



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

संचिका सं./F. No. GEN/CB/279/2025-CBS

आदेश दिनांक/Date of Order: 17.06.2026

CAO No. 15/2026-27/CAC/PCC(G)/AKP/Adj-CBS जारी दिनांक/Date of issue: 17.06.2026

संख्या:

DIN:- 20260677NO000000ACC2

द्वारा जारी : अजय कुमार पाण्डेय

Issued By : Ajay Kumar Pandey

प्रधान आयुक्त, सीमाशुल्क (सामान्य)

Pr. 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।  
This copy is granted free of Charge for the private use of the person to whom it is issued.

2. इस आदेश के विरुद्ध अपील माँगे गए राशी के 7.5% के भुगतान पर सीमाशुल्क अधिनियम, 1962 129 की धारा(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 क्षेत्रीय खंडपीठ, 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 रु(iii) 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. P.G. Goswamy, Customs Broker (CB License No. 11/1690; PAN-AEYPG1162K) having registered office address as 2nd Floor, 11 Shree Krishna Bhavan CHS Ltd., Sutar Pakhadi Road, Sahar Village, Andheri East, Mumbai - 400099. (hereinafter referred to as the Customs Broker/CB) is holder of Customs Broker License No. (11/1690), issued by the Commissioner of Customs, Mumbai under Regulation 9(1)/9(2) of CHALR, 2004 erstwhile (now regulation 7(2) of CBLR, 2018) and as such they are bound by the regulations and conditions stipulated therein.

2. An Offence report in the form Show Cause Notice No. 04/JC/NOIDA/CUS/2025-26 dated 14.05.2025 issued by Joint Commissioner of Customs, Noida Customs Commissionerate along with RUDs of the case, was received in this Commissionerate on 14.05.2025, wherein, inter-alia, the following were informed:

2.1 Directorate of Revenue Intelligence (DRI), Delhi received specific intelligence that various generic items viz. Iron Chain, Auto Bulb, Bicycle Horn, Adjust Arm, Thermo Hygrometer, Food thermometer, tester etc. were being imported by M/s Angel Overseas (IEC – JEDPS4241R) vide B/E No. 5947046 dated 14.05.2023 at ICD Dadri, Uttar Pradesh through the CB M/s P.G. Goswamy (CB License No. 11/1690). It was further informed that the description of goods would be generic so that ascertaining correct item details and value of the goods become cumbersome for the custom authorities. Acting on the same, the subject goods were examined by the DRI officers in presence of Sh. Ranjit Singh (proprietor of M/s Angel Overseas). Further, Sh. Sanjay Chaudhary joined the examination and submitted a letter dated 29.05.2023 wherein Sh. Sanjay Chaudhary was made authorized representative by M/s Angel Overseas. During examination, it was found that the quantity of the subject goods was found mis-declared. The goods imported by M/s Angel Overseas were placed under detention on 29.05.2023.

2.2 Since the goods were declared with very generic names and there was no specific brand, the goods were re-assessed by Chartered Engineer and it was found that the price

given by the Chartered Engineer in relation to the goods imported vide subject bill of entry were very high compared to the value of the goods declared by the importer.

2.3 Further, the statement of Sh. Ranjit Singh, Proprietor of M/s Angel Overseas was recorded on 19.07.2023 wherein, he inter-alia stated that:

- he had studied till 2nd class only and could read Hindi only but was unable to write Hindi fully and hence, brought one friend Sh. Arun Kumar with him.
- he was e-rickshaw driver and during his work, he met Sh. Sanjay Chaudhary who offered to open a company in his name and to sub-let the same to Sh. Sanjay Chaudhary in lieu of commission of Rs. 10,000/- per month, to which he agreed; that Sh. Sanjay had asked for the copy of Aadhar Card and PAN card from him and had taken his signature on few papers; that M/s Angel Overseas was opened in his name; that after opening of company, Sh. Sanjay had given him Rs. 10,000/- per month; that he had visited SBI, Dwarka Mor Branch with Sh. Sanjay and opened one account of M/s Angel Overseas in SBI, Dwarka Mor Branch; that he had also signed some documents of IDBI Bank;
- Sh. Sanjay Chaudhary had informed him that the goods imported in his company had been put on hold by DRI and the same had to be checked in their presence; that he did not have any knowledge about import/export; that he did not know any buyer or supplier of goods and the same could only be explained by Sh. Sanjay Chaudhary; that Sh. Sanjay Chaudhary was handling all the work done in M/s Angel Overseas; that he came to know that Sh. Sanjay Chaudhary had evaded some tax in M/s Angel Overseas and had undervalued the goods; that he had never visited China and did not have a passport;
- On being asked about the registration of IEC, he informed that he had no knowledge about it and that Sh. Sanjay Chaudhary had taken his Aadhar Card and PAN Card and he had signed on some documents on the directions of Sh. Sanjay Chaudhary; that Sh. Sanjay Chaudhary had told him that he would open a company with the documents provided by him;

2.4 During Scrutiny of the phone of Sh. Sanjay Chaudhary resumed during examination of the goods, it was observed that Sh. Sanjay Chaudhary was giving directions to one Sh. Kulwant Singh regarding some cash transactions., Accordingly, Sh. Kulwant Singh, employee of Sh. Sanjay Chaudhary was summoned and his statement was recorded under Section 108 of Customs Act, 1962 on 20.07.2023, wherein, he inter-alia, stated that:

- he was in contact with Sh. Sanjay Chaudhary since the year 2003; that he was working as an employee of Sh. Sanjay Chaudhary till year 2009; that in the year 2015, Sh. Sanjay Chaudhary offered him for de-stuffing of containers and delivery of imported goods to suppliers and in lieu of this work he had offered him Rs. 25,000/- per month as salary; that Sh. Sanjay Chaudhary had told him to handle the cash payment of sale proceeds of imported goods and had increased his salary to Rs. 40,000/-;
- his main work in the office of Sh. Sanjay Chaudhary was cash collection and delivery; that on the directions of Sh. Sanjay Chaudhary he used to collect and deliver the cash in Chandni Chowk, Sadar Bazar, Azad Market etc. which was mainly related to imported goods in containers; that sometimes cash transaction was done on commission basis;
- On being asked about his mobile, he stated that when the containers of Sh. Sanjay were put on hold, he had destroyed his mobile on the directions of Sh. Sanjay Chaudhary and Sh. Aditya Chaudhary (S/o Sh. Sanjay Chaudhary), as his mobile contained the messages related to cash transactions;

2.5 Further, summons was issued to Sh. Sanjay Chaudhary and his statement was recorded on 01.08.2023 wherein he inter-alia stated that:

- On being shown statement dated 19.07.2023 of Sh. Ranjit Singh, he stated that the facts stated by Sh. Ranjit Singh were correct and true; that he had used the IEC of M/s Angel Overseas in lieu of Rs. 10,000/- per month; that Sh. Ranjit Singh did not know anything about import as the IEC was used by them.
- On being asked about the method of ordering goods from overseas supplier, he informed that his partner namely Sh. Rahul was living in China and was well aware of the suppliers; that Sh. Rahul procured the goods in China on the basis of requirement of Indian customers and sent those goods to India; that he arranged off-loading of goods and placed them in warehouse located at Okhla Industrial Area, Phase-I; that from the said godown, goods were dispatched to customers; that clearing agent of these goods were also arranged by Sh. Rahul.
- On being shown Panchanama dated 29.05.2023 pertaining to BE No. 5947046 dated 14.05.2023 filed by M/s Angel Overseas, he stated that the facts detailed in Panchanama were correct and true;
- On being shown statement dated 20.07.2023 of Sh. Kulwant Singh he stated that the facts stated by Sh. Kulwant Singh were correct and true; On being shown WhatsApp chat between him and his employee, Sh. Kulwant Singh, retrieved from the mobile phone of Sh. Sanjay Chaudhary wherein, Sh. Sanjay was directing Sh. Kulwant for collecting cash and was asked to explain these chats, he stated that those payments

were related to sales of goods in cash and payment in cash had been received from various buyers; that Sh. Kulwant was directed for collecting these payments from buyers; that on being asked about the reason of cash receipt from buyers, he informed that buyers sold goods to customers and received payment in cash and thereafter gave this payment to them.

- On being shown the Chartered Engineer Valuation Report dated 26.06.2023 pertaining to BE No. 5947046 dated 14.05.2023, he stated that the value informed by Chartered Engineers appeared to be correct; that they were ready to deposit the differential duty involved in the subject Consignment.

2.6 Further, Sh. Ranjit Singh, proprietor of M/s Angel Overseas vide letter dated 04.08.2023 voluntarily deposited Demand Draft no. 638617 dated 03.08.2023 to the tune of Rs. 21,16,000/- towards differential duty liability against BE no. 5947046 dated 14.05.2023 and requested for provisional release of seized goods.

2.7 Further, summonses were issued to M/s P.G. Goswamy (Customs Broker) thrice but no one appeared from CB's side. Thus, it appeared that the CB was avoiding the investigation on one pretext or another and was deliberately evading the investigation. As Ms. P.G. Goswamy, Customs Broker failed to appear in compliance to the summons, non-compliance proceedings were initiated against M/s. P.G. Goswamy in the Hon'ble CMM Court, Patiala House, New Delhi but Ms. P.G. Goswamy did not appear in the Hon'ble Court as well on the said date, thus dishonouring the directions of the Hon'ble Court.

2.8 During investigation, it was revealed that Sh. Manoranjan Kumar was using the Customs Broker license of M/s P.G. Goswamy. Accordingly, statement of Sh. Manoranjan Kumar was recorded on dated 21.08.2024 wherein, he stated that he was using multiple Customs Broker Licenses and M/s. P.G. Goswamy's License was one of the licenses used by him. Further, he has also informed that generally mix goods were being imported on the Customs Broker license of M/s. P.G. Goswamy with average invoice value of USD 10,000 per container. However, on being asked about the actual prices, he informed that actual invoice value was somewhere around USD 25,000 per container but lower value was declared to evade applicable Customs Duty. Also, he used to give Rs. 300-500 per container to M/s. P.G. Goswamy.

2.9 Sh. Ranjit had sub-let his IEC to Sh. Sanjay Chaudhary for pecuniary benefit of Rs. 10,000/- per month for the import and Sh. Sanjay Chaudhary had used this IEC as instrument for importing goods by resorting to misdeclaration and undervaluation. This was also substantiated by the statement of Sh. Kulwant Singh, employee of Sh. Sanjay Chaudhary wherein, he admitted that he used to collect the cash pertaining to sale proceeds of imported goods from various customers of Sh. Sanjay Chaudhary. Since, the invoice amount had been received in the account of M/s Angel Overseas through banking channel, it was apprehended that the cash sales were for the differential value of actual goods which was received in cash by Sh. Sanjay Chaudhary from his customers after sales of imported goods. Sh. Sanjay Chaudhary in collusion with Sh. Manoranjan Kumar had cleared the undervalued goods using the Customs Brokers License of M/s. P.G. Goswamy. The same was corroborated by the statement of Sh. Manoranjan Kumar dated 21.08.2024.

### **3. Role of the Customs Broker:**

- The Customs Broker Ms. P.G. Goswamy, proprietor of M/s P.G. Goswamy rented her license to Sh. Manoranjan Kumar, controller of M/s. SS Mommy International Private Limited by unofficial arrangements and Sh. Manoranjan Kumar deliberately facilitated the customs clearance of mis-declared and undervalued goods. As a licensed Customs Brokers, it appeared that they failed to follow the obligations and functions of clearing agents as specified in the Customs Brokers Licensing Regulations, 2018.
- From the statements of Sh. Ranjit Singh (proprietor of M/s Angel Overseas), Sh. Sanjay Chaudhary and Sh. Manoranjan Kumar, controller of M/s SS Mommy International, it appeared that Sh. Sanjay Chaudhary (beneficial owner of the goods) mis-declared the value of goods imported vide Bill of Entry No. 5947046 dated 14.05.2023 and Sh. Manoranjan Kumar and M/s P.G. Goswamy (Customs Broker) had information about this undervaluation but did not inform the Customs Authorities about the undervaluation. Thus, it appeared that the CB knowingly aided and abetted the importer in the customs clearance of the fraudulent consignments in the name of said firm.

- Accordingly, the Customs Broker M/s P.G. Goswamy had been made party in the subject case and penalty was proposed under section 112(a) and section 112(b) of the Customs Act, 1962 along with action under CBLR, 2018.

#### 4. Summary:

4.1. On plain reading of the subject offence report it was observed that the importer imported various generic items declaring very low value with the help of Sh. Manoranjan Kumar (controller of M/s SS Mommy International Pvt. Ltd.) by utilizing the Customs Broker license of M/s P.G. Goswamy. The subject undervaluation was accepted by the importer/beneficial owner of the goods and paid the differential duty. Further, the CB M/s P.G. Goswamy was summoned thrice by the investigating agency but they did not cooperate and failed to produce themselves before them. Further, non-compliance proceedings were initiated against M/s. P.G. Goswamy in the Hon'ble CMM Court, Patiala House, New Delhi but Ms. P.G. Goswamy did not appear in the court on said date, thus dishonouring the directions of the Hon'ble Court.

4.2 Further, statement of Sh. Manoranjan Kumar (controller of M/s SS Mommy International) was recorded in which he stated that he was using multiple Customs Broker Licenses and M/s P.G. Goswamy was one of the licenses used by him. Further, he informed that generally mix goods were being imported on the Customs Broker license of M/s. P.G. Goswamy with average invoice value of USD 10,000 per container. However, on being asked about the actual prices, he informed that actual invoice value was somewhere around USD 25,000 per container but lower value was declared to evade applicable Customs Duty. Also, he used to give Rs. 300-500 per Container to M/s. P.G. Goswamy. Therefore, considering the above facts, it was amply clear that CB M/s P.G. Goswamy had given their license on rent to Sh. Manoranjan Kumar and got undue monetary benefits from Sh. Manoranjan Kumar, which is a clear violation of the CBLR, 2018.

4.3 In view of the above details from the offence report, it appeared that the CB M/s. P.G. Goswamy had violated the provisions of Regulations 1(4), 10(a), 10(d), 10(e), 10(n) and 10(q) of the CBLR, 2018 as discussed below:

**4.3.1 Violation of Regulation 1(4) of CBLR, 2018:**

*"Every license granted or renewed under these regulations shall be deemed to have been granted or renewed in favour of the licensee, and no license shall be sold or otherwise transferred";*

Upon a detailed examination of the subject offence report, it was revealed that Mr. Manoranjan Kumar, who was the controller of M/s SS Mommy International Pvt Ltd., had obtained the Customs Broker license on rent basis from the proprietor of M/s P.G. Goswamy. The said fact had been disclosed by Sh. Manoranjan Kumar in his statement dated 21.08.2024. Furthermore, based on the statement provided by Sh. Manoranjan Kumar, it was established that the license belonging to M/s P.G. Goswamy was unlawfully used by M/s SS Mommy International Pvt Ltd. In exchange for this unauthorized use, the company had provided monetary benefits to the license holder, thereby implicating them in a scheme of corrupt practices and violation of customs regulations. This revelation pointed to a clear breach of legal and procedural norms governing customs licensing and import clearance processes, raising serious concerns about misconduct and illicit activities. As per Regulation 1(4) of CBLR, 2018, no license can be sold or transferred. Therefore, in the present case, the act of the licensee voluntarily relinquishing or transferring her license to an unauthorized individual, particularly in exchange for monetary consideration, constituted a clear violation of the aforementioned regulatory provision. By engaging in such conduct, the Customs Broker appeared to have contravened the strict prohibitions set forth in Regulation 1(4), thereby undermining the integrity of the licensing regime and potentially compromising regulatory oversight and compliance standards established under Regulation 1(4) of the CBLR, 2018.

**4.3.2 Violation of Regulation 10(a) of CBLR, 2018:**

*"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";*

On scrutiny of the subject offence report, it appeared that the subject goods were imported by M/s Angel Overseas with the help of Sh. Manoranjan Kumar (controller of

M/s SS Mommy International Pvt. Ltd.) by unauthorized use of Customs Broker license of M/s P.G. Goswamy. The said fact had been stated by Sh. Manoranjan Kumar in his statement dated 21.08.2024. From the facts of the case, it appeared that the CB had given her license on rent basis. From the statement dated 19.07.2023 of Sh. Ranjit Singh (proprietor of M/s Angel Overseas), it was evident that he had no knowledge about import or export. In his statement, Sh. Ranjit Singh stated that Sh. Sanjay Chaudhary had used the IEC of M/s Angel Overseas in lieu of Rs. 10,000/- per month and Sh. Ranjit Singh did not know anything about the imports as the IEC was used by Sh. Sanjay. The said fact was concurred upon by Sh. Sanjay Chaudhary in his statement dated 01.08.2023. In the subject offence report, there was nothing which indicated that the IEC holder/beneficiary holder of the goods had met with the authorized person/s of Customs Broker M/s P.G. Goswamy. Thus, it appeared that neither the Sh. Ranjit Singh (IEC holder) nor Sh. Sanjay Chaudhary (beneficial owner of the goods) had authorized M/s P.G. Goswamy for customs clearance of the subject goods which indicated that the CB had violated the provisions of Regulation 10(a) of CBLR, 2018 as all the customs formalities were conducted on the directions of Sh. Manoranjan Kumar only.

#### **4.3.3 Violation of Regulation 10(d) of CBLR, 2018:**

*"advise his client to comply with the provisions of the Act, other allied Acts and the rules and regulations thereof, and in case of non-compliance, shall bring the matter to the notice of the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be";*

As per statement dated 21.08.2024 of Sh. Manoranjan Kumar, controller of M/s SS Mommy International Pvt. Ltd., the services of the Customs Broker M/s P.G. Goswamy was utilized by them for mixed goods and Rs. 300-500/- per container was paid to CB license holder in lieu of using their licenses for import of goods. An in-depth analysis of the offence report indicated that the Customs Broker did not interact directly with the importer. Consequently, it appeared that the Customs Broker license was exploited unlawfully by unauthorized persons who did not hold legitimate authorization or ownership rights over the import activities. Moreover, it was evident that the Customs Broker failed

to adhere to the provisions stipulated under Regulation 10(d) of the Customs Brokers Licensing Regulations, 2018 under which CB has to advise his client to follow the provisions of the act, other allied acts and the rules and regulations thereof. It was also apparent from the investigation that the Customs Broker did not fulfil their legal obligation to inform or alert the Customs authorities about any discrepancies, irregularities, or suspicious activities related to the import transactions. This neglect signified a breach of the duty to ensure compliance and maintain transparency during customs procedures. In light of the foregoing findings, it appeared that the Customs Broker committed a violation of Regulation 10(d) of the CBLR, 2018, by failing to provide appropriate guidance to client regarding compliance obligations and by not reporting the irregularities to the Customs authorities, thereby compromising the integrity of the customs clearance process. Hence, in view of the above, it appeared that the CB had violated the provisions of Regulation 10(d) of the CBLR, 2018.

#### **4.3.4 Violation of Regulation 10(e) of CBLR, 2018:**

*"exercise due diligence to ascertain the correctness of any information which he imparts to a client with reference to any work related to clearance of cargo or baggage";*

On scrutiny of the offence report, it appeared that the CB had not exercised due diligence and did not impart correct information with reference to any work related to clearance of cargo. As per statement dated 21.08.2024 of Sh. Manoranjan Kumar, controller of M/s SS Mommy International Pvt. Ltd., the services of the Customs Broker M/s P.G. Goswamy were utilized by them for mixed goods and Rs. 300-500/- per container was paid to CB license holder in lieu of using their licenses for the import of goods. Scrutiny of the offence report indicated that the CB had not maintained any substantive connection with the importer of the subject goods. Instead, it appeared that the license was clandestinely transferred to unauthorized persons in pursuit of illegitimate monetary gains. Had the CB exercised diligent oversight during the customs clearance process, such a substantial fraud could have been identified and mitigated at an incipient stage, thereby safeguarding legitimate government revenue. The failure to perform such due diligence

underscored a significant lapse in adhering to the prescribed standards of professional conduct and statutory obligations. Based on the aforementioned facts, it was apparent that the CB did not conform to the provisions enshrined under Regulation 10(e) of the Customs Brokers Licensing Regulations (CBLR), 2018, which mandates that CB has to exercise due diligence to ascertain the correctness of any information which he imparts to a client with reference to any work related to clearance of cargo or baggage. Consequently, it appeared that the CB had not fulfilled the obligations stipulated under Regulation 10(e) of the CBLR, 2018, thereby undermining the integrity of the customs clearance process and facilitating illicit activities.

#### **4.3.5 Violation of Regulation 10(n) of CBLR, 2018:**

*"verify correctness of Importer Exporter Code (IEC) number, Goods and Services Tax Identification Number (GSTIN), identity of his client and functioning of his client at the declared address by using reliable, independent, authentic documents, data or information";*

As per the offence report, the said Customs Broker license was utilized by one Sh. Manoranjan Kumar, controller of M/s SS Mommy International Pvt. Ltd. on some monetary benefits to the proprietor of M/s P.G. Goswamy. It is pertinent to mention that Sh. Manoranjan Kumar was not an employee/partner/director of CB firm M/s P.G. Goswamy. From the statement dated 19.07.2023 of Sh. Ranjit Singh (Proprietor of M/s Angel Overseas), it was evident that he had no knowledge about import-export. In his statement, Sh. Ranjit Singh stated that Sh. Sanjay Chaudhary had used the IEC of M/s Angel Overseas in lieu of Rs. 10,000/- per month and Sh. Ranjit Singh did not know anything about import as the IEC was used by Sh. Sanjay. The said fact was concurred upon by Sh. Sanjay Chaudhary in his statement dated 01.08.2023. Thus, it was evident that the authorized person of the Customs Broker had never met with the importer/beneficial owner of the goods and it appeared that they did not verify the antecedent of the subject importing firm as stipulated in Regulation 10(n) of CBLR, 2018 under which CB has to verify the antecedent, correctness of IEC code, identity of his client and the functioning of his client at the declared addresses by using reliable, independent, authentic documents,

data or information. Consequently, it appeared that the CB has failed to fulfil obligations stipulated under Regulation 10(n) of the CBLR, 2018.

#### **4.3.6 Violation of Regulation 10(q) of CBLR, 2018:**

*"co-operate with the Customs authorities and shall join investigations promptly in the event of an inquiry against them or their employees".*

It appeared that the CB has knowingly misused her license and gave the same to unauthorized persons which helped Shri Sanjay Chaudhary and Sh. Ranjit Singh (proprietor of M/s Angel Overseas.) in the customs clearance of undervalued goods. Further, it was also observed that the CB did not turn up for any statement/submission before the investigating agency which indicated that they did not want to co-operate with the Customs authorities. Further, it was also noticed that non-compliance proceedings were initiated against them in the Hon'ble CMM Court, Patiala House, New Delhi but M/s P.G. Goswamy did not present themselves before the Hon'ble Court and dishonoured the directions of the Hon'ble Court. Thus, it appeared that the CB failed to fulfil the obligations laid under Regulation 10(q) of CBLR, 2018.

5. Based on the facts of the case, it was evident that the CB M/s. P.G. Goswamy deliberately chose not to appear before the investigation agency, which strongly indicated an attempt to evade scrutiny and obstruct the investigation. Furthermore, upon meticulous scrutiny of the subject offence, it was revealed that Sh. Manoranjan Kumar, the controller of M/s SS Mommy International Pvt Ltd., had procured the subject Customs Broker license from M/s P.G. Goswamy and subsequently utilized this license to facilitate the clearance of imported goods on behalf of a syndicate. According to the statement of Sh. Manoranjan Kumar, it was revealed that they engaged in the illicit practice of using the aforementioned license and provided monetary benefits to the license holder, thereby enabling the syndicate to circumvent standard procedures. This illegitimate and unauthorized use of the license allowed the importers to import goods at significantly undervalued prices. Such fraudulent activities resulted in a substantial loss of revenue to the government exchequer and have contravened the restrictions, prohibitions, and legal provisions enshrined in the prevailing laws, rules, and regulations governing customs and import-export procedures. This

misconduct not only undermined the integrity of the customs process but also jeopardized national economic interests and the enforcement of lawful trade practices. Hence, by the acts of omission and commission, it appeared that the CB had violated the provisions of Regulations 1(4), 10(a), 10(d), 10(e), 10(n) and 10(q) of the Customs Brokers Licensing Regulations, 2018 and thus rendered themselves liable for penal action under the CBLR, 2018.

6. Thus, in view of the discussions in above paras, it appeared that the Customs Broker had failed to fulfil their obligations under the provisions of Regulations 1(4), 10(a), 10(d), 10(e), 10(n) and 10(q) of the CBLR, 2018 and contravened the same. The case appeared fit for immediate suspension of the CB license under Regulation 16(1) of the CBLR, 2018. However, it was noticed that the CB license was already under Suspension vide Order No. 52/2024-25 dated 25.03.2025 which was continued vide Order No. 01/2025-26 dated 09.04.2025. Accordingly, a Show Cause Notice No. 12/2025-26 dated 19.06.2025 under Regulation 17(1) of the CBLR, 2018 was issued to the Customs Broker M/s P.G. Goswamy (CB License No. 11/1690) wherein, the CB was called upon to show cause, as to why:

- i. The Customs Broker license bearing no. 11/1690 issued to them should not be revoked;
- ii. Security deposit should not be forfeited;
- iii. Penalty should not be imposed upon them under Regulation 14 read with Regulation 17 & 18 of the CBLR, 2018 for their failure to comply with the provisions of the CBLR, 2018.

6.1 Shri Praveen C. Nikhade, Assistant Commissioner of Customs was appointed as the Inquiry Officer to conduct the inquiry proceedings against the CB M/s P.G. Goswamy (License No. 11/1690) under Regulation 17 of the CBLR, 2018.

#### **INQUIRY REPORT: -**

7. The Inquiry Officer (hereinafter referred to as the 'IO') concluded the inquiry proceedings and submitted the Inquiry Report dated 16.02.2026, wherein, all the charges levelled against the CB of violation of Regulations 1(4), 10(a), 10(d), 10(e), 10(n) & 10(q) of the CBLR, 2018 were held as proved. The IO further stated that the Inquiry could not

be completed within the stipulated time because (i) Advocate of the Customs Broker requested for cross examination of Shri Manoranjan Kumar and Shri Sanjay Chaudhary during the personal hearing. Shri Manoranjan Kumar and Shri Sanjay Chaudhary took long time to appear for cross examination (ii) The personal hearings were conducted in virtual/online mode. The records of personal hearing were sent to the attendees via email for their signatures and the attendees took long time in sending back the signed copy of the record of personal hearing.

### **FINDINGS OF THE INQUIRY OFFICER: -**

7.1 The IO submitted that he had carefully examined the Show Cause Notice, the RUDs, submissions of CB and material available on record.

#### **7.2 Violation of Regulation 1(4) of CBLR, 2018:**

The IO submitted that Shri Manoranjan Kumar, controller of M/s SS Mommy International Pvt Ltd, in his statement dated 21.08.2024 recorded by DRI stated that he was using multiple Customs Broker licenses and license of M/s P.G. Goswamy was one of them. In the personal hearing dated 06.10.2025, Shri Manoranjan Kumar, controller of M/s SS Mommy International stated that he did not rent CB license and the statement (by DRI) was made under duress. The IO submitted that Shri Manoranjan Kumar in his statement dated 21.08.2024 stated that he had obtained Customs Broker license of CB M/s P. G. Goswamy on rent basis. And now, in the personal hearing Shri Manoranjan Kumar said that statement was made under duress. The IO found that Shri Manoranjan Kumar had stated in his earlier statement (before DRI) that it was voluntary. The IO also noticed that the said statement was taken on 21.08.2024. If it was taken under duress, more than a year had passed and Shri Manoranjan kumar did not make any attempt to bring this to the notice of the concerned authorities. The IO also found that both Shri Manoranjan Kumar and CB M/s P.G. Goswamy had been the beneficiary of the alleged arrangement of renting the CB license. Both had been in a business relationship. Therefore, the IO did not find any merit in Shri Manoranjan Kumar saying that his statement was taken under duress. In light of the foregoing discussions, the IO concluded that M/s P.G. Goswamy allowed M/s SS Mommy

International to use their CB license for monetary considerations and therefore the CB had violated Regulation 1(4) of CBLR, 2018.

### **7.3 Violation of Regulation 10(a) of CBLR, 2018:**

The IO submitted that the CB had stated in their written submissions that their employee took KYC of the importer physically but the Customs Broker did not provide any proof of the same. The IO submitted that the KYC documents and any evidence indicating that CB had actually collected the KYC directly from importer before the import was not provided by CB. In the absence of the same, it could not be ascertained that the CB performed due authorization of importer before the imports. Further, the IO submitted that the submission of Shri Manoranjan Kumar in Personal Hearing that CB used to collect KYC documents did not find merit in view of discussion in foregoing paras. In light of the foregoing discussion, the IO concluded that M/s P.G. Goswamy did not obtain authorization of the importer M/s Angel Overseas and therefore violated Regulation 10(a) of CBLR, 2018.

### **7.4 Violation of Regulation 10(d) of CBLR, 2018:**

The IO submitted that as established in foregoing paras the CB was not directly involved with the importer in clearance of the goods. Importer was rather using services of Shri Manoranjan Kumar, controller of M/s SS Mommy International who rented the license of the CB. Therefore, it was apparent that the importer was not advised by the CB to comply with the provisions of the Act, other allied Acts and the rules and regulations thereof. Therefore, the IO concluded that the CB M/s P.G. Goswamy had violated Regulation 10(d) of CBLR, 2018.

### **7.5 Violation of Regulation 10(e) of CBLR, 2018:**

The IO submitted that the importer M/s Angel Overseas used the license issued to CB M/s P.G. Goswamy through Shri Manoranjan Kumar, controller of M/s SS Mommy International. The IO submitted that the CB did not have direct connection with the importer in respect of clearance of the goods and that the CB did not exercise due diligence

while the business with the importer was being carried out. The IO submitted that it was carelessness on the part CB that such fraud was being carried out by unscrupulous importers. The IO submitted that the CB has to be very vigilant during the process of cargo clearance. In respect of subject goods, CB was not at all vigilant and did not exercise due diligence. Therefore, the IO concluded that the CB M/s P.G. Goswamy had violated Regulation 10(e) of CBLR, 2018.

#### **7.6 Violation of Regulation 10(n) of CBLR, 2018:**

The IO submitted that as discussed in the foregoing paras, Shri Manoranjan Kumar was using the CB license issued to CB M/s P.G. Goswamy and the importer was not in direct touch with the CB. The IO submitted that it was responsibility of the CB to verify the importer in every aspect as prescribed in the CBLR, 2018. The IO submitted that the CB was obligated to verify the Importer Exporter Code (IEC), Goods and Service Tax Identification Number (GSTIN), identity of the importer and functioning of importer at the declared address by using reliable, independent authentic documents, data or information. The IO submitted that the CB had not submitted any evidence of having done the verification of the importer in respect of above mentioned areas. Therefore, the IO concluded that M/s P.G. Goswamy had violated Regulation 10(n) of CBLR, 2018.

#### **7.7 Violation of Regulation 10(q) of CBLR, 2018:**

The IO submitted that the Customs Broker performs a very important role in the ecosystem of Customs clearance work. CB license is issued to them by Customs Authorities with a great degree of trust and responsibility. Customs Brokers are expected to work responsibly. In present case, the IO found that the investigating agency issued summons dated 17.08.2023, 17.10.2023 and 09.01.2024 to CB M/s P.G. Goswamy but the CB did not appear against any of the summons issued to them. The IO submitted that the CB M/s P.G. Goswamy also did not appear in the Hon'ble CMM Court, Patiala House, New Delhi on the specified date. The IO submitted that the CB was obligated to promptly co-operate with customs authorities during investigation but failed to do so. These actions on part of the Customs Broker indicates her non-cooperative nature with Customs

authorities. Therefore, the IO concluded that M/s P. G. Goswamy had violated Regulation 10(q) of CBLR, 2018.

8. The IO submitted that upon a cumulative assessment of the facts, submissions, and applicable legal provisions, it is established that the CB M/s. P.G. Goswamy has failed to fulfil the statutory obligations imposed upon them under Regulations 1(4), 10(a), 10(d), 10(e), 10(n) and 10(q) of the Customs Brokers Licensing Regulations, 2018. Accordingly, the IO submitted that the charges as delineated in the subject SCN stand substantiated.

9. Under the provisions of Regulation 17(6) of the CBLR, 2018, a copy of the Inquiry Report dated 16.02.2026 was shared with the CB and further, to uphold the principle of natural justice an opportunity of personal hearing was granted to the CB on 27.04.2026.

**RECORDS OF PERSONAL HEARING: -**

10. The personal hearing (PH) in the matter was scheduled on 27.04.2026 at 12.30 p.m. However, the CB failed to attend the same and sent an email at 3.21 p.m. on 27.04.2026 requesting the PH over video conference. Acceding to the CB's request, the PH was scheduled over video conference on 21.05.2026 at 01.00 p.m. The personal hearing was held on 21.05.2026 before me in virtual mode. Shri Akhil Krishan Maggu, counsel for the CB and Ms. Preceilla Goswamy, proprietor of M/s P.G. Goswamy appeared for the hearing. They explained the details regarding the allegations made against them and reiterated their submission made during the inquiry stage. Accordingly, their submissions were taken on record.

**WRITTEN SUBMISSIONS OF THE CB: -**

11. The CB submitted that the allegations against them stem out solely on the basis of assumptions and presumptions of the department and also on the basis of certain statements. The CB submitted that they had not contravened any provisions of the Customs Act, 1962 or CBLR, 2018. The CB submitted that the impugned show cause notice failed to show and prove as to how and in what manner they had dealt with the subject import goods or is in collusion with the said importers.

11.1 The CB submitted that there was no case against them who had acted as a bonafide custom broker and this fact is brought on record and be verified form the fact that the KYC of each and every importer is with them and same is in terms with the board Circular 09/2010-Customs dated 08.04.2010.

11.2 The CB submitted that, it is surprising that, though action is being taken against them who only acted as a bonafide customs broker. The CB submitted that proper KYC was duly done by them and they showed the same to the proper officers while handling the import consignments and is further also willing to submit all the KYC as well as relevant documents of the importer(s) for whom they acted as bonafide customs broker. The CB submitted that they undertook to submit all the KYCs at the time of personal hearing.

11.3 The CB submitted that they had no mens rea as they were never to be benefitted anywhere. The CB submitted that they relied upon the judgement of Hon'ble Delhi High Court in the case of Kunal Travels (Cargo) vs. Commissioner of Customs (I&G), IGI Airport, New Delhi reported as 2017 (354) ELT 0447 Del. The judgement reads as follows:

*"that there can be no presumption of CHA's deliberate intention to defraud - No mens rea could be inferred."*

Thus, the CB submitted that they cannot be said to have violated CBLR 2018, as it is not shown anywhere in the impugned order or it has been explained and clarified that how they aided or abetted the said importer(s) in the entire fraud.

11.4 The CB submitted that the importer(s) cannot be said to be a fictitious as it was verified from the various Government sites like DGFT, GST network who provided the IEC as well as the GSTIN respectively. The CB also stated that all the documents were duly received by the appellant viz. copy. of Aadhar card and other KYC documents, hence, the obligation on the part of them was complied. Further, the importer(s) cannot to be said to non-existent / fictitious as the impugned order at para 3 records that statement of the proprietor of the importer i.e. one Sh. Preetam Priyadarshi Raut was recorded, hence, how can the importers be stated to be non-existent/fictitious. The CB submitted that the said fact as stated by the department clearly evidences that the firm is not fictitious or non-

existent as the proprietor is very much existent and further the proprietor has not implicated them in its statement so recorded under Section 108 of the Customs Act, 1962.

11.5 The CB submitted that it is worthwhile to mention that their employee took the KYC from the importer(s) physically and the KYC was never provided by any other person apart from the importer(s) themselves, and they duly completed the KYC formalities. The CB submitted that they relied upon the matter of Setwin Shipping Agency vs. Commissioner of Customs (General), Mumbai reported as 2010 (250) ELT 141 (Tri-Mumbai), wherein it was held by the Hon'ble Tribunal, Mumbai that:

*"Proprietor of CHA verified existence over phone and got authorization from Exporter-Impossible for CHA to verify physical existence of exporters and importers."*

11.6 The CB submitted that the Hon'ble Delhi High Court in Commissioner of Customs vs. Shiva Khurana reported as (2019) 367 ELT 550 had an occasion to examine the provisions of Regulation 13(o) of the 2004 Regulations, which Regulation is similar to Regulation 10(n) of the Licensing Regulations, and the relevant observations are as follows:

*"in the opinion of this Court is to be read in the context of the CHA's duty as a mere agent rather than as a Revenue official who is empowered to investigate and enquire into the veracity of the statement made orally or in a document. If one interprets Regulation 13(0) reasonably in the light of what the CHA is expected to do, in the normal course, the duty cast is merely to satisfy itself as to whether the importer or exporter in fact is reflected in the list of the authorized exporters or importers and possesses the Importer Exporter Code (IEC) Number. As to whether in reality, such exporters in the given case exist or have shifted or are irregular in their dealings in any manner (in relation to the particular transaction of export), can hardly be the subject matter of "due diligence" expected of such agent unless there are any factors which ought to have alerted it to make further inquiry. There is nothing in the Regulations nor in the Customs Act which can cast such a higher responsibility as are sought to be urged by the Revenue. In other words, in the absence of any indication that the CHA concerned was complicit in the facts of a particular case, it cannot ordinarily be held liable."*

11.7 The CB submitted that the department failed to show any strong motive of them for indulging in such an activity. The CB submitted that they relied upon the matter of Ajay

Agarwal & Co. Commissioner of Customs (Prev.) where, the Hon'ble Tribunal (Delhi Bench) reported as 2021 SCC OnLine CESTAT 4207 has taken the view that:

*"Moreover, we find that revenue could not bring in any evidence to show that the appellant Custom Broker had any fiduciary interest in the alleged malpractice if any on the part of the appellant. In fact, there should be a strong motive for Custom Broker for indulging in such an activity. Revenue has not brought out any evidence, whatsoever as to the benefit that customs Broker got by indulging in such activity. There could however, be a gain for the importer. As per the averment of Authorised Representative for the Revenue, further investigations are in progress. While refraining from offering any finding on the role by importer in the said activity, we are of the considered opinion that no case has been prima facie, made against the appellant so as to warrant the suspension of Licence."*

Further, the CB submitted that nowhere in CBLR, 2018 it is stated that the custom broker has to physically personally meet the directors of the IEC holder.

11.8 The CB submitted that the KYC documents of the importers viz. IEC, PAN Card No, Aadhar Card, and other documents which are collected in terms of boards circular no. 09/2010-Customs Dated 08.04.2010 are enough along with no legal requirement of physical verification of premises. In this case, all these documents were there. The CB submitted that they had placed reliance upon the matter of APS Freight & Travels Pvt. Ltd vs. Commissioner of Customs (General) New Delhi reported in 2016(344) ELT 602 Tri-Del, where the Hon'ble Tribunal, New Delhi held that:

*"the admitted facts of this are that the importer's details as available in IEC, PAN Cards, Bank Account and Electricity have been checked by the Appellant. No physical verification of premises is mandated in the Regulations nor is it a general requirement as per business practice."*

11.9 The CB submitted that the IEC code of the importer(s) was also verified from the DGFT Website, and the Hon'ble Tribunal, Mumbai in the matter of Baraskar Brothers vs. Commissioner of Customs (General), Mumbai reported as 2013(294) ELT 0415 Tri-Bom, held that:

*"Appellant has taken due diligence to find out through DGFT website, whether IE Codes are genuine or not, which were found to be genuine."*

The CB submitted that in the present case also, verification from DGFT was done.

12. The CB submitted that they had placed reliance upon the following:

(i) Thawerdas Wadhoomal-vs- CC, Mumbai - reported in 2008 (221) ELT 252 holding that:

*"CHA is not supposed to look into the details of the genuineness of the importer/exporter when IEC number is procured by the exporter and the same approved by the Bombay High Court in the case of Commissioner -vs- Thawerdas Wadhoomal 2009 (240) E.L.T. A143 (Bom.)"*

(ii) WCI Shipping Pvt. Ltd., -vs- CC - 2020 (372) E.L.T. 369 (Tri. - Chennai) held that:  
*"When the importer consciously conceals certain facts from the CB, it cannot be presumed that the CB has abetted in such offence merely because he has not met the importer face to face"*

(iii) M/s Trinity International Forwarders -vs- CC (Preventive) Final Order No.54942/2023 dated 02.05.2023, had held that:

*"once the KYC documents is verified and submitted to the Customs, and also in view of the existence of the IEC at the time of filing the bill of entry."*

13. The CB submitted that there was no evidence on record to show that they were ever involved with any or all the mentioned importer(s) to defraud the exchequer. Further, the CB also stated that there was no evidence to show the knowledge of them in any of any non-compliance done by any of the importer(s). The CB submitted that they relied upon the matter of Krishna Shipping Agency vs. Commissioner of Customs (Airport & Administration), Kolkata, reported as 2017 (348) ELT 0502 Tri-Cal wherein the Hon'ble Tribunal, Kolkata held that:

*"at no stage the appellant had knowledge of any irregularity in export/import consignments.... order of revocation of license is set aside."*

13.1 The CB submitted that there is no evidence on record to show that they ever ill-advised its clients to not comply with the provisions of the act. Further, the CB also stated that there is no evidence to show the knowledge of the appellant in any of any non-compliance done by the importer(s). The CB submitted that the attention is invited in the matter of Krishna Shipping Agency vs. Commissioner of Customs (Airport & Administration), Kolkata, reported as 2017 (348) ELT 0502 Tri-Cal.

13.2 The CB submitted that it is pertinent to mention here that all the KYC documents viz. Aadhar, PAN Card, IEC details, and other documents of the importer(s) were duly attested by the importer(s) themselves. The CB submitted that they had placed reliance upon the matter of Him Logistics Pvt. Ltd vs. Commissioner of Customs, New Delhi, reported as 2016 (338) ELT 725 (Tri-Del) wherein the Hon'ble Tribunal, New Delhi held that:

*"Absence of physical verification of Importer-Undisputedly, appellant verifying copies of Partnership Deed of importer firm, IEC, PAN Card and Voter ID of Partner- No stipulation or legal requirement of physically verifying business or residential premises of importer."*

Further, the CB submitted that it was affirmed by the Double Bench of the Hon'ble Delhi High Court in the matter of Commissioner of Customs vs. Him Logistics Pvt. Ltd, reported as 2017 (348) ELT 625 (Del), and it was held that:

*"Tribunals order holding respondent verified IEC Copy, PAN Card, Telephone Bill, Partnership Deed and Voter ID of Partners of importing firm, cannot be faulted- Such order based on fact finding not interferable-Regulation 11 of CBLR."*

13.3 Further, the CB submitted that they placed reliance upon the Hon'ble Tribunal, New Delhi in the case of M/s Perfect Cargo & Logistics Versus Commissioner of Customs, New Delhi having Customs Appeal No. 50875 Of 2021 held the following:

*"12. In this case, there are no details in the SCN or in the inquiry report or in the impugned order as to how the DGARM came, to the conclusion that the exporters did not exist and how after considering the defence submissions, the Commissioner came to a conclusion that the appellant had violated Regulation 10(n) of CBLR, 2018. This case has been made and the licence has been revoked not only taking the alleged communication from DGARM as conclusive proof that the exporters did not exist but also inferring from it that the appellant has not conducted the verification as per Regulation 10(n) of CBLR, 2018. The SCN did not even supply a copy of the communication from the DGARM to the appellant, let alone the details of its inquiries which led to the conclusion that the exporters did not exist. The entire case, therefore, is not built on conclusive evidence.*

*13. We are surprised that the Commissioner found it proper to deprive the appellant and its employees of their livelihood in such a casual and callous manner. The impugned order cannot be sustained and needs to be set aside.*

*14. The appeal is allowed and the impugned order is set aside with consequential relief to the appellant. The respondent shall restore the Customs Broker licence of the appellant within 10 days of receiving a copy of this order. Registry shall serve a copy of this order on the respondent."*

13.4 The CB submitted that they placed reliance upon the Hon'ble Tribunal, Kolkata in the case of M/s Baid International Services Pvt. Ltd. Versus Commissioner Of Customs (Airport & Air Cargo Complex, Commissionerate), Kolkata having Customs Appeal No. 75597 Of 2022 held the following:

*"19. We are deeply anguished by the impugned order passed by the Ld. Adjudicating Authority merely on surmises and conjectures. While the issue is no more res integra and has been dwelt extensively by this Tribunal in the case of (i) Perfect Cargo and Logistics vs. Commissioner of Customs, New Delhi (Final Order No. 50347/2022. (ii) Mauli Worldwide Logistics v. Commissioner, Customs (Airport & General), New Delhi, Final Order No.50561/2022, the fact remains that the Ld. Commissioner has observed at more than one place in the impugned order that the Customs Broker had in his possession, the requisite KYC documents and also tendered the same to the authorities at the time of hearing of the case and during the course of enquiry.*

*20. As far as revenue loss on account of IGST, is concerned, nothing in the CBLR, even remotely suggests that it is the responsibility of the Customs Broker to ensure its realisation. The Customs Broker has no real role to play in availment or payment of IGST. To pass on this burden as a responsibility on the Customs Broker is simply hypothetical wishful and beyond the parameters of law."*

13.5 Further, the CB submitted that they relied upon the Hon'ble Delhi High Court in the matter of M/s Aradhya Export Import Consultants Pvt. Ltd. Versus Commissioner Of Customs (Airport And General), New Customs House, New Delhi bearing Custom Appeal number 81 of 2023 had set aside the order passed the Ld. CESTAT, whereby the custom broker license of the appellant therein was revoked on the allegations of violation Regulations 10(e) and 10(n) of CBLR, 2018.

14. The CB submitted that as per the offence report, the alleged offences relate to transaction during the month of May, 2023 when they filed the bills of entry on behalf of its importer(s) clients. Whereas the offence report has been issued in February, 2025 after more than two years. Further, the CBEC Circular No. 09/2010 dated 08.04.2010, wherein

para 7.2 it is stipulated that offence report have to be submitted within 30 days of offence or detection. But in the present case, admittedly, the offence report is furnished after almost two years of detection of the alleged offence. The CB submitted that the department is going contrary to their own circular which is illegal as held by Hon'ble Supreme Court in Paper Products Ltd. Versus Commissioner of Central Excise reported as 1999 (112) E.L.T. 765 (S.C.).

14.1 The CB submitted that the Hon'ble Tribunal, Delhi in M/s Transpeed Logistics Pvt. Limited Vs. Commissioner of Customs (Airport & General) New Customs House, Near IGI Airport New Delhi bearing Customs Appeal No. 54037 of 2018-Cus. had set aside the suspension of the custom broker therein on this ground also.

14.2 The CB submitted that there was no confession of them wherein it can be showed that they had any knowledge or connived in surreptitious import. The CB submitted that they had placed reliance upon the following:

- a. Hon'ble Tribunal, Mumbai in the matter of G.M. Enterprises vs. Commissioner of Cus (Exports), Nhava Sheva reported as 2010 (262) ELT 796 held that:  
*"Penalty on CHA-CHA acted in bonafide belief of documents supplied to him for preparing Shipping Bills and no statement of CHA was recorded and there is no statement of exporter showing knowledge of CHA about misdeclaration of Goods-Penalty on CHA not leviable."*
- b. Hon'ble Tribunal, Ahmedabad in the matter of Adani Wilmar Ltd. vs. Commissioner of Customs (Preventive), Jamnagar reported as 2015 (330) ELT 549 held that:  
*"Penalty-Imposition of on CHA-Breach of CHALR, 2004 for not advising importer to comply with relevant provisions of law-No evidence on record that CHA aware of alleged Irregularity-Imposition of Penalty on CHA not justified."*
- c. Hon'ble Tribunal, Chennai in the matter of V. Esakia Pillai vs. Commissioner of Customs, Chennai reported as 2001(138) ELT 802 held that:  
*"Penalty on CHA-Surreptitious export-Neither confession of CHA nor statement of exporter or anybody else on record to show that CHA had knowledge or information or connived in surreptitious export-Penalty not imposable."*

14.3 The CB submitted that it is very surprising to note that the entire allegations and the case of the department against them is based on the statement of Sh. Manoranjan Kumar hence, in the interest of justice they would like to cross-examine Sh. Manoranjan Kumar

and Sh. Preetam Priyadarshi Raut as per Regulation 17(4) of CBLR, 2018. The CB submitted that they had relied upon the following:

- (i) *Ayaaubkhan Noorkhan Pathan vs. the State of Maharashtra & Ors.* decided on 08.11.2012 in civil appeal no. 7728 of 2012 wherein it is held that right to cross examination is an integral part and parcel of the principles of natural justice.

14.4 The CB submitted that the department may kindly appreciate the fact that they sought to controvert the allegations made in the impugned order on the basis of the statements of the persons relied upon in the impugned order as the same are inherently false and denied. The CB submitted that they relied upon *Laxman Exports Ltd. Vs. Collector of Central Excise* decided on 18.4.2003 by the three Judges Bench of the Apex Court reported in 2005 10 SCC 634 *Basudev Garg Vs. Commissioner of Customs, Customs AA of the Division Bench of this Hon'ble Court* delivered on 12.04.2013 *Writ Petition 1854 of 2000 1992* decided on 28.08.2009 titled *J.K. Cigarette Ltd. & Ors. Vs. Collector of Central Excise & Ors.*, wherein it has been held that cross-examination is an integral part and parcel of the principles of natural justice. As well as in terms of Section 9 D of the Central Excise Act 1944 and 138B of the Customs Act in the quasi-judicial proceedings. The CB submitted that the cross examination is valuable right given to the noticee. (*Andaman Timber Industries vs. Commissioner of Central Excise Kolkata* decided on 02<sup>nd</sup> September, 2015 by Justice A.K. Sikri and Rohingan Fali Nariman in Civil Appeal No. 4228 of 2006 by the Apex Court).

14.5 The CB submitted that the Hon'ble Supreme Court of India in *Ayaaub khan Noorkhan Pathan Vs. The State of Maharashtra & Ors.* Decided on 08.11.2012 in Civil Appeal No. 7728 of 2012, after relying various authoritative judgments, has held that cross-examination is an integral part and parcel of principles of natural justice. It was held as under:

*"Cross-examination is one part of the principles of natural justice:*

*23. A Constitution Bench of this Court in State of M.P. v. Chintaman Sadashiva Vaishampayan, AIR 1961 SC 1623, held that the rules of natural justice, require that a party must be given the opportunity to adduce all relevant evidence upon which 'he relies, and further that, the evidence of the opposite party should be taken in his*

presence, and that he should be given the opportunity of cross examining the, witnesses examined by that party. Not providing the said opportunity to cross-examine witnesses, would violate the principles of natural justice.

24. In *Lakshman Exports Ltd. vs. Collector of Central Excise*, (2005) 10 SCC 634, this Court, while dealing with a case under the Central Excise Act, 1944, considered a similar issue i.e. permission with respect to the cross-examination of a witness. In the said case, the assessee had specifically asked to be allowed to cross-examine the representatives of the firms concern, to establish that the goods in question had been accounted for in their books of accounts, and that excise duty had been paid. The Court held that such a request could not be turried down, as the denial of the right to cross-examine, would amount to a denial of the right to be heard i.e. *audi alteram partem*.

26. In *K.L. Tripathi v. State Bank of India & Ors.*, AIR 1984 SC 273, this Court held that, in order to sustain a complaint of the violation of the principles of natural justice on the ground of absence of opportunity of cross-examination, it must be established that some prejudice has been caused to the appellant by the procedure followed. A party, who does not want to controvert the veracity of the evidence on record, or of the testimony gathered behind his back, cannot expect to succeed in any subsequent grievance raised by him, stating that, no opportunity of cross-examination was I provided to him, specially when the same was not requested, and there was no dispute regarding the veracity of the statement. (See also: *Union of India v. P.K. Roy*, AIR 1968 SC 850,' and *Channabasappa Basappa Happali v. State of Mysore*, AIR 1972 SC 32).

29., In *Rajiv Arora v. Union of India & Ors.*, AIR 2009 SC 11 00, this Court held:

"Effective cross-examination could have been done as regards the correctness or otherwise of the report, if the contents of them were proved. The principles analogous to the provisions of the Indian Evidence Act as also the principles of natural justice demand that the maker of the report should be examined, save land except in cases where the facts are admitted or the witnesses are not available for cross-examination or similar situation. The High, Court in its impugned judgment proceeded to consider the issue on a technical plea, namely, no prejudice has been caused to the appellant by such non-examination. If the basic principles of law have not been complied with or there has been a gross violation of the principles of natural justice, the High Court should have exercised its jurisdiction of judicial review."

30. The aforesaid discussion makes it evident that, not only should the opportunity of cross-examination be made available, but it should be one of effective cross-examination, so as to meet the requirement of the 'principles of natural justice. In the

*absence of such an opportunity, it cannot be held that the matter has been decided in accordance with law, as cross examination is an integral part and parcel of the principles of natural justice." (Emphasis Supplied)*

15. The CB submitted that they had not contravened any of the regulations of CBLR, 2018. In the light of the submissions made herein above, the CB requested to kindly set aside the impugned show cause notice and restore their CB license. The CB submitted that their present reply be take on record and in order to decide the present case. The CB submitted that they crave that it may be allowed to add, alter or amend the appeal in case if the need so arises.

### **DISCUSSIONS AND FINDINGS: -**

16. I have gone through the facts and records of the case; the Offence Report received in the form of SCN vide no. 04/JC/NOIDA/CUS/2025-26 dated 14.05.2025 issued by the Joint Commissioner of Customs, Noida Customs Commissionerate; Show Cause Notice No. 12/2025-26 dated 19.06.2025 issued under Regulation 17(1) of the CBLR, 2018; Inquiry Report dated 16.02.2026, PH records dated 21.05.2026 and the CB's written submission dated 10.07.2025 made before the Inquiry Officer.

16.1 To summarize in brief, the present case emanates from a specific intelligence received by the Directorate of Revenue Intelligence (DRI), Delhi, indicating that M/s Angel Overseas (IEC – JEDPS4241R) was importing generic miscellaneous items under Bill of Entry No. 5947046 dated 14.05.2023 at ICD Dadri, Noida. The consignment was declared with generic descriptions of miscellaneous items (such as Iron Chains, Auto Bulbs, and Bicycle Horns) and were grossly undervalued to evade duties. During investigation, the IEC was found to be a dummy and the proprietor of the importing firm, Sh. Ranjit Singh, was found to be an e-rickshaw driver who had sublet his identity credentials and IEC to one, Sh. Sanjay Chaudhary, for a monthly commission of Rs. 10,000/-. Sh. Sanjay Chaudhary ran the illicit operations together with an overseas partner in China to under-invoice the import cargo. The Chartered Engineer's certificate reported a massive undervaluation revealing that the actual value of the goods (Rs. 79,11,079/-) was

nearly seven times the declared value (Rs. 11,82,959/-), resulting in a substantial duty evasion of Rs. 25,30,266/-.

Further, the investigation revealed that the importer never directly engaged the licensed Customs Broker, M/s P. G. Goswamy (License No. 11/1690), but had instead dealt with Sh. Manoranjan Kumar, controller of M/s S.S. Mommy International Private Limited. Subsequent summonses and a voluntary statement dated 21.08.2024 of Sh. Manoranjan Kumar, the controller of M/s S.S. Mommy International Pvt. Ltd., revealed that he had been executing unauthorized customs clearance operations by running a systematic syndicate. Sh. Manoranjan Kumar admitted that his firm regularly rented out multiple Customs Broker licenses, including that of M/s P.G. Goswamy, on a commercial basis. He confirmed paying the proprietor of M/s P. G. Goswamy around Rs. 300/- to Rs. 500/- per container in exchange for the using their CB license. He acknowledged declaring an artificial invoice value of around USD 10,000 per container against an actual market value of USD 25,000 to facilitate duty evasion. Meanwhile, the actual proprietor, Ms. Preceilla Goswamy, completely non-cooperated with the investigating agency, evading three consecutive summonses and subsequently failing to appear before the Hon'ble CMM Court, Patiala House, New Delhi, where non-compliance proceedings had been initiated. Consequently, upon receipt of the offence report a Show Cause Notice under CBLR, 2018 was issued to the CB.

16.2 I observe that an Order-in-Original No. 10/ADC/NOIDA-CUS/2026-27 dated 12.05.2026 has been passed by the Additional Commissioner, Noida Customs Commissionerate against the Offence Report i.e. Show Cause Notice No. 04/JC/NOIDA/CUS/2025-26 dated 14.05.2025 wherein, the Adjudicating Authority has noted that, "I have carefully considered the allegations made in the Show Cause Notice, the evidences available on record, the submissions of M/s P.G. Goswamy, Customs Broker, and the relevant provisions of the Customs Act, 1962 and the Customs Brokers Licensing Regulations, 2018. In the present case, the records clearly indicate that the import consignments of M/s Angel Overseas were cleared using the Customs Broker license of

M/s P.G. Goswamy, while the actual handling of clearance was carried out by Shri Manoranjan Kumar. This arrangement itself reflects lack of proper supervision and control by the licensed Customs Broker over the use of its license. Further, the statement of Shri Manoranjan Kumar establishes that goods were being declared at suppressed values for evasion of duty and that the Customs Broker license was being used for such clearances, indicating misuse of the license in contravention of regulatory provisions. The contention of the Customs Broker that it had fulfilled KYC requirements and merely relied upon documents provided by the importer is not acceptable. While physical verification may not be mandatory, Regulation 10(e) requires the Customs Broker to exercise due diligence to ascertain the correctness of information. In the present case, the generic description of goods and abnormally low declared values were sufficient to raise suspicion, and a prudent Customs Broker ought to have questioned such declarations or brought them to the notice of Customs authorities. The failure to do so clearly indicates lack of due diligence and negligence in discharge of statutory duties. Further, the non-cooperation during investigation and failure to respond to summons also reflect disregard for regulatory obligations. Further, I observe that sufficient documentary evidence, statements recorded under Section 108 of the Customs Act, 1962, and other corroborative materials are available on record establishing the role of M/s P.G. Goswamy in the impugned imports. I therefore hold that M/s P.G. Goswamy failed to discharge the obligations cast upon a Customs Broker under Regulation 10 of the Customs Broker Licensing Regulations, 2018 and facilitated clearance of goods liable to confiscation under Section 111(m) of the Customs Act, 1962. Accordingly, such acts and omissions amount to abetment, rendering the Customs Broker liable for penalty under Sections 112(a) of the Customs Act, 1962.” Consequently, a penalty of Rs. 2,50,000/- (Rupees Two Lakh Fifty Thousand only) was imposed on the CB M/s P.G. Goswamy under Section 112(a) of the Customs Act, 1962.

17. I find that 06 articles of charges have been framed against the CB viz. violation of Regulations 1(4), 10(a), 10(d), 10(e), 10(n) and 10(q) of the CBLR 2018 and have been held as ‘Proved’ by the Inquiry Officer. Now, I proceed to discuss the articles of charges, sequentially.

**17.1 Violation of Regulation 1(4) of the CBLR, 2018:**

(a) I find that the charge of violation of Regulation 1(4) of the CBLR, 2018 has been levelled against the CB on the grounds that, 'upon a detailed examination of the subject offence report, it was revealed that Mr. Manoranjan Kumar, who was the controller of M/s SS Mommy International Pvt Ltd., had obtained the Customs Broker license on rent basis from the proprietor of M/s P.G. Goswamy. The said fact had been disclosed by Sh. Manoranjan Kumar in his statement dated 21.08.2024. Furthermore, based on the statement provided by Sh. Manoranjan Kumar, it was established that the license belonging to M/s P.G. Goswamy was unlawfully used by M/s SS Mommy International Pvt Ltd. In exchange for this unauthorized use, the company had provided monetary benefits to the license holder, thereby implicating them in a scheme of corrupt practices and violation of customs regulations. This revelation pointed to a clear breach of legal and procedural norms governing customs licensing and import clearance processes, raising serious concerns about misconduct and illicit activities. As per Regulation 1(4) of CBLR, 2018, no license can be sold or transferred. Therefore, in the present case, the act of the licensee voluntarily relinquishing or transferring her license to an unauthorized individual, particularly in exchange for monetary consideration, constituted a clear violation of the aforementioned regulatory provision. By engaging in such conduct, the Customs Broker appeared to have contravened the strict prohibitions set forth in Regulation 1(4), thereby undermining the integrity of the licensing regime and potentially compromising regulatory oversight and compliance standards established under Regulation 1(4) of the CBLR, 2018'.

(b) I find the inquiry officer, in this regard, has observed that Shri Manoranjan Kumar, controller of M/s SS Mommy International Pvt Ltd, in his statement dated 21.08.2024 recorded by DRI stated that he was using multiple Customs Broker licenses and license of M/s P.G. Goswamy was one of them. In the personal hearing dated 06.10.2025, Shri Manoranjan Kumar, controller of M/s SS Mommy International stated that he did not rent CB license and the statement (by DRI) was made under duress. The IO submitted that Shri Manoranjan Kumar in his statement dated 21.08.2024 stated that he had obtained Customs

Broker license of CB M/s P. G. Goswamy on rent basis. And now, in the personal hearing Shri Manoranjan Kumar said that statement was made under duress. The IO found that Shri Manoranjan Kumar had stated in his earlier statement (before DRI) that it was voluntary. The IO also noticed that the said statement was taken on 21.08.2024. If it was taken under duress, more than a year had passed and Shri Manoranjan kumar did not make any attempt to bring this to the notice of the concerned authorities. The IO also found that both Shri Manoranjan Kumar and CB M/s P.G. Goswamy had been the beneficiary of the alleged arrangement of renting the CB license. Both had been in a business relationship. Therefore, the IO did not find any merit in Shri Manoranjan Kumar saying that his statement was taken under duress. In light of the foregoing discussions, the IO concluded that M/s P.G. Goswamy allowed M/s SS Mommy International to use their CB license for monetary considerations and therefore the CB had violated Regulation 1(4) of CBLR, 2018.

(c) I have gone through the CB's submission and find that the CB denied any active involvement or collusion with the importer, asserting that the department's allegations are based entirely on assumptions and presumptions. The CB highlights that they had no *mens rea* since they were not positioned to receive any financial benefit or possess any fiduciary interest in the alleged malpractice. To support this lack of intentional fraud, the CB places reliance on the Hon'ble Delhi High Court judgment in *Kunal Travels (Cargo) vs. Commissioner of Customs (I&G), New Delhi (2017)*, which ruled that "*that there can be no presumption of CHA's deliberate intention to defraud - No mens rea could be inferred*".

(d) Regulation 1(4) states that, "*Every license granted or renewed under these regulations shall be deemed to have been granted or renewed in favour of the licensee, and no license shall be sold or otherwise transferred*". Having carefully perused the facts of the case, I find that the charge under Regulation 1(4) strikes at the very heart of the licensing regime. The Customs Broker license is a personal privilege granted based on the character and qualification of the applicant; it is strictly non-transferable. The investigation revealed that the control of the license was systematically surrendered to external agents. The investigation revealed that the proprietor of M/s P.G. Goswamy transferred operational

control of the license to Sh. Manoranjan Kumar, controller of M/s SS Mommy International Pvt. Ltd., on a rental basis. Sh. Manoranjan Kumar, in his statement recorded before DRI under Section 108 of the Customs Act, 1962, on 21.08.2024, explicitly admitted that he was using multiple Customs Broker licenses, and that the license of M/s P.G. Goswamy was one of them. He went on to disclose that he paid a consideration of Rs. 300-500 per container to M/s P.G. Goswamy for this arrangement. I observe that during the personal hearing before the Inquiry Officer on 06.10.2025, Sh. Manoranjan Kumar attempted to retract his statement, asserting that it was executed under duress and that he did not rent the license. The Inquiry Officer recorded that the original statement was explicitly executed as voluntary, and a span of more than a year had elapsed without Sh. Manoranjan Kumar or the CB addressing any formal retraction or grievance to the concerned authorities. Further, Shri Sanjay Chaudhary (beneficiary importer) in the cross-examination held before the Inquiry Officer again admitted to using the credentials of Sh. Ranjit Singh for importing the impugned goods. The Inquiry Officer correctly concluded that the retraction by Sh. Manoranjan Kumar was an afterthought and held the charge as proved. I find that the CB contends that the department has failed to prove explicit collusion or show how they dealt with the physical import cargo. They further cited judicial precedents such as *Kunal Travels (Cargo) vs. Commissioner of Customs* to argue that *mens rea* must be established and cannot be presumed. The judgment cited by the CB is inapplicable here because that case protected a broker whose client had misrepresented facts despite direct engagement. In the current case, the license holder i.e. M/s P.G. Goswamy was completely unaware of the client whose cargo was being cleared under their license. The cross examination of Sh. Sanjay Chaudhary by the CB's Advocate further established this fact. Under the factual matrix of the case, I find the CB guilty of violation of Regulation 1(4) of the CBLR, 2018. Also, the reliance on the judgement cited in para (c) supra is misconstrued as the department has not presumed the CB's intention but has reached this conclusion after carefully establishing the fact of unauthorized renting of the CB's license to an unrelated party that too for monetary considerations, constituting therein a clear violation of Regulation 1(4) of the CBLR apart from the other regulations.

**17.2 Violation of Regulation 10(a) of the CBLR, 2018:**

(a) I find that the charge of violation of Regulation 10(a) of the CBLR, 2018 has been levelled against the CB on the grounds that, 'on scrutiny of the subject offence report, it appeared that the subject goods were imported by M/s Angel Overseas with the help of Sh. Manoranjan Kumar (controller of M/s SS Mommy International Pvt. Ltd.) by unauthorized use of Customs Broker license of M/s P.G. Goswamy. The said fact had been stated by Sh. Manoranjan Kumar in his statement dated 21.08.2024. From the facts of the case, it appeared that the CB had given her license on rent basis. From the statement dated 19.07.2023 of Sh. Ranjit Singh (proprietor of M/s Angel Overseas), it was evident that he had no knowledge about import or export. In his statement, Sh. Ranjit Singh stated that Sh. Sanjay Chaudhary had used the IEC of M/s Angel Overseas in lieu of Rs. 10,000/- per month and Sh. Ranjit Singh did not know anything about the imports as the IEC was used by Sh. Sanjay. The said fact was concurred upon by Sh. Sanjay Chaudhary in his statement dated 01.08.2023. In the subject offence report, there was nothing which indicated that the IEC holder/beneficiary holder of the goods had met with the authorized person/s of Customs Broker M/s P.G. Goswamy. Thus, it appeared that neither the Sh. Ranjit Singh (IEC holder) nor Sh. Sanjay Chaudhary (beneficial owner of the goods) had authorized M/s P.G. Goswamy for customs clearance of the subject goods which indicated that the CB had violated the provisions of Regulation 10(a) of CBLR, 2018 as all the customs formalities were conducted on the directions of Sh. Manoranjan Kumar only'.

(b) I find that the inquiry officer, in this regard, has observed that the CB had stated in their written submissions that their employee took KYC of the importer physically but the Customs Broker did not provide any proof of the same. The IO submitted that the KYC documents and any evidence indicating that CB had actually collected the KYC directly from importer before the import was not provided by CB. In the absence of the same, it could not be ascertained that the CB performed due authorization of importer before the imports. Further, the IO submitted that the submission of Shri Manoranjan Kumar in Personal Hearing that CB used to collect KYC documents did not find merit in view of

discussion in foregoing paras. In light of the foregoing discussion, the IO concluded that M/s P.G. Goswamy did not obtain authorization of the importer M/s Angel Overseas and therefore violated Regulation 10(a) of CBLR, 2018.

(c) I have gone through the CB's submission in this regard and find that the CB has contended that they acted as a completely bonafide Customs Broker and have fully complied with their core obligations by securing valid authorizations. They argue that the authorization and matching documentation were duly received from the importer, and the existence of an active Importer Exporter Code (IEC) at the time of filing the bills of entry further solidifies the legitimacy of their authorization. To support this defence, the CB relies on the Hon'ble Tribunal's ruling in *Setwin Shipping Agency vs. Commissioner of Customs (General), Mumbai (2010) (250) ELT 141*, which held that: "*Proprietor of CHA verified existence over phone and got authorization from Exporter - Impossible for CHA to verify physical existence of exporters and importers*".

(d) I have perused the facts and records of the case, the findings of the inquiry officer and the defence arguments of the CB. I find that the core of this charge lies in whether the authorization filed with the customs documents was validly issued by the actual importer directly to the licensed CB. In his statement, Sh. Ranjit Singh, proprietor of the import firm M/s Angel Overseas stated that Sh. Sanjay Chaudhary had used the IEC of M/s Angel Overseas in lieu of Rs. 10,000/- per month and he (Ranjit Singh) did not know anything about import as the IEC was used by Sh. Sanjay. The said fact was concurred upon by Sh. Sanjay Chaudhary in his statement dated 01.08.2023 as well as during the cross-examination by the CB's advocate before the Inquiry Officer. Shri Ranjit Singh admitted having no knowledge of import-export work and procedures. Thus, it is evident that the CB never met the importer or was ever authorized for customs clearance work by them. The Inquiry Officer carefully observed that while the CB claimed in their written submissions that their own staff physically obtained the authorization and verified the records, they failed to provide any proof to substantiate the same. Consequently, the Inquiry Officer concluded that no authentic authorization was ever directly procured from

the importer by the CB. The CB argued that they acted as a bonafide agent and possessed the KYC documents of the importer, which they are willing to present. They claim that since the proprietor of the importing firm is a real, living individual whose statement was recorded, the importer cannot be called fictitious meaning the authorization cannot be treated as flawed. This argument is completely flawed since the investigation established beyond doubt that the IEC was a dummy being used by a third-party Shri Sanjay Chaudhary. I observe that an authorization under Regulation 10(a) must represent a real interaction and an explicit mandate between the importer and the licensee. The investigation by DRI, Delhi has established beyond doubt that the CB M/s. P.G. Goswamy had no authorization from Shri Ranjit Singh/ M/s. Angel Overseas for acting as their authorized customs broker and that they had no direct relationship with the client. Accordingly, in light of the facts and evidences on record I uphold the charge of violation of Regulation 10(a) of the CBLR, 2018.

### **17.3 Violation of Regulation 10(d) of the CBLR, 2018:**

(a) I find that the charge of violation of Regulation 10(d) of the CBLR, 2018 has been levelled against the CB on the grounds that, 'as per statement dated 21.08.2024 of Sh. Manoranjan Kumar, controller of M/s SS Mommy International Pvt. Ltd., the services of the Customs Broker M/s P.G. Goswamy was utilized by them for mixed goods and Rs. 300-500/- per container was paid to CB license holder in lieu of using their licenses for import of goods. An in-depth analysis of the offence report indicated that the Customs Broker did not interact directly with the importer. Consequently, it appeared that the Customs Broker license was exploited unlawfully by unauthorized persons who did not hold legitimate authorization or ownership rights over the import activities. Moreover, it was evident that the Customs Broker failed to adhere to the provisions stipulated under Regulation 10(d) of the Customs Brokers Licensing Regulations, 2018 under which CB has to advise his client to follow the provisions of the act, other allied acts and the rules and regulations thereof. It was also apparent from the investigation that the Customs Broker did not fulfil their legal obligation to inform or alert the Customs authorities about any

discrepancies, irregularities, or suspicious activities related to the import transactions. This neglect signified a breach of the duty to ensure compliance and maintain transparency during customs procedures. In light of the foregoing findings, it appeared that the Customs Broker committed a violation of Regulation 10(d) of the CBLR, 2018, by failing to provide appropriate guidance to client regarding compliance obligations and by not reporting the irregularities to the Customs authorities, thereby compromising the integrity of the customs clearance process. Hence, in view of the above, it appeared that the CB had violated the provisions of Regulation 10(d) of the CBLR, 2018’.

(b) I find that the inquiry officer, in this regard, has observed that as established in foregoing paras the CB was not directly involved with the importer in clearance of the goods. Importer was rather using services of Shri Manoranjan Kumar, controller of M/s SS Mommy International who rented the license of the CB. Therefore, it was apparent that the importer was not advised by the CB to comply with the provisions of the Act, other allied Acts and the rules and regulations thereof. Therefore, the IO concluded that the CB M/s P.G. Goswamy had violated Regulation 10(d) of CBLR, 2018.

(c) I have gone through the CB’s submission and find that the CB contends there is absolutely no evidence on record to prove that they ever ill-advised their clients to circumvent the provisions of the Act. They state that they acted in a bonafide manner and had no knowledge of any non-compliance or irregularity being committed by the importer behind their back. To defend against the allegation of failing to advise the client under Regulation 10(d), the CB relied on the Hon’ble Tribunal, Ahmedabad’s decision in *Adani Wilmar Ltd. vs. Commissioner of Customs (Preventive), Jamnagar (2015) (330) ELT 549* which held that: "*Penalty-Imposition of on CHA-Breach of CHALR, 2004 for not advising importer to comply with relevant provisions of law-No evidence on record that CHA aware of alleged Irregularity-Imposition of Penalty on CHA not justified.*". Furthermore, the CB invokes Hon'ble Tribunal, Chennai’s decision in the matter of *V. Esakia Pillai vs. Commissioner of Customs, Chennai reported as 2001(138) ELT 802* which held that: "*Penalty on CHA-Surreptitious export-Neither confession of CHA nor statement of*

*exporter or anybody else on record to show that CHA had knowledge or information or connived in surreptitious export-Penalty not imposable."*

(d) Regulation 10(d) mandates: *A Customs Broker shall "advise his client to comply with the provisions of the Act, other allied Acts and the rules and regulations thereof, and in case of non-compliance, shall bring the matter to the notice of the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be".* I find that the text of the regulation requires active advice and regular oversight by the broker over the client's compliance status. The facts in this case shows that the beneficiary importer (Sh. Sanjay Chaudhary) deliberately engaged in mis-declaring product specifications and understating values to systematically evade duties. Sh. Manoranjan Kumar openly admitted that the average declared invoice value for mixed-goods containers was kept at approximately USD 10,000 before customs, despite their actual market values hovering around USD 25,000. Because M/s P. G. Goswamy was entirely absent from the transaction, the client received no advice regarding compliance the Customs Act, 1962 and the Customs Valuation Rules. Furthermore, the CB did not flag these irregularities or the generic descriptions to the department. I observe that the Inquiry Officer appropriately held that because there was no direct contact between the broker and the client, the broker could not have provided the required advice as mandated under Regulation 10(d). The CB argued that they cannot be held liable because there is no evidence showing they gave wrong advice or had knowledge of the importer's intent to undervalue the goods. Further, I find the caselaws cited by the CB inapplicable here since in the current case the CB was completely absent from the transaction by the act of renting out their license to a third party for monetary consideration. Further, the CB failed to bring the alleged malpractices of the importer and others to the notice of the department. In view of the aforementioned findings, I observe that the Inquiry Officer rightly held the charge of violation of Regulation 10(d) of the CBLR, 2018 as proved.

#### **17.4 Violation of Regulation 10(e) of the CBLR, 2018:**

(a) I find that the charge of violation of Regulation 10(e) of the CBLR, 2018 has been levelled against the CB on the grounds that, 'on scrutiny of the offence report, it appeared

that the CB had not exercised due diligence and did not impart correct information with reference to any work related to clearance of cargo. As per statement dated 21.08.2024 of Sh. Manoranjan Kumar, controller of M/s SS Mommy International Pvt. Ltd., the services of the Customs Broker M/s P.G. Goswamy were utilized by them for mixed goods and Rs. 300-500/- per container was paid to CB license holder in lieu of using their licenses for the import of goods. Scrutiny of the offence report indicated that the CB had not maintained any substantive connection with the importer of the subject goods. Instead, it appeared that the license was clandestinely transferred to unauthorized persons in pursuit of illegitimate monetary gains. Had the CB exercised diligent oversight during the customs clearance process, such a substantial fraud could have been identified and mitigated at an incipient stage, thereby safeguarding legitimate government revenue. The failure to perform such due diligence underscored a significant lapse in adhering to the prescribed standards of professional conduct and statutory obligations. Based on the aforementioned facts, it was apparent that the CB did not conform to the provisions enshrined under Regulation 10(e) of the Customs Brokers Licensing Regulations (CBLR), 2018, which mandates that CB has to exercise due diligence to ascertain the correctness of any information which he imparts to a client with reference to any work related to clearance of cargo or baggage. Consequently, it appeared that the CB had not fulfilled the obligations stipulated under Regulation 10(e) of the CBLR, 2018, thereby undermining the integrity of the customs clearance process and facilitating illicit activities’.

(b) I find that the inquiry officer, in this regard, has observed that the importer M/s Angel Overseas used the license issued to CB M/s P.G. Goswamy through Shri Manoranjan Kumar, controller of M/s SS Mommy International. The IO submitted that the CB did not have direct connection with the importer in respect of clearance of the goods and that the CB did not exercise due diligence while the business with the importer was being carried out. The IO submitted that it was carelessness on the part CB that such fraud was being carried out by unscrupulous importers. The IO submitted that the CB has to be very vigilant during the process of cargo clearance. In respect of subject goods, CB was not at all vigilant

and did not exercise due diligence. Therefore, the IO concluded that the CB M/s P.G. Goswamy had violated Regulation 10(e) of CBLR, 2018.

(c) I have gone through the CB's submission and find that the CB argued that the department failed to demonstrate exactly how the CB handled the subject goods improperly or acted in collusion with the importers. They stress that a broker operates as a mere agent rather than an investigative revenue official who is empowered to investigate and enquire into the absolute veracity of oral or written statements. They also rely on the decision of Hon'ble Delhi High Court in the matter of *M/s Aradhya Export Import Consultants Pvt. Ltd. Versus Commissioner Of Customs (Airport And General), New Customs House, New Delhi* bearing Custom Appeal number 81 of 2023 had set aside the order passed the Ld. CESTAT, whereby the custom broker license of the appellant therein was revoked on the allegations of violation Regulations 10(e) and 10(n) of CBLR, 2018.

(d) Having carefully perused the facts of the case and evidences on record, I find that the import documentation submitted for Bill of Entry No. 5947046 dated 14.05.2023 intentionally used vague descriptions without specifying brands, models, sizes, or grades. The entry lumped diverse items into broad categories to mislead the department. The Inquiry Officer noted that a diligent broker would have been careful before processing the declarations. The Inquiry Officer recorded that CB did not have direct connection with the importer in respect of clearance of the goods which ultimately led to fraudulent imports and hence, upheld the charge. From the records of the investigation, I find that by renting out their license to a third party, the CB abdicated the responsibility of exercising due diligence in the matter of clearance. Due to the aforementioned lapses the CB served as a conduit for fraudulent imports that caused a significant loss to the exchequer. Going through the facts and evidences on record, I am inclined to uphold the charge of violation of Regulation 10(e) of the CBLR, 2018.

#### **17.5 Violation of Regulation 10(n) of the CBLR, 2018:**

(a) I find that the charge of violation of Regulation 10(n) of the CBLR, 2018 has been levelled against the CB on the grounds that, 'as per the offence report, the said Customs

Broker license was utilized by one Sh. Manoranjan Kumar, controller of M/s SS Mommy International Pvt. Ltd. on some monetary benefits to the proprietor of M/s P.G. Goswamy. It is pertinent to mention that Sh. Manoranjan Kumar was not an employee/partner/director of CB firm M/s P.G. Goswamy. From the statement dated 19.07.2023 of Sh. Ranjit Singh (Proprietor of M/s Angel Overseas), it was evident that he had no knowledge about import-export. In his statement, Sh. Ranjit Singh stated that Sh. Sanjay Chaudhary had used the IEC of M/s Angel Overseas in lieu of Rs. 10,000/- per month and Sh. Ranjit Singh did not know anything about import as the IEC was used by Sh. Sanjay. The said fact was concurred upon by Sh. Sanjay Chaudhary in his statement dated 01.08.2023. Thus, it was evident that the authorized person of the Customs Broker had never met with the importer of the goods and it appeared that they did not verify the antecedent of the subject importing firm as stipulated in Regulation 10(n) of CBLR, 2018 under which CB has to verify the antecedent, correctness of IEC code, identity of his client and the functioning of his client at the declared addresses by using reliable, independent, authentic documents, data or information. Consequently, it appeared that the CB has failed to fulfil obligations stipulated under Regulation 10(n) of the CBLR, 2018'.

(b) I find that the inquiry officer, in this regard, has observed that as discussed in the foregoing paras, Shri Manoranjan Kumar was using the CB license issued to CB M/s P.G. Goswamy and the importer was not in direct touch with the CB. The IO submitted that it was responsibility of the CB to verify the importer in every aspect as prescribed in the CBLR, 2018. The IO submitted that the CB was obligated to verify the Importer Exporter Code (IEC), Goods and Service Tax Identification Number (GSTIN), identity of the importer and functioning of importer at the declared address by using reliable, independent authentic documents, data or information. The IO submitted that the CB had not submitted any evidence of having done the verification of the importer in respect of above-mentioned areas. Therefore, the IO concluded that M/s P.G. Goswamy had violated Regulation 10(n) of CBLR, 2018.

(c) I have gone through the CB's submission and find that the CB strongly refutes that the importer was fictitious or non-existent. The CB emphasizes that their employee physically collected legitimate, self-attested KYC documents directly from the importer, including the Aadhar Card, PAN, and IEC, which were fully verified against government sites like the DGFT and GST networks. The CB further stated that nowhere in CBLR, 2018 it is stated that the custom broker has to physically personally meet the directors of the IEC holder. The CB submitted that the KYC documents of the importers viz. IEC, PAN Card No, Aadhar Card, and other documents are enough along with no legal requirement of physical verification of premises. In this case, all these documents were there. The CB submitted that they placed reliance upon the matter of *APS Freight & Travels Pvt. Ltd vs. Commissioner of Customs (General) New Delhi reported in 2016(344) ELT 602 Tri-Del, where the Hon'ble Tribunal, New Delhi* which held that: *"the admitted facts of this are that the importer's details as available in IEC, PAN Cards, Bank Account and Electricity have been checked by the Appellant. No physical verification of premises is mandated in the Regulations nor is it a general requirement as per business practice."* The CB further submitted that the IEC code of the importer(s) was also verified from the DGFT Website, and the Hon'ble Tribunal, Mumbai in the matter of *Baraskar Brothers vs. Commissioner of Customs (General), Mumbai reported as 2013(294) ELT 0415 Tri-Bom*, held that: *"Appellant has taken due diligence to find out through DGFT website, whether IE Codes are genuine or not, which were found to be genuine"*.

(d) Having gone through the facts of the case and the available records, I find that Regulation 10(n) requires a broker to verify the identity of the client and the "functioning" of the client at the declared address using "reliable, independent, and authentic" documents, data or information. The rule requires brokers to verify not just the existence of identity numbers, but the actual operations of the client at their declared address using reliable and independent data. The evidence on record confirms that the CB did not execute any independent verification protocols. The CB's defence falls flat considering the fact that the IEC was merely a dummy being used by a third-party Shri Sanjay Chaudhary. From the statement dated 19.07.2023 of Sh. Ranjit Singh (Proprietor of M/s Angel Overseas), it is

evident that he had no knowledge about import-export. In his statement, Sh. Ranjit Singh stated that Sh. Sanjay Chaudhary had used the IEC of M/s Angel Overseas in lieu of Rs. 10,000/- per month and he (Sh. Ranjit Singh) did not know anything about import as the IEC was used by Sh. Sanjay. The said fact was concurred upon by Sh. Sanjay Chaudhary in his statement dated 01.08.2023. Thus, it is evident that the Customs Broker had never met with the importer of the goods and also did not verify the antecedent of the subject importing firm as stipulated in Regulation 10(n). The CB defends its actions by citing APS Freight & Travels Pvt. Ltd vs. Commissioner of Customs (General) New Delhi and Baraskar Brothers vs. Commissioner of Customs (General), Mumbai. They argued that physical verification of the premises is neither required by the regulations nor standard business practice. However, in the current case, the CB M/s. P.G. Goswamy failed to conduct even preliminary verification by ceding control of their license to Shri Manoranjan Kumar who then used it to clear consignment of importers completely unknown to the CB. The investigation records establish conclusively that the CB failed to verify the identity of the client and the functioning of the client at the declared address using reliable, independent, and authentic documents, data of information. This passive approach violates the clear text of Regulation 10(n). Consequently, I uphold the charge of violation of Regulation 10(n) of the CBLR, 2018.

#### **17.6 Violation of Regulation 10(q) of the CBLR, 2018:**

(a) I find that the charge of violation of Regulation 10(q) of the CBLR, 2018 has been levelled against the CB on the grounds that, 'it appeared that the CB knowingly misused his license and gave the same to unauthorized persons which helped Shri Preetam Priyadarshi Raut (proprietor of M/s Pree Import Export Co.) in the Customs Clearance of undervalued goods. Further, it was also observed that the CB did not turn up for any statement/submission before the investigation agency which indicated that they did not want to co-operate with the Customs authorities. Further, it was also noticed that non-compliance proceedings were initiated against them in the Hon'ble CMM Court, Patiala House, New Delhi but M/s P.G. Goswamy did not present themselves before the Hon'ble

Court and dishonoured the directions of the Hon'ble Court. Thus, it appeared that the CB failed to fulfil the obligations laid under Regulation 10(q) of CBLR, 2018'.

(b) I find that the inquiry officer, in this regard, has observed that the Customs Broker performs a very important role in the ecosystem of Customs clearance work. CB license is issued to them by Customs Authorities with a great degree of trust and responsibility. Customs Brokers are expected to work responsibly. In present case, the IO found that the investigating agency issued summons dated 17.08.2023, 17.10.2023 and 09.01.2024 to the CB M/s P.G. Goswamy but the CB did not appear against any of the summons. The IO submitted that the CB M/s P.G. Goswamy also did not appear in the Hon'ble CMM Court, Patiala House, New Delhi on the specified date. The IO submitted that the CB was obligated to promptly co-operate with customs authorities during investigation but failed to do so. These actions on part of the Customs Broker indicates his non-cooperative nature with Customs authorities. Therefore, the IO concluded that the CB M/s P.G. Goswamy had violated Regulation 10(q) of CBLR, 2018.

(c) I have gone through the CB's submission in detail and find that the CB has not refuted the charge of violation of Regulation 10(q).

(d) I have gone through the facts and records of the case. I find that the evidence supporting this charge is clear from the investigation records. During the investigation, the DRI issued three summonses dated 17.08.2023, 17.10.2023, and 09.01.2024 to Ms. Preceilla Goswamy, the Proprietor of M/s P.G. Goswamy. However, the CB failed to appear before the investigating agency. While her office sent emails claiming she could not travel or that a representative would come instead, no one actually appeared at the DRI office to provide testimony or produce the required documents. Due to this persistent non-compliance, the department was forced to file a formal criminal non-compliance proceeding in the Court of the Chief Metropolitan Magistrate (CMM) at Patiala House, New Delhi. The CB did not appear before the Hon'ble Court thus dishonouring the Court's directives. The Inquiry Officer determined that these actions demonstrated a clear pattern of non-cooperation meant to obstruct the investigation. The CB by their non-cooperative

attitude hindered the investigation efforts immeasurably. Such conduct is unbecoming of a licensed professional and is a direct violation of the mandate under Regulation 10(q). In view of the aforementioned findings, I find the CB in clear violation of Regulation 10(q).

17.7 I further observe that the CB submitted that, “as per the offence report, the alleged offences relate to transaction during the month of May, 2023 when they filed the bills of entry on behalf of its importer(s) clients. Whereas the offence report has been issued in February, 2025 after more than two years. Further, the CBEC Circular No. 09/2010 dated 08.04.2010, wherein para 7.2 stipulates that offence report have to be submitted within 30 days of offence or detection. But in the present case, admittedly, the offence report is furnished after almost two years of detection of the alleged offence”. I find the argument legally incorrect and untenable. I rely on the landmark judgment of the Hon'ble Bombay High Court in *Principal Commissioner of Customs (General) vs. Unison Clearing P. Ltd. [2018 (361) E.L.T. 321]*, which held that the timelines in CBLR are directory and not mandatory. The court emphasized that a hyper-technical approach to timelines should not be allowed to shield a Customs Broker from grave charges that affect the national exchequer. In the present case, the investigation involved a syndicate operating across numerous dummy IECs, requiring extensive coordination between the DRI and various ICDs. To drop proceedings in a case involving a syndicate comprising of unscrupulous elements involved in misdeclaration and undervaluation of goods to evade legitimate customs duties on a marginal delay would be a travesty of justice and contrary to the precedence set by law. The legislative intent of Regulation 17 is to ensure discipline, not to provide an escape clause for Customs Brokers who facilitate large-scale smuggling. Therefore, the argument of limitation is hereby rejected, and the case is decided on its substantial merits.

18. 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 CB M/s P.G. Goswamy (CB License No. 11/1690) has violated Regulations 1(4), 10(a), 10(d), 10(e), 10(n) and 10(q) of the CBLR,

2018. I find that for the violation of obligations provided under the CBLR, 2018 and for their acts of omission and commission, the CB M/s P.G. Goswamy (CB License No. 11/1690) 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 CHA occupies a very important position in the Custom House. The Customs procedures are complicated. The importers have to deal with a multiplicity of agencies viz. carriers, custodians like BPT as well as the Customs. The importer would find it impossible to clear his goods through these agencies without wasting valuable energy and time. The CHA is supposed to safeguard the interest of both the importers and the Customs. A lot of trust is kept in CHA by the importers/exporters as well as by the government agencies. To ensure appropriate discharge of such trust, the relevant regulations are framed. Regulation 14 of the CHA Licensing Regulations lists out obligations of the CHA. Any contravention of such obligations even without intent would be sufficient to invite upon the CHA the punishment listed in the Regulations".*

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

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

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

“(i) *The very purpose of granting a licence to a person to act as a Customs House Agent is for transacting any business relating to the entry or departure of conveyance or the import or export of goods in any customs station. For that purpose, under Regulation 9 necessary examination is conducted to test the capability of the person in the matter of preparation of various documents determination of value procedures for assessment and payment of duty, the extent to which he is conversant with the provisions of certain enactments, etc. Therefore, the grant of licence to act as a Custom House Agent has got a definite purpose and intent. On a reading of the Regulations relating to the grant of licence to act as CHA, it is seen that while CHA should be in a position to act as agent for the transaction of any business relating to the entry or departure of conveyance or the import or export of goods at any customs station, he should also ensure that he does not act as an Agent for carrying on certain illegal activities of any of the persons who avail his services as CHA. In such circumstances, the person playing the role of CHA has got greater responsibility. The very description that one should be conversant with the various procedures including the offences under the Customs Act to act as a Custom House Agent would show that while acting as CHA, he should not be a cause for violation of those provisions. A CHA cannot be permitted to misuse his position as CHA by taking advantage of his access to the Department. The grant of licence to a person to act as CHA is to some extent to assist the Department with the various procedures such as scrutinizing the various documents to be presented in the course of transaction of business for entry and exit of conveyances or the import or export of the goods. In such circumstances, great confidence is reposed in a CHA. Any misuse of such position by the CHA will have far reaching consequences in the transaction of business by the customs house officials. Therefore, when, by such malpractices, there is loss of revenue to the custom house, there is every justification for the Respondent in treating the action of the Petitioner Applicant as detrimental to the interest of the nation and accordingly, final order of revoking his licence has been passed.*

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

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

19. As discussed above, I conclude that the CB is guilty of violation of Regulations 1(4), 10(a), 10(d), 10(e), 10(n), and 10(q) of the CBLR, 2018. In view of the gravity of the findings detailed above, it is evident that the Customs Broker, M/s P.G. Goswamy, has not merely committed a procedural lapse but has displayed a profound and systemic disregard for the statutory responsibilities mandated under the CBLR, 2018. By their acts of omission and commission, the CB directly facilitated a massive revenue loss to the exchequer, undermining the very integrity of the customs clearance framework. The renting of the license and the total abdication of KYC responsibilities to third-party middlemen prove that the CB is no longer a fit and proper person to hold the privilege of a Customs Broker license. Further, I observe that as on date the CB's license has already been revoked vide Order-in-Original CAO No. 138/2025-26/CAC/CC(G)/SJS/Adj-CBS dated 10.02.2026 issued under Regulation 17(7) of the CBLR, 2018. This signifies that the CB is a habitual offender and does not merit leniency. Considering all the facts and circumstances of the case and taking into cognisance the above-cited caselaws, I am inclined to revoke the CB license, forfeit the security deposit and impose a penalty on the CB M/s P.G. Goswamy (CB License No. 11/1690) under the CBLR, 2018.

20. Further, post receipt of the Offence Report dated 14.05.2025, the Show Cause Notice No. 12/2025-26, under Regulation 17(1) of CBLR, 2018, was issued on 19.06.2025, i.e. within the specified period of ninety days from the receipt of the offence report. I further notice that the Inquiry Report was submitted by the Inquiry Officer on 16.02.2026. The IO stated that the Inquiry could not be completed within the stipulated time because (i) Advocate of the Customs Broker requested for cross examination of Shri Manoranjan Kumar and Shri Sanjay Chaudhary during the personal hearing. Shri Manoranjan Kumar and Shri Sanjay Chaudhary took long time to appear for cross examination (ii) The records of personal hearing conducted in virtual/online mode were sent to the attendees via email for their signatures and the attendees took long time in sending back the signed copy of the record of personal hearing. I also observe that the personal hearing (PH) post receipt of inquiry report in the matter was scheduled on 27.04.2026 at 12.30 p.m. However, the CB failed to attend the same and sent an email at 3.21 p.m. on 27.04.2026 requesting the PH

over video conference. Acceding to the CB's request, a PH was scheduled over video conference on 21.05.2026 at 01.00 p.m. Shri Akhil Krishan Maggu, counsel for the CB and Ms. Preceilla Goswamy, proprietor of M/s P.G. Goswamy appeared for the hearing on 21.05.2026. Owing to the CB's failure to attend the PH on 27.04.2026, the adjudication order could not be passed within the stipulated time. Further, with respect to the timelines prescribed under Regulation 17 of the CBLR, 2018, relying on the following caselaws, I observe that the timelines under CHALR/CBLR are directory in nature and not mandatory:

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

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

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

*"42. Therefore, if the tests laid down in Dattatreya Moreshwar, which have so far held the field, are applied, it would be clear (i) that the time limit prescribed in Regulation 20 (7) is for the performance of a public duty and not for the exercise of a private right; (ii) that the consequences of failure to comply with the requirement are not spelt out in Regulation 20(7) (iii) that no prejudicial consequences flow to the aggrieved parties due to the non-adherence to the time limit; and*

*(iii) that the object of the Regulations, the nature of the power and the language employed do not give scope to conclude that the time limit prescribed is mandatory. Hence, we hold that the time limit prescribed in Regulation 20 (7) is not mandatory but only directory.”*

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

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

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

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

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

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

21. In view of the above-discussed facts and for their acts of omission and commission, the CB M/s. P.G. Goswamy (CB License No. 11/1690) is held liable and guilty for violating the provisions of the CBLR, 2018. I hold that the CB has failed to discharge the duties cast upon them with respect to Regulations 1(4), 10(a), 10(d), 10(e), 10(n) and 10(q) of the CBLR, 2018 and is liable for penal action. Accordingly, I pass the following order:

**ORDER**

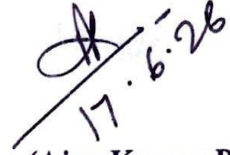
22. I, Principal Commissioner of Customs (General), in exercise of the power conferred upon me under Regulation 17(7) of the CBLR, 2018, pass the following order:

- (i) I hereby order for revocation of the CB license held by M/s. P.G. Goswamy (CB License No. 11/1690) under Regulation 14 of the CBLR, 2018.
- (ii) I hereby order for forfeiture of the entire amount of the security deposit furnished by the CB M/s. P.G. Goswamy (CB License No. 11/1690) under Regulation 14 of the CBLR, 2018.
- (iii) Proviso for Concurrent Forfeiture: I take note that forfeiture of the same security deposit has also been ordered vide Order-in-Original CAO No. 138/2025-26/CAC/CC(G)/SJS/Adj-CBS dated 10.02.2026 and Order-in-Original CAO No. 14/2026-27/CAC/PCC(G)/AKP/Adj-CBS dated 17.06.2026. To avoid multiple-realization of the same security, it is ordered that the forfeiture in the present case shall run concurrently with the forfeiture ordered vide the aforementioned orders dated 10.02.2026 and 17.06.2026. While the physical realization of the security shall occur only once, this order stands as an independent and substantive forfeiture. In the event that the forfeiture in the concurrent cases is set aside, modified, or stayed by any competent appellate authority, the forfeiture ordered herein shall immediately and independently remain enforceable against the security deposit of the firm.

(iv) I hereby impose a penalty of Rs. 50,000/- (Rupees Fifty Thousand Only) on the CB M/s. P.G. Goswamy (CB License No. 11/1690) under Regulation 18(1) of the CBLR, 2018.

(v) I hereby order that the CB immediately surrender the original License as well as all the F, G & H cards issued thereunder.

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.

  
17.6.26  
**(Ajay Kumar Pandey)**  
Pr. Commissioner of Customs (Gen.)  
NCH, Mumbai-I

To,

**M/s P.G. Goswamy (CB License No. 11/1690)**  
**(PAN – AEYPG1162K)**  
2<sup>nd</sup> Floor, 11 Shree Krishna Bhavan CHS Ltd.,  
Sutar Pakhadi Road, Sahar Village,  
Andheri East, Mumbai - 400099.

**Copy to:**

1. The Pr. Chief Commissioner/ Chief Commissioner of Customs, Mumbai - I, II, III Zone.
2. The Pr. Commissioner of Customs, Noida Customs Commissionerate.
3. The Addl. Director, Commercial Intelligence Section, DRI (Hqrs), New Delhi.
4. EDI of NCH, ACC & JNCH.
5. Cash Section, NCH.
6. Notice Board.
7. Office Copy.