natural Petro Industries, he stated that the Importers were told about concealment of Arecanuts behind bitumen and LLDPE on normal call to Mr. Vimal Kumar from Petrolube Industry (9205656920) and Mr. Praveen from Global Petrochem (9213148206). He had not spoken to the importers after that.
- On being asked about the payment for the consignment, he stated that he received the payment from Mr. Vimal Kumar of M/s Petrolube Industry and Mr. Praveen of M/s Global Natural Petro Industries via bank transfer to his company's bank account. The bank transaction details were forwarded to SIIB email ID.
- On being asked about the payment received from Mr. Vimal Kumar of M/s Petrolube Industry and Mr. Praveen of M/s Global Natural Petro Industries in August despite the subject consignments on hold, he stated that he was not in contact with the importers after the hold conversation and further stated that he was not aware of the fact why those payments were done.
- On being asked about the past orders, he stated that he received the order through phone call from Mr. Vimal Kumar of M/s Petrolube Industry and Mr. Praveen of M/s Global Natural Petro Industries. They placed the order and after confirming the order, he shipped the material and the payments credited in bank.
- He stated that all the remittance from Importers was received in his bank account. Payment to Shipping Line, Freight Forwarders, warehousing etc. were done by both modes of payment i.e. Cash and through the bank account.
- On being asked about responsibility/accountability for any goods found during import examination in India in case of goods exported by him, he stated that he had bought the good from Local company and didn't check the material before exporting the goods to India. He refused to comment regarding the responsibility.
- On being shown the letter sent by him to M/s Petrolube Industry, as claimed by the lawyer of M/s Petrolube Industry, wherein, he stated that his Godown had mistakenly sent the other consignment and requested for re-export the goods he stated that he had sent the said letter to the Importer to re-export the subject goods.
- He was asked to comment on how he sent the sales contract PI No. PTF/PI/042/2024 dated 13.05.2024 to the importer M/s Petrolube Industry and there was difference in the sale contract (PTF/PI/045/2024 dated 15.05.2024) mentioned in his letter to importer from Sales contract given to the importer and a total of 500 MT sale contract for 5 shipments was there, however, one only consignment was intercepted. He stated that account department had forwarded the sale contract PI No. PTF/PI/042/2024 dated 13.05.2024 to importer on WhatsApp which he didn't know. Regarding the mismatch of the sales contract number, he refused to comment.

Only one consignment came to India, rest of the consignment were not exported as one was put on hold by SIIB(I), JNCH.

- He stated that there was no other live consignment at this point of time of LLDPE and Biutmen as the said goods were checked by the Customs and due to this fear, he had stopped further expórt of those goods from Dubai.
- On being asked whether he dealt in Arecanuts/Betel Nuts, if yes quantity of Arecanuts, he had exported to India he stated that he had not exported any Arecanuts to India.
- When asked, if he did not deal in Arecanuts, then how, in his letter to M/s Petrolube Industry, he had mentioned that his Godown had mistakenly sent other consignment, he stated that the Godown did not belong to his company and he did not want to comment on that.
- On being asked, an email dated 08.11.2023 was sent from his company e-mail ID [peregrinegenraltradingfze@gmail.com](mailto:peregrinegenraltradingfze@gmail.com), for advance payment of Betel Nuts against the attached Invoices to [Sentra.mandiri189@gmail.com](mailto:Sentra.mandiri189@gmail.com), could it be perceived that he dealt in Betel nuts also? He agreed that the said mail was sent by them but it was a third-party work done by him as a favor.
- He stated that he was not aware of the import compliance of Arecanuts in India.

4.8 Shri Vimal Kumar filed Anticipatory Bail Application before the Panvel Session Court, Raigad on 10.7.2024. He was granted bail with certain conditions by Panvel Session Court vide its order dated 31.7.2024.

Shri Vimal Kumar, Proprietor of M/s Petrolube Industry was examined and his statement was recorded on 03.09.2024 under Section 108 of the Customs Act, 1962, wherein, he inter-alia, stated that: -

- He started the business of import from 2023 as per the directions of Mr. Mohit Dubey whom he met in April 2023. He only signed the documents as and when asked by Mr. Mohit Dubey. He gave him his Aadhar, Pan Card and signed Bank documents whenever Mohit Dubey called him.
- On being asked whether he was the real owner of the M/s Petrolube Industry, he stated that he started the business of Import from 2023 as per the directions of Mr. Mohit Dubey whom he met in April 2023.
- He didn't know about the number of imports made in the name of M/s Petrolube Industry.
- He didn't know any Customs Broker.

- On being asked, whether he met Mr. Yugbodh, at ICD, Tughlakabad, he stated that he had never gone to Tughlakabad and he didn't know any person with name of Mr. Yugbodh.
- He didn't know any person with name of Mr. Tejpal Singh, Director of Custom Broker, M/s Kripa Absajus Cargo Handling Pvt. Ltd. He used to work only on Mohit Dubey's instructions, whose contact no. was 7303329021.
- On being asked he stated that he met Mohit Dubey in 2023 at his shop at Kunwar Singh Nagar, Nagloi. He gave his Aadhar and Pan Card to Mohit dubey for starting a business, which were returned to him after 10 days.
- On being shown the cancelled cheque for the Account No. 1625102000007979 where he had signed as proprietor of M/s Petrolube Industry, he stated that he had signed the cheque as per the directions of Mr. Mohit Dubey.
- On being asked why he did not report to SIIB(I), JNCH for recording of his statement despite directions/orders dated 31.07.2024 passed by Panvel Session Court, he stated that his advocate did not inform him about any such order. He only came to know about it on 21.08.2024.
- On being asked about the instant case wherein containers containing areca nuts were imported by his firm M/s Petrolube Industry, he stated that he didn't know anything about the import procedure. Mr Mohit Dubey was behind all those imports. He only used to sign the documents without even knowing anything about the documents, only for the monetary gain of Rs. 50,000-60000 per month.
- He did not know any person with the name Mr. Harsh Rajyaguru.
- On being asked that Shri Harsh Rajyaguru told in his statement dated 31.08.2024 stated that he received payments from M/s Petrolube Industry, he (Vimal Kumar) stated that he was not aware about any such transaction.
- On being asked whether he had received any sales contract PI No. PTF/PI/042/2024 dated 13.05.2024 from Shri Harsh Rajyaguru he replied in negative and stated that he didn't know about any sales contract received from Shri Harsh Rajyaguru.
- On being shown statement of the current account no. 1625102000007979 and statement of account in IDBI Bank having huge transaction, which were in name of M/s Petrolube Industry, he stated that he was not aware about the current account of M/s Petrolube Industry. Mr. Mohit Dubey called him multiple time to sign the cheque and other documents required by Bank and opened the said account.
- On being asked, why he should not be arrested on the ground of violation of Panvel Session court order dated 31.07.2024, he stated that he was not aware about the order passed by the Panvel Session Court Order dated 31.07.2024. He was informed about the said order by one advocate whose contact no. was 9871334472, and was hired by Mr. Mohit Dubey. He was not aware about any import procedure and

import of areca nuts. He didn't know about the IEC Code, Customs Broker or any Customs terminology.

- He was asked that how could it be possible that without his knowledge areca nuts had been imported to India by a firm in his name and his IDBI bank having huge transactions. He stated that he didn't know anything about import procedure. Mr. Mohit Dubey was behind all those imports. He only used to sign the documents without knowing anything only for the monetary gain of Rs. 50000-60000/- per month.
- He stated that Mr. Mohit Dubey was the real beneficiary in the instant case.

4.9 During the investigation, Shri Yugbodh, G-Card Holder of M/s Kripa Absajus Cargo Handling Pvt. Ltd. was examined and his further statement was recorded on 04.09.2024 at their office under Section 108 of the Customs Act, 1962, wherein, he inter-alia, stated that: -

- He acknowledged his earlier statement dated 14.06.2024. He stated that he knew Mr. Vimal Kumar and met him once in Tughlakabad.
- He only knew Mr. Vimal Kumar in respect of M/s Petrolube Industry. He didn't know any other Bitumen Importer.
- He didn't know about any such live consignment which was examined by SIIB(I), JNCH Vide Bill of Lading No. VSL5683JEATKD dated 28.05.2024 and never enquired from Shipping Line about the arrival of that shipment.
- He did not handle the charge of dealing with shipping line. It was handled by Ms. Gitanjali.
- When asked that as per Mr. Vimal Kumar, he did not any Yugbodh or any other Customs Broker with the name of M/s Kripa Absajus Cargo Handling Pvt. Ltd he stated that, he met Mr. Vimal Kumar once in ICD Tughlakabad in Feb 2024. He came with one other person whom he didn't know or was not introduced to him. Mr. Vimal Kumar wanted to meet his Boss regarding Bitumen Import so he arranged meeting with his boss Shri Tejpal at their office on the same day.
- On being asked whether he asked Mr. Vimal Kumar about his knowledge of the import procedure and other import terms. He stated that after talking to him, he came to know that Mr. Vimal Kumar knew about the basic details of Import procedure. He had shown him his IEC Code, GST Registration, Aadhar Card, Pan Card. He asked him what Bitumen was called in hindi and about the classification of Bitumen, he answered that Bitumen is also called as Tarcoal in hindi. He also told that Bitumen was classified in Chapter 27.

- Vimal Kumar did not tell him about the Import of Areca Nuts. He only enquired him about Bitumen Import.
- Their CB Firm had cleared only 2 consignments of imports vide Bill of Entry No. 2820780 dated 30.03.2024 and 3634557 dated 24.05.2024.
- On being asked who received the documents from Importer and prepared the checklist, he stated that he only knew about Mr. Rohit, Office staff of M/s Kripa Absa Jus Cargo Handling Pvt. Ltd who collected documents from the Importer. Checklist was prepared by Mr. Harish Chandra Pandey, G-Card Holder of their Firm.
- On being asked about his exact role regarding filing/import procedure of the Bill of Entry, he stated that Mr. Harish Chandra Pandey, G-Card Holder of their firm filed the Bill of Entry after receiving import documents from office employee either through mail or they went to office of importer to collect documents. Thereafter, a docket file is made consisting of import documents and then he took this file to ICD Tughlakabad.
- On being shown the mail dated 31.05.2024 from email id of kripacargo@yahoo.com where his CB firm M/s Kripa Absa Jus Cargo Handling Pvt. Ltd. had asked for BL confirm status of BL No. VS5683JEATKD which was the BL of the live consignment in which Areca nuts were found during SIIB(I), JNCH examination and which made it clear that his firm asked about BL status from Shipping Line M/s Sea Gold Logistics he stated that the e-mail was sent by Mrs. Geetanjali, Employee of their firm M/s Kripa Absa Jus Cargo Handling Pvt. Ltd. She handled the work of Checking/receiving and sending the e-mails. He didn't have any role in sending/checking e-mail.
- On being asked about the statement of Shri Vimal Kumar wherein Vimal Kumar stated that he does not know anything about Import procedure, IEC Code. He stated that Vimal Kumar is lying. As far as his conversation with him in Feb or March 2024., Vimal Kumar knew about the basic details of Import procedure. Vimal Kumar shown his IEC, GST copy to him and he also knew what Bitumen is called in hindi and its classification under chapter 27.
- On being asked about transaction related work, he stated that he don't know about transaction. Tejpal Singh, his boss may know about transaction related work.

4.10 During the investigation, Ms. Geetanjali Kaushik w/o Amit Kaushik employee of M/s Kripa Absa Jus Cargo Handling Pvt. Ltd was examined and her statement was recorded on 05.09.2024 at the CB's Office under Section 108 of the Customs Act, 1962, wherein she, inter-alia, stated that: -

- Her role in the CB firm was to communicate Shipping Lines through e-mail and over phone and get/provide information about the Bill of Lading Status, Container arrival and delivery order issued by the shipping line.
- On being asked whether she enquired from Shipping Line about the arrival of the shipment imported vide BL No. VSL5683JEATKD dated 28.05.2024 in which Areca Nuts were found during Examination, she stated that she only mailed on 31.05.2024 about the confirmed status against the BL No. VSL5683JEATKD.
- M/s Sea Gold Logistics Pvt. Ltd. shipping line contacted her on the office landline no. 45049782 dated 31.05.2024 and informed about the above BL Shipment and they asked her to mail, as directed she mailed them asking about the confirmed status against BL No. VSL5683JEATKD. They replied with the IGM details on 31.05.2024. On 03.06.2024 M/s Sea Gold Logistics Pvt. Ltd mailed about some alert for Scanning. However, she had not replied to them after that. She submitted signed copies of the mails sent by the shipping line M/s Sea Gold Logistics Pvt. Ltd.
- On being asked why she did not reply to the mails of the shipping line M/s Sea Gold Logistics Pvt. Ltd. dated 31.05.2024 and 03.06.2024, she stated that she informed her boss Mr. Tejpal Singh. Tejpal Singh said to her if there was any problem, no need to enquire/reply about this consignment as they didn't have any document regarding the consignment.
- As their CB had earlier cleared two consignments of the same importer M/s Petrolube Industry that's why she contacted shipping line for the status of the consignment.
- It was the shipping line, who contacted her first on the office landline on 31.05.2024 and informed about the above BL shipment and they asked her to mail, accordingly she mailed them about the status of the BL on 31.05.2024.
- On being asked about the deletion of the email dated 31.05.2024, she stated that she got scared that there might be something wrong with this consignment as the shipping line mail showed that there was mismatch in scanning. Also, their office didn't have any documents related to the consignment, so she deleted the said e-mail.
- On being asked whether the Shipping Line tried to contact them about not replying to their mail, she stated that they called once and she told them that they didn't have any document so they were not dealing with this consignment.
- She knew Mr. Vimal Kumar Proprietor of M/s Petrolube Industry by name only.
- On being asked whether Vimal Kumar ever came to their office regarding import or any other purpose, she stated that she never met Mr. Vimal Kumar in office or any other place and she had not seen him in their office.

- On being asked whether she knew about the live consignment which was examined by SIIB(I), JNCH imported vide BL No. VSL5683JEATKD dated 28.05.2024, she replied in negative and stated that she didn't know about any such live consignment which was examined by SIIB(I), JNCH.
- Mr. Harish Chander Pandey dealt with suppliers.

4.11 During the investigation, Shri Harish Chander Pandey, G-Card Holder of M/s Kripa Absa Jus Cargo Handling Pvt. Ltd was examined and his statement was recorded on 05.09.2024 at their office under Section 108 of the Customs Act, 1962, wherein, he inter-alia, stated that: -

- On being asked about the live consignment examined by SIIB(I), JNCH, he stated that he did not know about any such consignment, he only got to know about it after SIIB(I) officer informed him about the consignment covered under the BL no. VSL5683JEATKD dated 28.05.2024 of consignee M/s Petrolube Industry.
- He did not know Mr. Vimal Kumar, Proprietor of M/s Petrolube Industry. He had never met or seen him.
- On being asked whether he knew that Mr. Yugbodh has informed that he met Mr. Vimal Kumar at ICD Tughalakabad in March 2024 and then he took him to their CB's office to arrange meeting with Mr. Tejpal Singh. He stated that he did not know about it, he mostly worked in the office having address at D-52A, U.GF. Vishwakarma Colony, New Delhi 110044.
- He had not enquired from Shipping Line about the arrival of the shipment imported vide BL No. VSL5683JEATKD dated 28.05.2024 in which Areca Nuts were found during examination.
- Their CB firm had cleared only 02 consignments of M/s Petrolube Industry vide BE No. 2820780 dated 30.03.2024 and 3634557 dated 24.05.2024. The documents were collected by their office staff/employee, Shri Rohit Vasan who collected it from the office of M/s Petrolube Industry. As per information provided in the import documents, he prepared checklist and showed it to his Boss Mr. Tejpal Singh. He filed Bill of Entry only on the directions of Mr. Tejpal Singh.
- He collected the documents from his office staff and prepared checklist of documents such as invoice, packing list, Bill of lading etc. and uploaded documents in EDI system to generate Bill of Entry. After generation of the Bill of entry, he informed the same to Tejpal Singh.
- He only handled the duty payment related to Bills of Entry filed by their CB.
- He did not know anything about the supplier of the goods M/s Peregrine General Trading Co. FZE

5. Shri Taranjeet Singh Rathore, G-Card Holder of the CB cum Freight Forwarder, M/s IOCC Shipping Pvt. Ltd (AABCI0301CCH001) was called upon to show cause as to why Penalty should not be imposed under Section 114AA of the Customs Act, 1962, for conniving with Importer with the intention to smuggle areca nuts from Dubai into India by way of misdeclaration of areca nuts with the declared goods that were liable for confiscation under Section 111(d), 111(f), 111(i) and Section 119 of the Customs Act, 1962, as discussed above.

6. **Role of Customs Broker:** -

6.1 On perusal of the offence report in the form of SCN No. 266/2025-26/JC/GR. I&IA/NS-I/CAC/JNCH dated 11.06.2025, it was apparent that the investigation revealed that 10 containers, declared as containing Bitumen under Bill of Lading No. VSL5683JEATKD dated 28.05.2024, were found to contain 1,12,140 kg of areca nuts and 36,580 kg of a black viscous fluid resembling Bitumen Grade 60/70, used as cover cargo to conceal the smuggled goods. Examination proceedings recorded under Panchanama dated 07.06.2024 confirmed the misdeclaration and smuggling attempt.

6.2 Shri Taranjeet Singh Rathore, the G-Pass Holder of M/s IOCC Shipping Pvt. Ltd., stated that his firm had been inoperative since 2021 due to his father's death (as per Rule 6 of CBLR, 2018). He operated on a commission basis, forwarding documents to other Customs Brokers such as M/s Airtrax Freight Logistics for filing and clearance. He claimed no direct involvement in the current consignment, stating that the importer, did not contact him regarding the current shipment. However, he admitted to handling prior consignments for the same importer without physically verifying the address, relying solely on KYC documents, and also acted as a transporter for the importer.

6.3 The investigation's finding that the importer was a dummy and a front used by some other person underscored the Customs Broker's omission in ensuring the legitimacy of the client. While Shri Rathore claimed no knowledge of the current consignment, his prior dealings with M/s Petrolube Industry, including handling 5-6 consignments of hydrocarbon oil and acting as a transporter, suggested a pattern of inadequate due

diligence. In view of the above observation & as per the offence report, it appeared that the CB had not fulfilled the obligations of Regulation 13(12) of the CBLR, 2018.

6.4 From the investigations in the above-mentioned case, the following omission leading to violation of obligations stipulated in Regulation 13(12) of CBLR, 2018 were apparent: -

**(i) Sub-regulation 13(12) of the CBLR, 2018 reads as:**

*“The Customs Broker shall exercise such supervision as may be necessary to ensure proper conduct of his employees in the transaction of business and he shall be held responsible for all acts or omissions of his employees during their employment;”*

Regulation 13(12) of the Customs Brokers Licensing Regulations (CBLR), 2018, mandates that Customs Broker exercise strict supervision over their employees to ensure proper conduct in customs-related transactions. This includes establishing robust systems to verify client authenticity and the accuracy of declarations, thereby preventing noncompliance such as misdeclaration or smuggling. In the case of M/s IOCC Shipping Pvt. Ltd., serious violations of this regulation were uncovered through the actions and omissions of its G-Card Holder, Shri Taranjeet Singh Rathore. A key lapse involved the failure to verify the credentials of the importer, M/s Petrolube Industry. Shri Rathore admitted to relying solely on KYC documents without physically verifying the importer's registered address. Investigations revealed that the importer was a dummy and a front for some other person, indicated a lack of due diligence on the part of the CB. This negligence enabled transactions with a dubious importer, facilitating the smuggling of areca nuts misdeclared as Bitumen.

Further, Shri Rathore demonstrated inadequate oversight in handling import documents. He forwarded these documents to other Customs Brokers, such as M/s Airtrax Freight Logistics, without verifying their authenticity or accuracy. As a responsible Customs Broker, M/s IOCC Shipping Pvt. Ltd. was obligated to scrutinize those documents to prevent misdeclaration. The failure to do so led to the concealment of 1,12,140 kg of areca nuts under the guise of Bitumen, a serious offence confirmed

during examination proceedings on 07.06.2024. The investigation also highlighted a lack of supervision in transaction processes. Despite handling 5 - 6 prior consignments for the same importer, Shri Rathore did not implement systems to verify consignment details or the importer's operations. His role as an intermediary and transporter, without rigorous checks on declared cargo such as Bitumen, enabled the smuggling attempt. This reflected a systemic failure to supervise customs transactions, as required under Regulation 13(12).

Compounding the issue was Shri Rathore's dual role as Customs Broker and transporter, which created a conflict of interest. He delivered goods to unverified addresses provided by the importer's representative without confirming their legitimacy. This lack of oversight facilitated the movement of potentially smuggled goods and compromised the integrity of the customs process. Moreover, M/s IOCC Shipping Pvt. Ltd. had previously handled consignments for M/s Petrolube Industry without verifying delivery addresses or the nature of the goods. This pattern of inadequate due diligence, including failure to physically verify godown or office locations, underscored a broader failure to supervise customs-related activities. Although, Shri Rathore claimed no involvement in the current consignment and stated his firm had been inactive since 2021, his prior dealings and admissions revealed a consistent lack of oversight.

In view of the above observations, it was evident that the CB failed to supervise their staff as required under Regulation 13(12) of the CBLR, 2018.

6.5 From the above stated facts and outcome of the investigation, it appeared that the CB M/s. IOCC Shipping Pvt. Ltd. (CB License No. 11/750) failed in fulfilling the obligations as mandated under CBLR, 2018 and violated the regulation 13(12) of the CBLR, 2018.

**SHOW CAUSE NOTICE: -**

7. In view of the offence report received in the form of Show Cause Notice No. 266/2025-26/JC/Gr.I&IA/NS-I/CAC/JNCH dated 11.06.2025 issued by the Joint Commissioner of Customs, Group-I&IA, NS-I, JNCH, Mumbai Zone – II action under the

CBLR, 2018 was initiated against the CB M/s. IOCC Shipping Pvt. Ltd. (CB License No. 11/750). In view of the Board's Instruction No. 24/2023 dated 18.07.2023, the case was not considered appropriate for immediate suspension of the CB license under Regulation 16 of the CBLR, 2018. However, inquiry under Regulation 17 of the CBLR, 2018 was initiated against the CB M/s. IOCC Shipping Pvt. Ltd. and accordingly, based on the Offence Report, the following article of charge was levelled against the CB:

- (i) Article of Charge: Violation of Regulation 13(12) of the CBLR, 2018.

7.1 In light of the above, a Show Cause Notice (SCN) No. 27/2025-26 dated 28.08.2025 was issued to the CB M/s. IOCC Shipping Pvt. Ltd. (CB License No. 11/750) under the provisions of Regulation 17(1) of the CBLR, 2018 wherein, the CB was called upon to show cause, as to why:

- a. The Customs Broker license bearing no. 11/750 issued to them should not be revoked under regulation 14 read with regulation 17 of the CBLR, 2018;
- b. Security deposited should not be forfeited under regulation 14 read with regulation 17 of the CBLR, 2018;
- c. Penalty should not be imposed upon them under regulation 18 read with regulation 17 of the CBLR, 2018.

7.2 Shri Pramod Kumar Chauhan, Assistant Commissioner of Customs, was appointed as Inquiry Officer (IO) to conduct the inquiry proceedings in the matter. The IO concluded the inquiry proceedings and submitted the Inquiry Report dated 02.12.2025 vide email dated 03.12.2025, which is discussed below.

**INQUIRY REPORT: -**

8. The Inquiry Officer (here in after referred to as the 'IO') concluded the inquiry proceedings and submitted the Inquiry Report dated 02.12.2025 vide email dated 03.12.2025 wherein, the charge of violation of Regulation 13(12) of the CBLR, 2018 was held as 'Proved'.

**FINDINGS OF THE INQUIRY OFFICER: -**

9. After examination of the Show Cause Notice, documents placed on record, statements of persons involved and the written/oral submissions of the Customs Broker (CB), the IO found that in the present case issues of determination were as below;

- i. Whether M/s IOCC Shipping Pvt. Ltd. failed to discharge statutory/ regulatory obligations under the CBLR, 2018 (notably Regulation 10 and Regulation 13(12)) in respect of the transactions connected with M/s Petrolube industry (IEC- GOLPK8444F) and related shipments; and whether such failures warranted action under Regulation 14 and Regulation 18 of CBLR, 2018.
- ii. Whether the contentions raised by the Customs Broker (prematurity of CBLR proceedings, double jeopardy, absence of Bill of Entry, lack of mens rea / benefit, invalidity of the offence report, time-bar etc.) were tenable and, if so, whether they precluded the present Inquiry or the recommended departmental action.

9.1 The IO found that in the present case, the below-mentioned facts were not in dispute for the purposes of the Inquiry and were supported by the offence report, Panchanama, weighment slips, statements recorded and admissions made by the CB's G-Pass holder and other witnesses.

- i. Ten (10) import containers covered under B/L No. VSL5683JEATKD dated 28.05.2024; IGM No. 2378310 dated 30.05.2024 were put on hold by SIIB(I), JNCH and examined under Panchanama dated 07.06.2024. Examination revealed 1,12,140 kgs of Areca nuts concealed together with black viscous fluid which appeared to be bitumen totally weighing 36,580 Kgs. The goods were seized under Section 110(1) vide Seizure Memo No. 38/2024-25 dated 13.06.2024.
- ii. The supplier in UAE (M/s Peregrine General Trading Co. FZE/ Shri Harsh Nilesh Rajyaguru) admitted his role in supply and gave evasive/ contradictory answers; he was detained by the Investigating agency. Investigation indicated deliberate substitution/ mis-declaration (Areca nuts declared as Bitumen).

- iii. The CB's G-Pass holder, Shri Taranjeet Singh Rathore, recorded statements (18.06.2024) and admitted:
- He acted on commission basis after the CB licence became inoperative (post 2021).
  - He had earlier handled consignments for the same importer and obtained documents by mail.
  - He forwarded documents to other customs brokers for filing/clearance; he did not physically verify the importer's premises for address authenticity in the present matter.
- iv. The CB M/s IOCC Shipping Pvt. Ltd. admitted its licence was inoperative since 2021 and its G-Pass holder acted on commission and forwarded documents to other CBs; the CB contended it did not file BE for the seized consignment and had no role in the present import.

9.2 The IO submitted that he carefully analysed the submission made by the Customs Broker and found that;

Regulation 10 requires a CB to exercise due diligence in verifying client KYC and antecedents. The admitted facts established that Shri T. S. Rathore (G-Pass holder connected with IOCC) accepted KYC documents by mail and explicitly admitted that they did not physically verify the importer's registered office or premises for the present or prior consignments nor conducted any independent verification. The IO submitted that independent verification is a basic and recognised step of checks for a new/unknown importer, particularly where KYC/information is scant or repetitive consignments showed unusual patterns. The IO submitted that the non-existence of the importer's declared office (locked premises, neighbours unaware) demonstrated that the KYC process relied upon was inadequate and misleading.

The IO found that there was a failure of supervision/inoperative licence as the license of IOCC is on record as Inoperative since 2021. Despite that, the CB's G-Pass holder continued to act for the Importer, forwarding documents to other CBs and accepting agency charges. The IO submitted that regulation 13(12) casts responsibility upon the

Broker to supervise employees and ensure proper conduct. A firm that is inoperative and yet has its G-Pass holder operating quasi-independently without oversight squarely falls within the mischief that Regulation 13(12) contemplates. The IO submitted that the CB cannot disclaim responsibility for the admitted actions of its G-Pass holder by a formalistic statement that the licence was “inoperative”. The Act and Regulations treat the Broker as answerable for lapses of their agents/employees/authorised persons.

The IO found that there was monetary transactions and role as transporter in the present case, and that the CB acted as transporter, showed commercial involvement beyond mere passive association. The IO submitted that commercial nexus demonstrated more than a distant or innocent relationship with the importer and consignments; it supported the conclusion that IOCC (through its G-Pass holder) participated in the chain of activities that created the risk for mis-declaration and concealment. In the present case, the IO found that the practice of forwarding importer documents to other CBs for filing without conducting or ensuring adequacy of due diligence is an abdication of regulatory responsibility. The IO submitted that a CB that obtains client documents and procures clearance indirectly remains bound to ensure the veracity of the client and legitimacy of the transaction.

**9.3 Rebuttal of CB’s legal and procedural defences:** The IO submitted that the CB raised several defenses in PH submissions. Each is addressed below:

i) **“Prematurity/Pending Adjudication of Main SCN”:** - The CB submitted that Inquiry under CBLR should be kept in abeyance until adjudication of SCN No. 326/2025-26 (Group) is complete.

The IO found that the two proceedings are separate in character and jurisdiction. The IO stated that the Group SCN under the Customs Act addressed substantive confiscation and penal liability of importers/suppliers under the Customs Act. The IO stated that proceedings under CBLR are regulatory/ disciplinary against a licensed Customs Broker for breach of regulatory obligations. There is no legal bar to parallel proceedings where separate statutory/regulatory powers exist. The fact that outcome of one proceeding may be relevant to the other does not render an inquiry per se premature. On the contrary,

early inquiry is necessary to safeguard the regulatory framework and prevent misuse of CB privileges. Therefore, the CB's request to stay proceedings pending adjudication was rejected.

ii) **“Double Jeopardy”**: - The CB submitted that two proceedings on same facts amounted to double Jeopardy and were impermissible.

In this regard, the IO found that the constitutional protection against double jeopardy (ne bis in idem) does not forbid administrative/regulatory proceedings in addition to criminal/civil ones where the mandates, purposes and outcomes differ. The IO stated that the CBLR proceedings are disciplinary/regulatory and not criminal prosecution of the importer. The doctrine of double jeopardy does not apply to administrative disciplinary action of a separate regulatory domain. Hence, the plea was untenable.

iii) **“Board Circulars/ Instruction 1/2023”**: - The CB submitted that instructions prohibit making a CB a Noticee where it had no role; thus, SCN was contrary to binding advisories.

The IO found that Board instructions must be read contextually - they caution against casually making a CB a Noticee where no role is discernible. However, they do not immunize a CB from Inquiry where there is credible material indicating breach of CBLR obligations. The present record contained such material (admissions, forwarding of documents, agency payments, non-verifications). Reliance upon board circulars does not shield admitted regulatory lapses. The Inquiry Officer stated that he was satisfied there was sufficient material to proceed.

iv) **“No Bill of Entry Filed”**: - The CB argued that absence of BE means CB had no role; allegation of connivance baseless.

The IO found that non-filing of BE by the importer does not negate regulatory obligations of the CB. The IO stated that the CB's operational acts (accepting documents, forwarding to other brokers, receiving fees, transporting cargo, acting through its G-Pass holder) were themselves supervisory responsibilities. Moreover, absence of BE

underscored the greater need for vigilance - a CB dealing with an importer who repeatedly failed to complete statutory formalities presented clear red flags which must have been escalated or refused. Thus, absence of BE did not absolve the CB of responsibility; rather it magnified the duty to exercise caution.

v) **“No motive/ No benefit”**: - The CB submitted that they did not benefit from mis-declaration; lacked mens rea.

The IO found that mens rea is relevant to criminal liability; for regulatory action under CBLR, focus is on compliance standards and supervisory duty. The IO submitted that the CB's admitted receipt of agency fees and payments, historical relationship and role as transporter indicated a commercial nexus. The CB's gross negligence enabled concealment and therefore warranted regulatory sanction. The absence of direct proof of benefit did not defeat a finding of regulatory contravention.

vi) **“Invalid Offence Report/Time Bar/ Procedure”**: - The CB argued that the offence report is not a valid foundation; SCN is time-barred; proceedings unlawful.

In this regard, the IO found that the offence report and subsequent SCN Issued by Group were correctly placed on record as the source of allegations about mis-declaration and seizure. The IO submitted that they are concerned with whether the materials justify an inquiry under Regulation 17 - not whether the Group's SCN alone is final. The IO submitted that the CB's submissions on time bar/technical invalidity were not substantiated by documentary proof in the CB's pleadings; moreover, where seizure and examination occurred in June 2024 and the present SCN is dated August 2025, the timeline was within the regulatory scope of inquiry. Any discrete time-barred challenge to the Group SCN could be addressed in that adjudication; it did not prevent the present administrative Inquiry. Accordingly, the IO stated that these technical objections did not merit dismissal of the Inquiry.

vii) **“Request for cross-examination of statements recorded by SIIB(I)”**: - The CB submitted that persons whose statements form basis should be cross-examined.

The IO found that Cross-examination requested by the CB were legitimate requests for procedural fairness. However, this Inquiry had considered the statements placed on record by SIIB(I) and the CB (including admissions by its G-Pass holder). Where warranted, the Inquiry Officer recommended that relevant statements be placed before the adjudicating authority as required; the lack of cross-examination in this inquiry did not vitiate the admitted factual record of the CB's own employee. The CB was at liberty to pursue cross-examination/redress through the adjudicating process where appropriate.

9.4 The CB argued that the activities were conducted by its G-Pass holder on commission and the firm was not directly involved. Regulation 13(12) explicitly provides that the Broker is responsible for the acts/omissions of their employees during their engagement and must ensure necessary supervision.

Facts on record showed that:

- The CB's licence had been inoperative since 2021, yet its G-Pass holder continued to operate, obtain documents, forward them to other CBs, and receive payments.
- There was no oversight or control exercised by the CB over the actions of its authorised person.
- The G-Pass holder admitted receiving agency charges, arranging transportation, and handling documents without supervision.

The IO submitted that such unregulated functioning amounted to gross supervisory failure, squarely attracting Regulation 13(12) of the CBLR, 2018.

9.5 The IO submitted that in view of above discussion and finding it appeared that the admitted conduct of the CB's authorised person amounted to failure in exercising due diligence and failure to supervise their personnel, in contravention of Regulation 13(12) of the CBLR, 2018. Therefore, it appeared that the allegation against the Customs Broker M/s. IOCC Shipping Pvt. Ltd. (CB License No. 11/750) under Regulation 13(12) of the CBLR, 2018 was "Proved".

#### **RECORDS OF PERSONAL HEARING: -**

10. The personal hearing in the matter was held on 10.02.2026 before me. Shri Pankaj Pai, Consultant at M. Neerav & Associates appeared for the personal hearing on behalf of

the CB. He submitted a written reply dated 07.02.2026 and reiterated the same. Accordingly, the written submission of the CB was taken on record.

### **WRITTEN SUBMISSION OF THE CB: -**

11. The CB submitted that the CB license is inoperative since April 2021 till date due demise of the Managing Director of the CB viz. Shri Harcharansingh K. Rathore on 10-04-202 as the issue of Regulation 6 of CBLR (Examination of Applicant) is pending. In such circumstances, first and foremost, they at no stage had filed any Bill of Entry and Shipping Bill at JNCH including Past & Present consignments of M/s Petrolube Industry (PI) and were not the CB for the said Importer, whatsoever. Thus, the CB submitted that they cannot be penalized under CBLR, 2018 in the matters where they never acted in the capacity of the CB.

#### 11.1 No Violation of Regulation 13(12) of CBLR:

The CB submitted that the IO had misread the provision of Regulation 13(12) of CBLR.

The said regulation is as under:

*13(12) "The Customs Broker shall exercise such supervision as may be necessary to ensure proper conduct of his employees in the transaction of business and he shall be held responsible for all acts or omissions of his employees during their employment".*

The CB submitted that they are responsible for conduct of their employees in the transaction of business of them. The CB submitted that the words of the said Regulation i.e. "in the transaction of business" which pertains to business of the CB. In the instant case, the CB submitted that they had not transacted any business since April 2021 till Date as submitted above. The CB submitted that even by above provision of CBLR, they cannot be held guilty of contravention of Regulation 13(12) of the CBLR, 2018. The CB submitted that the action under the CBLR, if at all required to be initiated, then it is on the CBs/CHAs who had filed Authorisation from PI under Regulation 10(a) of CBLR for the past consignments of GNPI in 2023.

#### 11.2 Allegation of Non-Verification of Address of PI Physically:

a. The CB submitted that the responsibility of verification of address of Importer or Exporter under KYC Norms is of the CB who files the Bill of Entry and/or Shipping Bill as Authorised Representative of Importer and/or Exporter respectively. The CB submitted that since April 2021 till date they had not filed any Shipping Bill and Bill of Entry for any Importer and Exporter, as the case may be, being inoperative, no liability cast on them.

The CB submitted that Regulation 10(a) of CBLR states as under:

*“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;*

The CB submitted that no such Authorisation was issued by PI to them, as such they were not Authorised Representative of PI for past as well as present consignments. The CB submitted that it is on record that for Past Consignments of 2024 of PI, Airtrax Freight Logistics was Authorised CB under Regulation 10(a) of CBLR and address verification in Physical Mode condition applied to the said CB and such contravention cannot be made on them as well as the CB's G-Card Holder Employee, who merely professionally referred the matter to another CB. The CB submitted that even if it is assumed that the CB's G-Card Holder received documents of KYC, which were admittedly handed over to the CB handling the imports, then also non-verification of address physically cannot be contravention of Regulation 13(12) of CBLR, 2018 when statutory documents such as IEC, Aadhar card, GST, PAN copies showed the registered address and as PI was located at Delhi, it was not feasible for Taranjeet Singh Rathore to visit at Delhi.

b. The CB submitted that the Proprietor of PI held GST Registration No. O7GOLPK8444F1ZJ with effect from 11.04.2023 and is active till date. The CB submitted that it is statutorily binding for the GST Authorities to verify the Premises alongwith G-Mapping before allotting GST Registrations. Moreover, the CB stated that the Customs Officers who visited at premises, Shri Vimal Kumar, Prop of PI arrived voluntarily and opened the office. This fact which is accepted in the IR which indicated that PI was in fact existing at the declared premises. The CB submitted that in such scenario of existence of

PI at very same declared address the allegation that Tranjeet Singh Rathore, G-Card Holder of the CB did not physically verify the address does not hold and accordingly allegation of violation of Regulation 13(12) of CBLR also fails to sustain in addition to the fact that the he was not authorised CB for PI any consignments of past and present.

The CB placed reliance upon the following decisions:

- i. *Parvath Shipping Agency versus Commissioner of customs (Gen.), Mumbai, [2017 (357) E.L.T. 296 (Tri-Mumbai)]*
- ii. *Bombay Shipping Agency versus Commissioner of Cus. (General), MUMBAI [2014 (299) E.L.T. 352 (Tri. - Mumbai)]*

11.3 Allegation of abetting with PI For smuggling is only assumptive:

a. The CB submitted that SCN No. 266/2025-26/JC/Gr.I&IA/NS-I/CAC/JNCH dated 11.06.2025 was issued to PI and also to G-Card Holder of the CB (Taranjeet Singh Rathore) for penalty on the grounds that Taranjeet Singh Rathore abetted PI in importing Areca Nut illegally. The CB submitted that the litigation is pending adjudication before the Adjudicating Authority. The CB submitted that there is no iota of evidence of any abetment by Taranjeet Singh Rathore. The CB submitted that Taranjeet Singh Rathore in his statement had also stated that after 2024 which was after clearance of “past consignments” by the CB Airtrax, said Vimal Kumar of PI, never contacted him. The CB submitted that mere allegation that Taranjeet Singh Rathore did not physically verify address of PI in 2024 for the past consignments, Taranjeet Singh Rathore is held responsible by such serious allegation which is not only illogical but also illegal. The CB stated that the present consignment was destined to TKD-ICD and instead of following proper steps to initiate investigation after claiming the present consignment and filing of Bill of Entry at TKD-ICD, the Customs Authorities at JNCH showed haste prematurely. The CB alleged that the Customs Authorities in order to circumvent such haste and improper investigation, made the CB a scape goat for penalizing by alleging contravention of Regulation 13(12) of CBLR, when it is evident that they had not filed any document of Import or Export for any person since April 2021 till date.

b. The CB submitted that they had placed reliance upon the following case laws in support of contention herein above.

- i. *Commissioner of Customs (Import) versus Wings Electronics [2015 (323) E.E.T. 450 (S.C.)]*
- ii. *Commr. of Cus. (Export Promotions), Mumbai versus Diamond Polyprints [2016 (332) E.L.T. 883 (Tri. - Mumbai)]*
- iii. *Bijoy Sharma Versus Commissioner of Customs, Shillong [2003 (151) E.L.T. 94 (Tri. - Kolkata)]*

11.4 The CB summarized the submission as under:

- a) The CB is inoperative since April 2021 till date and had not filed any Import or Export Documents as a CB for any person including Past and Present Consignment of GNPI.
- b) The CB is not the person or CB in terms of Regulation 10(a) of CBLR for past Consignments of PI as such they and/or their employee were not responsible for KYC of PI.
- c) For the Present Consignment under litigation of PI which was to be discharged at TKD ICD, at JNCH, no one including the CB had filed BE or claimed with the Shipping Line for the same.
- d) The address of PI was well in existence as admitted by the Customs Authorities themselves, which also supported by GST portal.
- e) The Impugned Notice seeks to initiate action against the CB without evidencing that they were Authorised CB of PI under Regulation 10(a) of CBLR.
- f) The Impugned Notice is seeking to penalize the CB to circumvent improper and hasty investigation carried out by the Investigating Officers.

11.5 In view of the above, the CB submitted that the Impugned Notice and Inquiry Report are not sustainable and the CB prayed that the SCN and the Inquiry Report may be quashed.

**DISCUSSIONS AND FINDINGS:** -

12. I have gone through the facts and records of the case; the offence report received in the form of Show Cause Notice No. 266/2025-26/JC/Gr.I&IA/NS-I/CAC/JNCH dated

11.06.2025 issued by the Joint Commissioner of Customs, Group-I&IA, NS-I, JNCH, Mumbai Zone – II; Show Cause Notice No. 27/2025-26 dated 28.08.2025 issued under Regulation 17(1) of the CBLR, 2018; Inquiry Report dated 02.12.2025, PH records dated 10.02.2026 and the CB's written submission dated 07.02.2026.

13. Briefly stated, the case originated from intelligence developed by the SIIB(I), JNCH regarding an import by M/s Petrolube Industry. The importer had declared 10 containers as Bitumen Grade 60/70, however, investigations revealed a discrepancy in the nature of the cargo and the legitimacy of the transaction. While the goods were declared as Bitumen Grade 60/70, the physical examination revealed a massive concealment of 1,12,140 kgs of Areca Nuts under the guise of declared goods i.e. Bitumen. Areca Nuts are a restricted item subject to a Minimum Import Price (MIP) and high tariff values; in this instance, the undeclared cargo was valued at approximately Rs. 5.70 Crores, with an estimated duty evasion of Rs. 6.27 Crores.

The role of the Customs Broker, M/s. IOCC Shipping Pvt. Ltd., came under scrutiny through the activities of its G-Card holder, Shri Taranjeet Singh Rathore. Shri Rathore admitted that although the CB firm had become inoperative in 2021 following his father's demise, he continued to operate on a commission basis by forwarding documents from the importer to other Customs Brokers, such as M/s Airtrax Freight Logistics, for filing and clearance. Crucially, he confessed to never physically verifying the importer's address, relying entirely on provided KYC documents, despite having handled prior consignments for the same client and acting as their transporter. This systemic failure in due diligence and lack of supervision over employee conduct led to the allegation that the CB violated Regulation 13(12) of the CBLR, 2018, effectively facilitating a smuggling operation through gross negligence and a conflict of interest. Consequently, the CB is charged with violating Regulation 13(12) of the CBLR, 2018.

#### **14 Violation of Regulation 13(12) of the CBLR, 2018:**

(a) I find that the charge of violation of Regulation 13(12) of the CBLR, 2018 has been levelled against the CB on the grounds that, 'Regulation 13(12) of the Customs

Brokers Licensing Regulations (CBLR), 2018, mandates that Customs Broker exercise strict supervision over their employees to ensure proper conduct in customs-related transactions. This includes establishing robust systems to verify client authenticity and the accuracy of declarations, thereby preventing noncompliance such as misdeclaration or smuggling. In the case of M/s IOCC Shipping Pvt. Ltd., serious violations of this regulation were uncovered through the actions and omissions of its G-Card Holder, Shri Taranjeet Singh Rathore. A key lapse involved the failure to verify the credentials of the importer, M/s Petrolube Industry. Shri Rathore admitted to relying solely on KYC documents without physically verifying the importer's registered address. Investigations revealed that the importer was a dummy and a front for some other person, indicated a lack of due diligence on the part of the CB. This negligence enabled transactions with a dubious importer, facilitating the smuggling of areca nuts misdeclared as Bitumen. Further, Shri Rathore demonstrated inadequate oversight in handling import documents. He forwarded these documents to other Customs Brokers, such as M/s Airtrax Freight Logistics, without verifying their authenticity or accuracy. As a responsible Customs Broker, M/s IOCC Shipping Pvt. Ltd. was obligated to scrutinize those documents to prevent misdeclaration. The failure to do so led to the concealment of 1,12,140 kg of areca nuts under the guise of Bitumen, a serious offence confirmed during examination proceedings on 07.06.2024. The investigation also highlighted a lack of supervision in transaction processes. Despite handling 5 - 6 prior consignments for the same importer, Shri Rathore did not implement systems to verify consignment details or the importer's operations. His role as an intermediary and transporter, without rigorous checks on declared cargo such as Bitumen, enabled the smuggling attempt. This reflected a systemic failure to supervise customs transactions, as required under Regulation 13(12).

Compounding the issue was Shri Taranjeet Singh Rathore's dual role as Customs Broker and transporter, which created a conflict of interest. He delivered goods to unverified addresses provided by the importer's representative without confirming their legitimacy. This lack of oversight facilitated the movement of potentially smuggled goods and compromised the integrity of the customs process. Moreover, M/s IOCC Shipping Pvt.

Ltd. had previously handled consignments for M/s Petrolube Industry without verifying delivery addresses or the nature of the goods. This pattern of inadequate due diligence, including failure to physically verify godown or office locations, underscored a broader failure to supervise customs-related activities. Although, Shri Rathore claimed no involvement in the current consignment and stated his firm had been inactive since 2021, his prior dealings and admissions revealed a consistent lack of oversight. In view of the foregoing observations, it was evident that the CB failed to supervise their staff as required under Regulation 13(12) of the CBLR, 2018'.

(b) I find that the Inquiry Officer, in this regard, has observed that, Regulation 10 requires a CB to exercise due diligence in verifying client KYC and antecedents. The admitted facts establish that Shri T. S. Rathore (G-Pass holder connected with IOCC) accepted KYC documents by mail and explicitly admitted that they did not physically verify the importer's registered office or premises for the present or prior consignments nor did conduct any independent verification. The IO submitted that independent verification is a basic and recognised step of checks for a new/unknown importer, particularly where KYC/information is scant or repetitive consignments show unusual patterns. The IO found that there is a failure of supervision/inoperative licence as the license of IOCC is on record as Inoperative since 2021. Despite that, the CB's G-Pass holder continued to act for the Importer, forwarding documents to other CBs and accepting agency charges. The IO submitted that regulation 13(12) casts responsibility upon the Customs Broker to supervise employees and ensure proper conduct. A firm that is inoperative and yet has its G-Pass holder operating quasi-independently without oversight squarely falls within the mischief that Regulation 13(12) contemplates. The IO submitted that the CB cannot disclaim responsibility for the admitted actions of its G-Pass holder by a formalistic statement that the licence was 'inoperative'. The Act and Regulations treat the Broker as answerable for lapses of their agents/employees/authorised persons.

The IO found that there was monetary transactions and role as transporter in the present case, and that the CB acted as transporter, showed commercial involvement beyond

mere passive association. The IO submitted that commercial nexus demonstrated more than a distant or innocent relationship with the importer and consignments; it supported the conclusion that IOCC (through its G-Pass holder) participated in the chain of activities that created the risk for mis-declaration and concealment. In the present case, the IO found that the practice of forwarding importer documents to other CBs for filing without conducting or ensuring adequacy of due diligence is an abdication of regulatory responsibility. The IO submitted that a CB that obtains client documents and procures clearance indirectly remains bound to ensure the veracity of the client and legitimacy of the transaction.

The IO stated that proceedings under CBLR are regulatory/ disciplinary against a licensed Customs Broker for breach of regulatory obligations. There is no legal bar to parallel proceedings where separate statutory/regulatory powers exist. The fact that outcome of one proceeding may be relevant to the other does not render an inquiry per se premature. On the contrary, early inquiry is necessary to safeguard the regulatory framework and prevent misuse of CB privileges. Therefore, the CB's request to stay proceedings pending adjudication was therefore rejected. The IO further stated that the CBLR proceedings are disciplinary/regulatory and not criminal prosecution of the importer. The doctrine of double jeopardy does not apply to administrative disciplinary action of a separate regulatory domain and hence, the plea was untenable. The IO further stated that Board instructions must be read contextually - they caution against casually making a CB a Noticee where no role is discernible. However, they do not immunize a CB from Inquiry where there is credible material indicating breach of CBLR obligations. The present record contains such material (admissions, forwarding of documents, agency payments, non-verifications). Reliance upon board circulars does not shield admitted regulatory lapses. The Inquiry Officer stated that he was satisfied there was sufficient material to proceed.

The IO found that non-filing of BE by the importer does not negate regulatory obligations of the CB. The IO stated that the CB's operational acts (accepting documents, forwarding to other brokers, receiving fees, transporting cargo, acting through its G-Pass

holder) are themselves supervisory responsibilities. Moreover, absence of BE underscored the greater need for vigilance by a CB dealing with an importer who repeatedly failed to complete statutory formalities presented clear red flags which should have been escalated or refused. Thus, absence of BE did not absolve the CB of responsibility; rather it magnified the duty to exercise caution. The IO submitted that in view of the aforementioned discussions and findings it appeared that the admitted conduct of the CB's authorised person amounted to failure to exercise due diligence and failure to supervise their personnel, in contravention of Regulation 13(12) of the CBLR, 2018. Therefore, it appeared that the allegation against the Customs Broker M/s. IOCC Shipping Pvt. Ltd. under the Regulation 13(12) of the CBLR, 2018 is proved.

(c) I find that the CB contended that they cannot be held liable for any violations under the Customs Broker Licensing Regulations (CBLR), 2018, because their license has been inoperative since April 2021 following the death of their Managing Director. They maintain that they never acted as the authorized representative for the importer, M/s Petrolube Industry, never received an authorization as required by Regulation 10(a), and did not file any Bills of Entry or Shipping Bills for the importer's past or present consignments. Consequently, the CB argued that they had no legal obligation to conduct KYC or physical address verifications, as these responsibilities belonged to the specific brokers who actually transacted the business. Furthermore, the CB challenged the allegation of a Regulation 13(12) violation, asserting that they cannot be held responsible for employee conduct in the transaction of business when no such business was being conducted by the firm. They also submitted that Shri Vimal Kumar, Proprietor of M/s Petrolube Industry arrived during the search and voluntarily opened the office premises which indicates that M/s Petrolube Industry existed at the declared address. The CB concluded the submission stating that the Inquiry Report is unsustainable and based on a hasty investigation, requesting that both the Show Cause Notice (SCN) and the inquiry report be quashed.

(d) Regulation 13(12) mandates that a Customs Broker shall exercise such supervision as may be necessary to ensure proper conduct of his employees in the transaction of business and he shall be held responsible for all acts or omissions of his employees during their employment. Having gone through the facts and records of the case, I find that the CB has primarily argued that they cannot be held liable because their license has been inoperative since April 2021 due to the demise of their Managing Director. They contend that they did not file any Bill of Entry for the importer, M/s. Petrolube Industry, and therefore did not transact business as a Customs Broker. However, the evidence on record tells a different story. I have gone through the statement of Shri Taranjeet Singh Rathore, a G-Card holder and authorized person of the CB firm wherein, he admitted to acting as a middleman for the importer, M/s Petrolube Industry, for prior consignments; obtaining KYC documents and forwarding them to another CB (M/s Airtrax Freight Logistics) for filing; collecting commission and agency charges for these services; arranging transportation for the goods. The CB's argument that they were "inoperative" is unacceptable under the circumstances of the case. If the firm was inoperative, the CB had a heightened duty to ensure that its authorized G-Card holders were not using the firm's credentials or professional standing to facilitate third-party clearances. By allowing Shri Taranjeet Singh Rathore to continue dealing with importers and other brokers under the umbrella of his G-Card status (linked to M/s IOCC Shipping Pvt. Ltd.), the CB failed in its supervisory role.

Regulation 13(12) does not only apply when a Bill of Entry is filed directly by the CB. It applies to the "conduct of employees in the transaction of business". The CB's contention that they were not involved in the transaction of business is severely misplaced when it is a fact brought out in the investigation that the CB's G-card holder was acting as an intermediary on commission basis for the importer. The fact that 1,12,140 kgs of restricted Areca Nuts valued at approx. Rs. 5.70 crores were being smuggled under the guise of Bitumen indicates that the business being transacted was fraudulent. The CB, by failing to supervise Shri Rathore, failed in its duties obligated under the CBLR, 2018. The CB's claim that they are not responsible for the KYC of the importer because they didn't

file the Bill of Entry is legally untenable; it is a fact brought on record during the investigation that an authorized employee (Shri Taranjeet Singh Rathore) of the CB was the primary point of contact of the importer.

I find that the CB firm exercised zero supervision over this employee during the period they claim to be “inoperative”. A Customs Broker is a licensee of the department and must act responsibly in ensuring revenue protection. The CB cannot disown the actions of its G-Card holder. If the CB allowed its employee to hold a valid G-Pass and represent the firm in the trade, they are legally responsible for that employee’s actions in trade. Consequently, I concur with the Inquiry Officer's report and observe that the charge of violating Regulation 13(12) is established beyond doubt. The CB has failed to maintain the high standards of professional integrity and oversight required under the CBLR, 2018. In this regard, I place reliance on the following caselaws:

- i. **Hon’ble CESTAT, NEW DELHI, in the Final Order No: 51504/2023 Date of Decision: 06/11/2023 in the matter of M/s. SKH Freight Logistics Pvt. Ltd. vs Commissioner of Customs – New Delhi, wherein, under para 18, it is held that:**

*“Since the custom broker is responsible for all acts and means of his employees during their employment as per Regulation 13(12) of CBLR of 2018, it was mandatory for the appellant to advise the exporter to comply with the provisions of the Customs Act, else to have brought to the notice of the Dy. Commissioner Customs about the non-compliance. But neither the appellant nor his G card holder has ever brought the impugned fraud to the notice of the competent authorities. We have no reason to differ from the findings arrived at against the appellant”.*

- ii. **Hon’ble CESTAT, NEW DELHI, in the Final Order No: 50030/2024 Date of decision: 09.01.2024 in the matter of HBS Logistics vs. Commissioner of Customs – New Delhi, wherein, under para 12, it is held that:**

*“The appellant cannot escape the liability by putting the entire burden on his employee and say that nothing was in his knowledge. Consequently, we hold that the appellant is vicariously liable and responsible for the conduct of Prashant Jain being his employee in fabricating the document. The provisions of the regulations cast special obligations on the Customs broker to ensure proper conduct of his employees. The appellant has miserably failed to supervise the*

*working and the conduct of his employee in terms of Regulation 13(12) and is, therefore, liable for all the acts and omissions of his employee.”.*

15. 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. A lot of trust is kept in CB by the Government Agencies; however, by their acts of omission and commission, the Customs Broker M/s. IOCC Shipping Pvt. Ltd. (CB License No. 11/750) has violated Regulation 13(12) of the Customs Brokers Licensing Regulations (CBLR), 2018. I find that for the violation of obligations provided under CBLR, 2018 and for their act of omission and commission, the CB M/s. IOCC Shipping Pvt. Ltd. has rendered itself liable for penal action under the CBLR, 2018. 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 CB 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 CB is supposed to safeguard the interest of both the importers and the Customs. A lot of trust is kept in CB 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 CB Licensing Regulations lists out obligations of the CB. Any contravention of such obligations even without intent would be sufficient to invite upon the CB 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 CB 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 CB, 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."*

16. As discussed above, I conclude that the CB M/s. IOCC Shipping Pvt. Ltd. (CB License No. 11/750) is guilty of violation of Regulation 13(12) of the CBLR, 2018. In conclusion, the investigation and the subsequent inquiry have established that the Customs Broker, M/s. IOCC Shipping Pvt. Ltd., failed to exercise the mandatory oversight required under Regulation 13(12) of the CBLR, 2018. The evidence confirms that while the CB claimed to be inoperative, its authorized G-Card holder, Shri Taranjeet Singh Rathore, continued to conduct customs-related business including handling documents for a dummy importer, arranging transportation, and facilitating clearances through other brokers for a commission all without any supervision from the licensee. The CB's defence that they are not liable because they did not personally file the Bill of Entry is legally unsustainable, as the regulation specifically holds the licensee responsible for the acts and omissions of their employees during their engagement.

Further, on perusal of the offence report, I find that no discrepancy was reported in the previously cleared consignments viz. hydrocarbon oil imported in the past by M/s Petrolube Industry. I find the investigation revealed that no Bill of Entry was filed for the current consignment. Also, I observe from the offence report that no Bill of Entry was filed by the CB M/s IOCC Shipping Pvt. Ltd for the importer M/s Petrolube Industry at any point of time. From the facts and evidences available on record, the statements of persons recorded during the investigation I observe that the direct involvement of the CB M/s IOCC Shipping Pvt. Ltd. in the smuggling of Areca Nuts in the current consignment is not evident. Hence, in light of the facts and evidences on record, and applying the principle of benefit of doubt, I am of the view that the extreme penalty of revocation would be disproportionate, as there is no evidence of the CB's active connivance in the current

smuggling attempt. Therefore, a balanced approach is warranted to allow the CB an opportunity to rectify any lapses and act with due diligence to enhance supervision over the conduct of their employees. Hence, under the factual matrix of the case and considering the defence arguments of the CB and applying the principle of proportionate punishment I am not inclined to revoke the License and forfeit the security deposit of the CB as the punishment of revocation of license and forfeiture of security deposit is much harsher and disproportionate to the offences committed. However, I am of the considered view that the ends of justice will be met by imposing a penalty on the CB, under Regulation 18 of the CBLR, 2018 which suffices both as a punishment for the infraction and as a deterrent to future violations. In this regard, I place reliance on the following caselaws:

a) **Delhi High Court has, in the case of Falcon Air Cargo and Travels (P) Ltd [2002 (140) ELT 8 (DEL)] held as follows:**

*"13. By order dated 15-7-2000, licence was revoked. It is not clear how there could be revocation when the licence itself was not functional after 13-1-2000. Licence can be suspended or revoked on any of the grounds as mentioned in Regulation 21. It is, therefore, clear that if any of the grounds enumerated existed, two courses are open to the Commissioner. One is to suspend the licence and the other is to revoke it. Suspension would obviously mean that licence would be for a particular period inoperative. An order of revocation would mean that licence is totally inoperative in future, it loses its currency irretrievably. Obviously, suspension/revocation, as the case may be, has to be directed looking to the gravity of the situation in the background of facts. For minor infraction or infraction which are not of very serious nature order of suspension may suffice. On the contrary, when revocation is directed it has to be only in cases where infraction is of a very serious nature warranting exemplary action on the part of the authorities, otherwise two types of actions would not have been provided for. Primarily it is for the Commissioner/Tribunal to decide as to which of the actions would be appropriate but while choosing any of the two modes, the Commissioner/Tribunal has to consider all relevant aspects and has to draw a balance sheet of gravity of infraction and mitigating circumstances. The difference in approach for consideration of cases warranting revocation or suspension or non-renewal has to be borne in mind while dealing with individual cases. In a given case the authorities may be of the view that non-renewal of licence for a period of time would be sufficient. That would be in a somewhat similar position to that of suspension of licence though it may not be so*

*in all cases. On the other hand, there may be cases where the authorities may be of the view that licensee does not deserve a renewal either. Position would be different there. Though we have not dealt with the question of proportionality, it is to be noted that the authorities while dealing with the consequences of any action which may give rise to action for suspension, revocation or nonrenewal have to keep several aspects in mind. Primarily, the effect of the action vis-a-vis right to carry on trade or profession in the background of Article 19(l)(g) of the Constitution has to be noted. It has also to be borne in mind that the proportionality question is of great significance as action is under a fiscal statute and may ultimately lead to a civil death."*

**b) Delhi High Court has in case of Ashiana Cargo Services [2014 (302) ELT 161 (DEL)] held as follows:**

*"11. Viewing these cases, in the background of the proportionality doctrine, it becomes clear that the presence of an aggravating factor is important to justify the penalty of revocation. While matters of discipline lie with the Commissioner, whose best judgment should not be second-guessed, any administrative order must demonstrate an ordering of priorities, or an appreciation of the aggravating (or mitigating) circumstances. In this case, the Commissioner and the CESTAT (majority) hold that —there is no finding nor any allegation to the effect that the appellant was aware of the misuse of the said G cards, but do not give adequate, if any weight, to this crucial factor. There is no finding of any mala fide on the part of the appellant, such that the trust operating between a CB and the Customs Authorities (as a matter of law, and of fact) can be said to have been violated, or be irretrievably lost for the future operation of the license. In effect, thus, the proportionality doctrine has escaped the analysis".*

**c) In the case of ACE Global Industries [2018 (364) ELT 841 (Tri Chennai)], Hon'ble Tribunal observed as follows:**

*"6. We are unable to appreciate such a peremptory conclusion. The CBLR, 2013 lays down that stepwise procedures are to be followed before ordering any punishment to the Customs broker. True, the said regulations do contain provisions for revocation of the license and for forfeiture of full amount of security deposit, however these are maximum punishments which should be awarded only when the culpability of the Customs broker is established beyond doubt and such culpability is of very grave and extensive nature. In case of such fraudulent imports, for awarding such punishment, it has to be established without doubt that the Customs*

*broker had colluded with the importer to enable the fraud to take place. No such culpability is forthcoming in respect of the appellant herein.....”*

**d) Hon’ble CESTAT, Mumbai in the matter of Setwin Shipping Agency Vs. CC (General), Mumbai – 2010 (250) E.L.T 141 (Tri.-Mumbai) observed:**

*“it is a settled law that the punishment has to be commensurate and proportionate to the offence committed”.*

17. Having gone through the facts of the case and evidences on record, it is noted that the proceedings do not establish conclusive evidence of deliberate abetment or mens rea on the part of the Customs Broker. The role of the CB, though marked by negligence and lack of professional caution, appears to be one of omission and failure to adhere to prescribed standards rather than active complicity in the fraud perpetrated by the importer. This distinction is of material importance while determining the proportionality of punishment under the licensing regulations. The objective of action under the CBLR is not punitive alone but also corrective and deterrent, aimed at ensuring that Customs Brokers adhere to the high standards of diligence and responsibility expected of them as licensed intermediaries. In the present case, the regulatory lapses established on record justify imposition of a monetary penalty under Regulation 18 of the CBLR, 2018, so as to underscore the seriousness of the obligations violated and to deter recurrence of such lapses in future. However, having regard to the absence of proven abetment, the nature of the violations, and the fact that revocation of licence would have severe and disproportionate consequences on the livelihood of the CB and its employees, the extreme penalty of revocation or forfeiture of security deposit is not warranted.

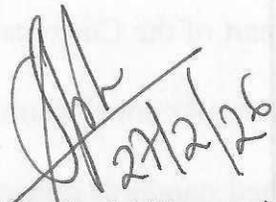
18. In light of the foregoing discussion and findings and keeping in mind the ‘Doctrine of Proportionality’ which propagates the idea that a punishment for an offence should be proportional to the gravity of the offence, I am not inclined to revoke the license or forfeit the security deposit furnished by the CB. However, for their acts of omission and commission, the Customs Broker M/s. IOCC Shipping Pvt. Ltd. (CB License No. 11/750) is held liable and guilty for violating the provisions of the CBLR, 2018 as mentioned above. Accordingly, I pass the following order:

**ORDER**

19. I, 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 impose a penalty of Rs. 50,000/- (Rupees Fifty Thousand only) on M/s. IOCC Shipping Pvt. Ltd. (CB License No. 11/750) under Regulation 18(1) of the CBLR, 2018.

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.

  
**(Shraddha Joshi Sharma)**  
 Commissioner of Customs (Gen.)  
 NCH, Mumbai-I

To,

**M/s. IOCC Shipping Pvt. Ltd. (CB License No. 11/750)**  
 203, Sai Samarth Business Park,  
 Deonar Village Road, Govandi (East),  
 Mumbai- 400088.

**Copy to:**

1. The Pr. Chief Commissioner/ Chief Commissioner of Customs, Mumbai - I, II, III Zone.
2. The Pr. Commissioner of Customs, NS-I, JNCH.
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. Cash Department, NCH
7. Office Copy