



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

संचिका सं./F. No. GEN/CB/LIC/311/2021-CBS आदेश दिनांक/Date of Order: 17.06.2026

CAO No. 16/2026-27/CAC/PCC(G)/AKP/Adj-CBS जारी दिनांक/Date of issue: 18.06.2026

संख्या:

DIN:- 20260677NO000000CC93

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 धाराA(1B)(i) के संबंधमें सीमाशुल्क, केंद्रीय उत्पाद शुल्क एवं सेवाकर अपील अधिकरण में स्वीकार्य है, जहाँ शुल्क या शुल्क एवं जुर्माना विवादित हों, या जुर्माना, जहाँ सिर्फ जुर्माना ही विवादित हो। यह अपील इस आदेश के संप्रेषण की तारीख के तीन महीने के अंदर दायर की जाएगी। यह अपील सीमाशुल्क, केंद्रीय उत्पाद शुल्क एवं सेवाकर अपील अधिकरण नियमावली (कार्यविधि), 1982, के प्रावधानों के अंतर्गत, यथोत्तखंडपीठ में स्वीकार्य है।

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

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

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

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

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

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

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

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

6. (i) यदि प्रतिवादित आदेश, जिसके विरुद्ध अपील की गई है, में शुल्क एवं मांगे गए ब्याजवलागाएगए जुर्माने की राशि रु-1000 .पाँच लाख या इस से कम होतो रु ., (ii)यदि यह राशि रुपाँच लाख से अधिक .) एवं -/5000 .हो किंतु पचास लाख से अधिक न होतो रुiii) यदि यह राशि रुपचास लाख से अधिक होतो . के शुल्क -/10000 .रु का भुगतान क्रॉसड 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, 1870 के तहत निर्धारित रु 50 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. Das Cargo Logistics (AIBPD7512RCH001) having registered address: Flat 1202, Plot No. 1, L-21, Asawari CHS, Sector-27, Talaja Panchanand, Raigad, Maharashtra - 410208 (hereinafter referred to as the Customs Broker/CB) is the holder of Customs Broker License No. (11/2701) (PAN No. AIBPD7512R), issued by the Commissioner of Customs, Mumbai under Regulation 7(2) of CBLR, 2018 and as such, they are bound by the regulations and conditions stipulated therein.

2. A report regarding the offences committed by the CB, issued by the Additional Director, DRI, AZU (Directorate of Revenue Intelligence, Ahmedabad Zonal Unit) vide letters F.No. DRI/AZU/CI-1/ENQ-62(INT-25)/2025 dated 04.07.2025 and 29.09.2025 was received in the Customs Broker Section, NCH, Mumbai Zone - I. The report, inter alia, conveyed the following information:

2.1 This is a case involving misdeclaration and misuse of import licenses for the import of 10 Mesh material/ tyre scrap, aimed at circumventing the applicable EXIM policy restrictions. Acting on specific intelligence, the Directorate of Revenue Intelligence, Ahmedabad Zonal Unit, intercepted and examined two consignments of M/s. Shabbir and Sons Eco Exim Pvt. Ltd. (IEC - ABDCS0837N) at the Nhava Sheva port. The examination revealed that the importer M/s. Shabbir and Sons Eco Exim Pvt. Ltd. had imported Used Tyre Scrap consignments by misusing licenses issued specifically for the import of 10 Mesh material.

2.2 The responsible person, Mr. Syed Aslam Ali (power of attorney holder of M/s Shabbir and Sons Eco Exim Pvt. Ltd.) was summoned and his statement was recorded under Section 108 of the Customs Act, 1962. During the course of the statement, he admitted to wilfully misusing the 10 Mesh licenses to import used rubber tyre scrap in forms such as multiple-cuts, shredded and pressed baled scrap. This admission covered the current intercepted consignments as well as 11 specific past consignments. Such acts constitute smuggling as defined under Section 2(39) of the Customs Act, 1962. Consequently, Mr. Syed Aslam Ali was arrested under Section 104 of the Customs Act,

1962 for committing offences punishable under section 135(a) and 135(b) of the Customs Act, 1962.

2.3 Further scrutiny revealed that the Bills of Entry for both the live consignments and 11 earlier consignments, where scanning images confirmed the import of Used Tyre Scrap (pressed baled/multi-cut) not falling under the 10 Mesh license category, were filed by M/s. Yash Shipping Services. Licenses issued for imports under the Customs Tariff Item (CTI) 40040000 for tyre scrap are restricted both in terms of quantity and validity period. These licenses permit the import of only one specific type of rubber tyre scrap within the stipulated time frame either “Used Tyre Scrap (pressed baled/multi-cut)” or “Rubber/granules finer than 10 Mesh to 20 Mesh, devoid of iron, steel, and most fibers” both falling under the broad category of waste, parings, and scrap of rubber (other than hard rubber), and powders and granules obtained therefrom. Therefore, a valid license authorizes the import of a particular quantity of a specified type of tyre scrap as mentioned in the DGFT license, within the specified period.

2.4 During the course of the investigation, it was also ascertained that M/s. Shabbir and Sons Eco Exim Pvt. Ltd. was involved in over-debiting of licenses, importing quantities exceeding the permitted limits by manipulating manual debit sheets. Such excess imports rendered the goods liable to confiscation and constituted an offence under Section 135 of the Customs Act, 1962. Prima facie, this over-debiting appeared to have been carried out with the active involvement of the concerned customs brokers.

2.5 The Customs Broker M/s. Das Cargo Logistics was one of the customs brokers involved in the over-debiting of the Special Import License (SIL). The Offence Report received from DRI, AZU stated that a total quantity of 5746.8 metric tonnes with an assessable value of Rs. 4,84,44,958/- (Rupees Four Crore Eighty Four Lakh Forty Four Thousand Nine Hundred Fifty Eight only) was over-debited using the CB licence of M/s. Das Cargo Logistics. However, para 11.7 of the Show Cause Notice No. 1610/2025-26/Pr. Commissioner of Customs/GR.2H/NS-I/CAC/JNCH dated 15.12.2025 issued by the Principal Commissioner of Customs, NS-I, JNCH post completion of investigation by DRI,

AZU mentioned the total over-debited quantity to be 6714 metric tonnes with an assessable value of Rs. 6,10,30,766/- (Rupees Six Crore Ten Lakh Thirty Thousand Seven Hundred Sixty-Six only). Accordingly, the updated fact has been taken on record.

Furthermore, the statement of Shri Binay Kumar Das, proprietor of M/s. Das Cargo Logistics recorded before the investigating agency confirmed that Shri Sabindra Kumar Das, Proprietor of M/s. Vinita Global Services used the SIL licence of M/s. Shabbir and Sons Eco Exim Private Limited for debiting the same on behalf of the importer, and licence of the Customs Broker M/s. Das Cargo Logistics for customs clearance work. The details of specific violations committed by the customs broker is summarised in the table below:

Sr. No.	Name of Customs Broker with licence no.	Violation on the part of the Customs Broker	Corresponding Documentary Evidence
1.	M/s Das Cargo Logistics (License No. 11/2701)	The said licence was used in over- debiting of the SIL License to the tune of 6714 MTS having assessable value of Rs. 6,10,30,766/-	1. The detailed calculation sheet quantifying the over - debiting of the SIL licence by Customs Broker Firm. 2. Statement of Customs Broker Shri Binay Kumar Das acknowledging that Shri Sabindra Kumar Das used the licence of M/s. Das Cargo Logistics for customs clearance work related to M/s. Shabbir and Sons Eco Exim Private Limited. 3. Statement of Shri Sabindra Kumar Das, acknowledging that he used the licence of M/s. Das Cargo Logistics for customs clearance work related to M/s. Shabbir and Sons Eco Exim Private Limited. 4. Statement of Shri Syed Aslam Ali (power of attorney holder of the importer M/s. Shabbir and Sons Eco Exim Private Limited)

2.6 Further, the statement of Shri Binay Kumar Das, proprietor of M/s. Das Cargo Logistics was recorded by DRI, Ahmedabad, on 06.08.2025 wherein, he inter-alia stated that:

- He is the proprietor of the firm M/s. Das Cargo Logistics, however, Shri Sabindra Kumar Das, the proprietor of M/s. Vinita Global Services handled operational work in M/s. Das Cargo Logistics.
- M/s. Das Cargo Logistics did not charge any money from M/s. Vinita Global Services. He also stated that he did not handle customs clearance of Used Tyre Scrap and the whole customs clearance work of used tyre scrap was only handled by Shri Sabindra Kumar Das.
- He also added that he had met Mr. Syed Aslam Ali only once when he was introduced to him by Shri Sabindra Kumar Das.

2.7 Summary:

The case involved misdeclaration and misuse of import licenses for the import of 10 Mesh material/ tyre scrap, aimed at circumventing the applicable EXIM policy restrictions. Acting on specific intelligence, the DRI, AZU intercepted and examined two consignments of M/s. Shabbir and Sons Eco Exim Pvt. Ltd. at the Nhava Sheva port which upon examination, were found to be in violation of the EXIM policy. The examination revealed that the importer M/s. Shabbir and Sons Eco Exim Pvt. Ltd. was misusing licenses issued specifically for the import of 10 Mesh rubber crumb to import restricted used tyre scrap in various forms such as pressed, baled, shredded and multi-cut scrap. The investigation further revealed that the firm over-debited quantities from the SIL licenses by manipulating manual debit sheets, with the active involvement of the concerned customs brokers. A total quantity of 6714 metric tons with an assessable value of Rs. 6,10,30,766/- (Rupees Six Crore Ten Lakh Thirty Thousand Seven Hundred Sixty-Six only) was over-debited using the CB licence of M/s. Das Cargo Logistics. Furthermore, the statement of Shri Binay Kumar Das proprietor of M/s. Das Cargo Logistics confirmed that Shri Sabindra Kumar Das, Proprietor of M/s. Vinita Global Services, used the SIL licence of M/s. Shabbir and Sons Eco Exim Private Limited and the CB licence of M/s. Das Cargo Logistics for customs clearance work.

2.8 In view of the foregoing, and considering the grave violations and deliberate misuse of SIL License through over-debiting, it was evident that the Customs Broker had engaged in misdeclaration and unauthorised use of restricted import licenses. These actions, carried

out in clear contravention of the DGFT Policy, constituted a serious offence and warranted strict legal action under the Customs Brokers Licensing Regulations (CBLR), 2018 and other applicable statutory provisions.

3. Role of Customs Broker: -

3.1 It was evident that the customs broker M/s. Das Cargo Logistics had failed to fulfil their obligations laid down under Customs Brokers Licensing Regulations (CBLR), 2018. The CB allowed his License to be used by Shri Sabindra Kumar Das, Proprietor of M/s. Vinita Global Services, which appeared to have actively aided the importer in committing the offence. In view of this and the aforementioned facts, the relevant provisions of CBLR, 2018, outlining the obligations of customs brokers, are stated below:

3.2 Regulation 1(4) of the 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."

In the present case, it appeared that the Customs Broker M/s. Das Cargo Logistics rented out their Customs Broker license to Shri Sabindra Kumar Das for some monetary benefit since rent of the office and payment of the staff was made from the account of M/s. Vinita Global Services. Further, as per the statement recorded by the Directorate of Revenue Intelligence, Ahmedabad on 06.08.2025 and upon scrutiny of the subject report, it was revealed that Shri Sabindra Kumar Das had obtained the Customs Broker license from M/s. Das Cargo Logistics and used it for the clearance of the subject imported goods and also over debited the SIL on behalf of the importer. This conduct clearly constituted a violation of Regulation 1(4) of the Customs Broker Licensing Regulations (CBLR), 2018. Such an omission represented a significant breach of the duties and responsibilities prescribed under Regulation 1(4). In light of the foregoing, it appeared that the Customs Broker had contravened the provisions of Regulation 1(4) by unlawfully renting out the Customs Broker license to Shri Sabindra Kumar Das, who had also over debited the SIL license on behalf of the importer.

3.3 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;"

In the present case, it appeared that the Customs Broker, M/s. Das Cargo Logistics failed to comply with the mandatory requirement as mandated under regulation 10(a) of CBLR, 2018. The Customs Broker did not obtain the necessary authorisation from the importer, as there is no record or indication of interaction between the Customs Broker and the importer. As per the statement of the importer, he had given customs clearance work to Shri Sabindra Kumar Das. Further, in the statement recorded by DRI, Ahmedabad, Shri Binay Kumar Das proprietor of M/s. Das Cargo Logistics stated that he had once met Mr. Syed Aslam Ali, when he was introduced to him by Shri Sabindra Kumar Das. This proved that Shri Binay Kumar Das, proprietor of M/s. Das Cargo Logistics had never met the importer except when introduced to him by Shri Sabindra Kumar Das. Therefore, it was evident that the Customs Broker did not obtain the requisite authorisation, thereby constituting a clear violation of Regulation 10(a) of CBLR, 2018.

3.4 Regulation 10(b) OF CBLR, 2018:

"transact business in the Customs Station either personally or through an authorised employee duly approved by the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be;"

Based on the subject report and the statement of Shri Binay Kumar Das dated 06.08.2025, recorded by the DRI, AZU, it was evident that Shri Sabindra Kumar Das proprietor of M/s. Vinita Global Services, used the SIL licence of M/s. Shabbir and Sons Eco Exim Private Limited and the licence of the Customs Broker M/s. Das Cargo Logistics for customs clearance work. However, as per Regulation 10(b), a Customs Broker is required to carry out business either personally or through an authorised employee who has been duly approved by the Deputy Commissioner of Customs or Assistant Commissioner of Customs. In the instant case, it appeared that the Customs Broker was not transacting business either personally or through an authorised employee and neither had he authorised

Shri Sabindra Kumar Das after obtaining the approval of the Deputy Commissioner of Customs or Assistant Commissioner of Customs. This constituted a clear violation of Regulation 10(b) of CBLR, 2018.

3.5 Regulation 10(d) of CBLR, 2018:

"advise the client to comply with the provisions of the Customs Act, allied Acts, and the rules and regulations thereof, and in cases of non-compliance, bring the matter to the notice of the Deputy Commissioner or Assistant Commissioner of Customs, as applicable;"

It appeared that the Customs Broker failed to advise their client to declare the correct description of goods, specifically "Used Tyre Scrap (pressed baled/multi-cut)" which did not fall under the 10 Mesh license category. Licenses issued for imports under Customs Tariff Item CTH 40040000 pertaining to tyre scrap are restricted both in terms of quantity and validity period. These licenses authorize the import of only one specific type of rubber tyre scrap within the stipulated timeframe, either "Used Tyre Scrap (pressed baled/multi-cut)" or "Rubber/granules finer than 10 Mesh to 20 Mesh, devoid of iron, steel, and most fibers." Both types fall under the broader category of waste, parings and scrap of rubber (other than hard rubber) including powders and granules obtained therefrom.

Therefore, a valid license permit is required for the import of a specified quantity of a particular type of tyre scrap as detailed in the DGFT license within the prescribed period. By misdeclaring the goods, the importer circumvented the conditions imposed by the DGFT import policy. Also, the SIL was over debited on behalf of the importer, which indicated that the CB was hand in gloves with the importer. Also, the Customs Broker failed to bring this non-compliance to the attention of the Deputy Commissioner or Assistant Commissioner of Customs. As per Regulation 10(d) of the CBLR, 2018, it is the responsibility of the Customs Broker to advise the importer to declare the correct description of goods and ensure the proper utilization of the SIL license issued by the DGFT, rather than allowing or facilitating its over debiting. This represented a clear deviation from the responsibilities outlined under Regulation 10(d) of CBLR, 2018. In view of the above, it appeared that the Customs Broker contravened the provisions of

Regulation 10(d) by not ensuring compliance with the relevant statutory requirements and by neglecting to inform the Deputy/Assistant Commissioner of the irregularities.

3.6 Regulation 10(e) OF CBLR, 2018:

"exercise due diligence to ascertain the correctness of any information provided to the client related to clearance of cargo or baggage.

It appeared that the Customs Broker failed to exercise due diligence and merely accepted the incorrect declaration provided by the importer, rather than ensuring the correct classification under Customs Tariff Heading (CTH) 40040000, which pertains to tyre scrap. This lapse contributed to the contravention of the DGFT Policy Conditions governing such imports. Furthermore, the Customs Broker was also found to be involved in the over-debiting of the SIL license issued by the DGFT, further indicating a pattern of non-compliance. In view of the same, it appeared that the Customs Broker M/s. Das Cargo Logistics, instead of acting in accordance with regulatory obligations, actively facilitated and guided the importer in committing the offence. As per Regulation 10(e) of the CBLR, 2018, it is the responsibility of the Customs Broker to exercise due diligence and ensure the proper utilisation of the SIL license issued by the DGFT and prevent any misuse. Accordingly, it appeared that the Customs Broker failed to adhere to the prescribed procedures and responsibilities outlined under Regulation 10(e) of the Customs Brokers Licensing Regulations (CBLR), 2018.

4. In view of the above and considering the gross violation and deliberate misuse of the SIL licenses, it appeared that the CB knowingly misused his license and chose to lend it for monetary benefit, which resulted in serious non-compliance. The misdeclaration and unauthorised use of restricted import license, particularly in blatant contravention of DGFT Policy, amounted to a serious offence warranting stringent legal action under the Customs Broker Licensing Regulations (CBLR), 2018 and related statutes. Moreover, the gross negligence and dereliction of duty exhibited by the Customs Broker posed a significant threat to the Indian economy at large. In the era of trade facilitation, the Customs Broker works as a bridge between the importer and Customs Authorities. However, in the instant case, it appeared that CB M/s. Das Cargo Logistics was careless in his duties and was

involved in over-debiting of SIL licenses, importing quantities exceeding the permitted limits by manipulating manual debit sheets. Thus, it appeared that the CB M/s. Das Cargo Logistics (CB License No. 11/2701) committed a gross offence and violated Regulations 1(4), 10(a), 10(b), 10(d), 10(e) of the Customs Brokers Licensing Regulations, 2018 which made them unfit to transact any business at Mumbai Customs and also at other Customs Stations.

4.1 Accordingly, the Customs Broker license no. 11/2701 of M/s. Das Cargo Logistics was suspended vide Order No. 09/2025-26 dated 17.10.2025 and opportunity of personal hearing was granted to the CB on 30.10.2025. Shri R.K. Tomar, Advocate and Shri Gaurav S. Sarfare, Advocate appeared for the personal hearing on 30.10.2025 on behalf of the CB. During the Personal Hearing, they reiterated their written submission dated 30.10.2025.

4.2 However, from the facts as mentioned in the Suspension Order no. 09/2025-26 dated 17.10.2025, prima-facie, the Customs Broker M/s Das Cargo Logistics (CB License No. 11/2701) appeared to have violated Regulations 1(4) and 10 of the CBLR, 2018 and contravened the same. Therefore, for their acts of omission and commission CB M/s Das Cargo Logistics appeared to be liable and guilty. Accordingly, Order No. 12/2025-26 dated 12.11.2025 was passed continuing the suspension of the CB Licence No. 11/2701 of M/s Das Cargo Logistics ordered vide Order No. 09/2025-26 dated 17.10.2025 pending inquiry proceedings under Regulation 17 of the CBLR, 2018.

5. In view of the offence report received vide letters F.No. DRI/AZU/CI-1/ENQ-62(INT-25)/2025 dated 04.07.2025 and 29.09.2025 from DRI, AZU, the following articles of charges were framed against the CB M/s. Das Cargo Logistics (CB License No. 11/2701):

- (i) Article of Charge-I: Violation of Regulation 1(4) of the CBLR, 2018.
- (ii) Article of Charge-II: Violation of Regulation 10(a) of the CBLR, 2018.
- (iii) Article of Charge-III: Violation of Regulation 10(b) of the CBLR, 2018.
- (iv) Article of Charge-IV: Violation of Regulation 10(d) of the CBLR, 2018.
- (v) Article of Charge-V: Violation of Regulation 10(e) of the CBLR, 2018

5.1 In light of the above, a Show Cause Notice (SCN) No. 34/2025-26 dated 16.12.2025 was issued to the CB M/s. Das Cargo Logistics (CB License No. 11/2701) under the provisions of Regulation 17(1) of the CBLR, 2018 wherein, the CB was called upon to show cause, as to why:

- a. The Customs Broker License bearing no. 11/2701 issued to them should not be revoked under regulation 14 read with regulation 17 of the CBLR, 2018;
- b. Security deposited should not be forfeited under regulation 14 read with regulation 17 of the CBLR, 2018;
- c. Penalty should not be imposed upon them under Regulation 18 read with Regulation 17 of the CBLR, 2018.

5.2 Shri Abhishek Jain, Deputy Commissioner of Customs was appointed as Inquiry Officer (IO) to conduct the inquiry proceedings against the CB M/s. Das Cargo Logistics (CB License No. 11/2701) under Regulation 17 of the CBLR, 2018.

INQUIRY REPORT: -

6. The Inquiry Officer (here in after 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 vide SCN No. 34/2025-26 dated 16.12.2025 were held as "Proved".

FINDINGS OF THE INQUIRY OFFICER: -

7. The IO Submitted that he had gone through the Show Cause Notice No. 34/2025-26 dated 16.12.2025, the records of the personal hearings, defence submissions made during the personal hearings and the statements of all the persons recorded under section 108 of Customs Act, 1962, during the investigation. The IO submitted that he had also gone through the alleged Articles of Charges or contraventions mentioned in Show Cause Notice as well as legal provisions reflected in CBLR, 2018.

7.1 The IO stated that the CB had submitted that copies of the offence report, copies of the statements of various persons had not been supplied to them. Further, the CB had submitted that the statements had not been made part of the RUDs to the SCN. The IO

found both these submissions untenable as the offence report, statements of various persons had been made RUDs to the SCN. Further, the IO submitted that there is no evidence submitted by the CB that the RUDs to the SCN had not been received by them particularly when the documents were made RUDs to the SCN.

7.2 Further, the IO submitted that the CB had not requested for any documents which allegedly they had not received, nor requested for any cross-examination of the witnesses whose statements formed the RUDs. The IO thus stated that there was no reason not to rely upon the statement of the various persons which are part of the RUDs.

7.3 Article of Charge – I - Regulation 1(4) of CBLR, 2018:

The IO found that investigations conducted by DRI, Ahmedabad Zonal Unit revealed that the Customs Broker M/s. Das Cargo Logistics (AIBPD7512RCH001) rented out their Customs Broker license to Shri Sabindra Kumar Das for some monetary benefit. The IO found that M/s. Vinita Global Services was using Customs Broker License of M/s. Das Cargo Logistics, and for using their Customs Broker License, M/s. Vinita Global Services was paying office rent and also made payment of the staff of M/s. Das Cargo Logistics. The IO found that such monetary gain by the charged CB M/s. Das Cargo Logistics in lieu of renting their Customs Broker License to M/s. Vinita Global Services amounts to transfer of Customs Broker License.

The IO found that Shri Binay Kumar Das, proprietor of M/s. Das Cargo Logistics in his statement recorded by DRI, Ahmedabad, on 06.08.2025 admitted that Shri Sabindra Kumar Das, who is the proprietor of M/s. Vinita Global Services handled operational work in M/s. Das Cargo Logistics; that he did not handle customs clearance of Used Tyre Scrap and the whole customs clearance work of used tyre scrap was handled by Shri Sabindra Kumar Das only. Thus, it is evident that M/s. Vinita Global Services was using Customs Broker License of charged CB M/s. Das Cargo Logistics. Thus, the IO stated that it is evident that the charged Customs Broker had contravened the provisions of Regulation 1(4) by unlawfully renting out the Customs Broker license to Shri Sabindra Kumar Das,

who had also over-debited the SIL license on behalf of the importer. Accordingly, the IO held the charge of violation of Regulation 1(4) of the CBLR, 2018 as 'Proved'.

7.4 Article of Charge-II - Regulation 10(a) of CBLR, 2018:

The IO found that as per the statement of the importer recorded by DRI, Ahmedabad he had given customs clearance work to Shri Sabindra Das. The IO found that Shri Binay Kumar Das, proprietor of M/s. Das Cargo Logistics (AIBPD7512RCH001) in his statement recorded by DRI, Ahmedabad, on 06.08.2025 admitted that he had once met Mr. Syed Aslam Ali when he was introduced to him by Shri Sabindra Kumar Das, which proved that Shri Binay Kumar Das, proprietor of M/s. Das Cargo Logistics had never met him except when introduced to him by Shri Sabindra Kumar Das. The IO found that the charged CB did not produce any Authorization by the importer during the inquiry proceedings. Thus, it is evident that the charged Customs Broker had contravened the provisions of Regulation 10(a) of CBLR, 2018. Accordingly, the IO held that the charge of violation of Regulation 10(a) of the CBLR, 2018 was 'Proved'.

7.5 Article of Charge-III - Regulation 10(b) of CBLR, 2018:

The IO found that Shri Binay Kumar Das, proprietor of M/s. Das Cargo Logistics in his statement recorded by DRI, Ahmedabad, on 06.08.2025 stated that he did not handle customs clearance of Used Tyre Scrap and the whole customs clearance work of used tyre scrap was handled by Shri Sabindra Kumar Das only. The IO submitted that he had already held in Article of charge -I that M/S. Vinita Global Logistics was using Customs Broker License of charged CB M/s. Das Cargo Logistics and the charged CB had violated provisions of Regulation 1(4) of CBLR, 2018. The IO found that Shri Sabindra Kumar Das had operated License of charged CB M/s. Das Cargo Logistics without applying for a Customs Pass in M/s. Das Cargo Logistics as per Regulation 10(b). A Customs Broker is required to carry out business either personally or through an authorised employee who has been approved by the Deputy Commissioner of Customs or Assistant Commissioner of Customs. Thus, it was evident that the charged Customs Broker had contravened the

provisions of Regulation 10(b) of CBLR, 2018. Accordingly, the IO held that the charge of violation of Regulation 10(b) of the CBLR, 2018 was 'Proved'.

7.6 Article of Charge-IV - Regulation 10(d) of CBLR, 2018:

The IO found that investigations conducted by DRI, Ahmedabad revealed that the importer failed to declare the correct description of goods, specifically "Used Tyre Scrap (pressed baled/multi-cut)", which did not fall under the 10 Mesh License category. The IO found that the investigations revealed that Licenses issued for imports under Customs Tariff Item CTH 40040000 pertaining to tyre scrap are restricted both in terms of quantity and validity period; that these licenses authorize the import of only one specific type of rubber tyre scrap within the stipulated time-frame, either "Used Tyre Scrap (pressed baled/multi cut)" or "Rubber/granules finer than 10 mesh to 20 mesh, devoid of iron, steel, and most fibres". Both types fall under the broader category of waste, parings and scrap of rubber (other than hard rubber) including powders and granules obtained therefrom. Therefore, the IO stated that a valid license permit is required for the import of a specified quantity of a particular type of tyre scrap as detailed in the DGFT License within the prescribed period. The IO submitted that by mis-declaring the goods, the importer had circumvented the conditions imposed by DGFT import policy. Also, the SIL was over-debited on behalf of the importer, which indicated that the C.B. was hand in gloves in this case. The IO found that as per provisions of Regulation 10(d) of CBLR, 2018, it was the responsibility of Customs Broker to advise importer to declare the correct description of goods and ensure the proper utilization of the SIL License issued by the DGFT, rather than allowing or facilitating its over-debiting. The IO found that the charged CB never advised their client about the same or brought the said discrepancies to the notice of the Customs Department. Thus, it was evident that the charged Customs Broker had contravened the provisions of Regulation 10(d) of CBLR, 2018. Accordingly, the IO held that the charge of violation of Regulation 10(d) of the CBLR, 2018 was 'Proved'.

7.7 Article of Charge-V - Regulation 10(e) of CBLR, 2018:

The IO found that investigations conducted by DRI, Ahmedabad revealed that the importer failed to declare the correct description of goods, specifically "Used Tyre Scrap

(pressed baled/multi-cut)”, which does not fall under the 10 Mesh License category. The IO found that the investigations revealed that Licenses issued for imports under Customs Tariff Item CTH 40040000 pertaining to tyre scrap are restricted both in terms of quantity and validity period; that these licenses authorize the import of only one specific type of rubber tyre scrap within the stipulated time-frame, either “Used Tyre Scrap (pressed baled/multi cut)” or “Rubber/granules finer than 10 mesh to 20 Mesh, devoid of iron, steel, and most fibres”. Both types fall under the broader category of waste, parings and scrap of rubber (other than hard rubber) including powders and granules obtained therefrom. Therefore, a valid license permit is required for the import of a specified quantity of a particular type of tyre scrap as detailed in the DGFT License within the prescribed period. By mis-declaring the goods, the importer circumvented the conditions imposed by the DGFT import policy. Also, the SIL was over-debited on behalf of the importer, which indicated that the C.B. was hand in gloves in this case.

Thus, it is apparent that the charged Customs Broker failed to exercise due diligence and merely accepted the incorrect declaration provided by the importer, rather than ensuring the correct classification under Customs Tariff Heading (CTH) 40040000, which pertains to tyre scrap. The IO also found that this lapse contributed to the contravention of the DGFT policy conditions governing such imports. Furthermore, the IO submitted that the Customs Broker had been found to be involved in the over-debiting of the SIL license issued by the DGFT, indicating a pattern of non-compliance. Thus, it was evident that the charged Customs Broker had contravened the provisions of Regulation 10(e) of CBLR, 2018. Accordingly, the IO held that the charge of violation of Regulation 10(e) of the CBLR, 2018 was ‘Proved’.

7.8 SUMMARY OF THE FINDINGS:

From the aforesaid discussions as mentioned above, the IO concluded the findings as under:

Sr. No.	Charges against the CB	Findings
1.	Violation of Regulation 1(4) of CBLR, 2018	Proved
2.	Violation of Regulation 10(a) of CBLR, 2018	Proved
3.	Violation of Regulation 10(b) of CBLR, 2018	Proved
4.	Violation of Regulation 10(d) of CBLR, 2018	Proved
5.	Violation of Regulation 10(e) of CBLR, 2018	Proved

RECORDS OF PERSONAL HEARING: -

8. The Personal Hearing (PH) in the matter was held on 27.04.2026. Shri R.K. Tomar, Advocate and Shri Gaurav S. Sarfare, Advocate appeared for the hearing on behalf of the CB M/s. Das Cargo Logistics (CB License No. 11/2701) and made a written submission dated 27.04.2026. However, the Adjudicating Authority changed due to the transfers ordered vide CBIC Order No. 59/2026 dated 30.04.2026. Consequently, in the interest of natural justice, another PH opportunity was granted to the CB on 20.05.2026. Shri R.K. Tomar, Advocate and Shri Gaurav S. Sarfare, Advocate appeared for the hearing on behalf of the CB M/s. Das Cargo Logistics. They reiterated their written submission dated 27.04.2026 and made additional submission dated 20.05.2026. They further requested to take a lenient view. The oral and written submissions of the CB were taken on record.

WRITTEN SUBMISSIONS OF THE CB: -

9. The written submission made by the CB is as below:

The CB submitted that there are two allegations against the CB as under:

- (i) That the CB herein is involved in over-debiting of the said SILs; and
- (ii) That another person namely Shri Sabindra Kumar Das (proprietor of M/s. Vinita Global Services) used to use the SILs of the importer for debiting the same on behalf of the importer as well as the license of the CB herein for Customs clearance work.

9.1 The CB submitted that based on the above allegations, it has been alleged in the said SCN that the CB has violated provisions of Regulations 1(4), 10(a), 10(b) 10(d) and 10(e) of the CBLR 2018. The CB denied any violation of the provisions of the CBLR 2018 and submitted that they had been fully compliant with the laws as applicable to them. The CB submitted that in respect of the allegation that they herein were involved in over-debiting of the said SILs, it is submitted that the importer had availed of their services through their authorised representatives for debiting the said SILs. The CB submitted that the SILs along with the Bills of Entry were submitted to the Customs Authorities by the CB for debiting. The CB submitted that it is the Customs Authorities who have to debit the SILs based on the documents submitted in respect of the said imports.

9.2 The CB submitted that it had been alleged that the importer had manipulated the manual debit sheets of the said SILs in order to import quantities of the said goods in excess of the permitted quantities. In view of the same, it is the admitted position that the CB herein has no role in such manipulation by the importer. Further, the CB submitted that the manual debiting of the SILs had been permitted by the Customs Authorities, where again the CB herein has no role to play. The CB submitted that they had acted in good faith and bonafide belief that the Customs Authorities having permitted the manual debiting, and therefore, they submitted the said documents to the Customs Officers. The CB submitted that they placed reliance on the Public Notice No. 66/2023 dated 03-08-2023 issued by the Commissioner of Customs, Appraising Main (I), JNCH whereby procedure for debiting the SILs and granting permission or clearance of the respective goods have been issued. A copy of the same is enclosed herewith as ANNEXURE-A. The relevant part of the same is as under:

7. The Supdt/AO, TSK section while making the debit entry against SIL shall endorse on the back of the SIL debit, number of sheets that are attached to the SIL and endorse by the name, signature, date and stamp. Further, the debit sheets should bear serial number along with dated signature of the Supdt. /AO, TSK. In doing so, the TSK officers shall maintain a separate register comprising details of different SILs and corresponding debit entries against the particular SIL and details of sheets attached to the SIL in order to correlate with the debit sheets attached with the SIL.

The CB submitted that the above provisions clearly state that they had no role in debiting the SILs, it is the Customs Officers (namely Supdt. / AO at Turant Seva Kendra – “TSK”) who have to debit the SIL after examination of the documents submitted to them. The CB submitted that they cannot be held responsible for something which is not in their domain.

9.3 In respect of the allegation that another person namely Shri Sabindra Kumar Das (proprietor of M/s. Vinita Global Services) used to use the SILs of the importer for debiting the same on behalf of the importer as well as the license of the CB herein for Customs clearance work, the CB submitted that there was no such arrangement between the said Shri Binay Kumar Lal Das, the CB and the said Shri Sabindra Kumar Das (proprietor of

M/s. Vinita Global Services). The CB herein denied that said Shri Sabindra Kumar Das has used the said SILs or their CB License.

9.4 The CB submitted that the allegations had been made in para 15 and 17 of the said SCN that Shri Binay Kumar Lal Das, the CB herein had given their CB License on rent to the said Shri Sabindra Kumar Das. The CB herein denied this allegation and submitted that they had never given their CB License on rent to the said Shri Sabindra Kumar Das. Further, since copies of the statements of these two persons have not been provided, the same cannot be relied upon by the Competent Authority /Adjudicating Authority more so when the said statements are not part of the relied upon documents in the said SCN. In fact, the CB stated that there is no document relied upon in the said SCN making it impossible for the Legal Counsels of the CB herein to defend their client / CB herein in any effective manner.

9.5 The CB submitted that in para 9 of the said SCN, the role of the CB herein has been mentioned which is as under:

It is evident that the Customs Broker M/s. Das Cargo Logistics (AIBPD7512RCH001) have failed to fulfil their obligations laid down under Customs Brokers Licensing Regulations (CBLR) 2018. The CB has given his CB Licence for use by Shri Sabindra Kumar Das Proprietor of M/s. Vinita Global Services, who appears to have actively guided the importer in committing the offence.

The CB denied that they were under guidance of any person or that they have committed any offence under the Customs Act, 1962. Further, the CB has complied with each and every Regulation and obligations cast upon them under the law.

9.6 The CB submitted that it has been alleged that they had violated Regulation 1(4) of the CBLR 2018, which is as under:

"(4) 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."

The CB submitted that in respect of the above charge, the Inquiry Officer had found that investigations conducted by DRI, Ahmedabad Zonal Unit revealed that the CB rented

out their CB License to Shri Sabindra Kumar Das for some monetary benefit viz., rent of the office and payment of the staff was from the account of M/s. Vinita Global Services. The IO found that M/s. Vinita Global Services was using CB License of the CB herein, and for using their CB License, M/s. Vinita Global Services was paying office rent and also making payment of the staff of the CB herein. The IO had also found that such monetary gain by the charged CB in lieu of renting their CB License to M/s. Vinita Global Services amounts to transfer of CB License.

9.7 The CB submitted that the IO had further found that Shri Binay Kumar Das, proprietor of the CB herein in his statement recorded by DRI, Ahmedabad, on 06-08-2025 admitted that Shri Sabindra Kumar Lal Das, proprietor of M/s. Vinita Global Services handled operational work in M/s. Das Cargo Logistics; that he did not handle Customs clearance of Used Tyre Scrap and the whole Customs clearance work of used tyre was handled by Shri Sabindra Kumar Das. In view of the same, the Inquiry Officer has held that M/s. Vinita Global Services was using CB License of the CB herein leading to contravention of Regulation 1(4) of the CBLR 2018. Accordingly, the IO had mentioned that the charge of violation of Regulation 1(4) of the CBLR 2018 is proved. The CB submitted that in the above legal provisions as contained in Regulation 1(4) of the CBLR 2018, the emphasis is on the words “no license shall be sold or otherwise transferred”. This being the case, the CB stated that there is no allegation that the CB License was sold or otherwise transferred by Shri Binay Kumar Das, proprietor of the CB to the said Shri Sabindra Kumar Lal Das, proprietor of M/s. Vinita Global Logistics. The CB submitted that the allegation is that the Shri Binay Kumar Das, proprietor of the CB allowed the use of his CB License by Shri Sabindra Kumar Lal Das, proprietor of M/s. Vinita Global Logistics for monetary considerations, which is denied with full force. The CB submitted that the CB License is neither sold nor transferred to anyone by Shri Binay Kumar Das, proprietor of the CB herein.

9.8 The CB submitted that they placed reliance upon the order of the Hon’ble CESTAT, Kolkata in the matter of M/s. B.K. Clearing Agency Versus Commissioner of Customs

(Administration & Airport), Kolkata reported vide 2023 (5) TMI 614 - CESTAT Kolkata, a copy of which is placed as ANNEXURE-B hereto. The relevant part of the same is as under:

“Liability for transfer or unauthorised use of Customs Broker licence under Regulation 1(4) of CBLR, 2018 - Whether the appellant violated Regulation 1(4) by effectively transferring its licence to Mr. Arup Ghosh. - HELD THAT: The Tribunal examined the material relied upon by the Department-namely the receipt of payments into an account of a related entity and the fact that a G card holder (Mr. Arup Ghosh) attended clearances over an extended period. The appellant produced evidence that Mr. Arup Ghosh acted in the capacity of a G card holder and authorised signatory of the appellant and that payments routing through a related concern was an internal commercial arrangement. The factual matrix shows continuous authorised attendance by the G card holder and no evidence of formal transfer of licence. On these findings the allegation of transfer of licence under Regulation 1(4) is without merit. [Paras 9]”

Allegation of violation of Regulation 1(4) is not sustained.

9.9 The CB submitted that the Inquiry Officer had ignored the submission made by them in their written submissions. However, it is submitted that the office of the CB herein is situated at the residence of its proprietor, Shri Binay Kumar Das, at Flat No. 1202, Plot No. 1, L-21, Asawari CHS, Sector-27, Taloja Panchanand, Raigad, Maharashtra. This property is owned by Shri Binay Kumar Das, proprietor of the CB herein. The CB submitted that in the name of staff, the CB herein has only one person who handles his office work as well as field work such as collection of documents from clients etc. The CB stated that there was no need to pay any rent for the same, or any salary to the staff of the CB herein. Therefore, the CB submitted that the finding of the Inquiry Officer is incorrect that Shri Sabindra Kumar Das paid any amount to Shri Binay Kumar Das as consideration for rent of the said CB License or salary to the staff of the CB herein as the said Licence was never given for rent or otherwise in any manner whatsoever. Therefore, the allegation in respect of violation of Regulation 1(4) of the CBLR 2018 is incorrect and false.

10. In para 9.6 of the said SCN, it has been alleged that the CB herein has not obtained authorisation from the importer in respect of the said imports thereby violating Regulation 10(a) of the CBLR 2018. Provisions of Regulation 10(a) of the CBLR 2018 are as under:

"(a) 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 the Assistant Commissioner of Customs, as the case may be;"

The CB submitted that in respect of the above, the Inquiry Officer had found that as per statement of the Importer, he had given customs clearance work to Shri Sabindra Das, as, in the statement recorded by DRI, Ahmedabad. The IO found that Shri Binay Kumar Lal Das, proprietor of the CB herein in his statement recorded by DRI, Ahmedabad, on 06-08-2025 admitted that he had once met Mr. Syed Aslam Ali, when he was introduced to him by Shri Sabindra Kumar Das, which proves that Shri Binay Kumar Das proprietor of the CB herein had never met him except when introduced to him by Shri Sabindra Kumar Das. The CB further submitted that the IO had found that the CB herein had not produced any Authorization by the importer during the inquiry proceedings. Based on the same, the IO had concluded that the CB herein had contravened the provisions of Regulation 10(a) of CBLR, 2018. Accordingly, the IO had held the charge of violation of Regulation 10(a) of the CBLR, 2018 as Proved.

10.1 The CB submitted that the above allegation is made on the basis of a false assumption that the CB never directly met the importer or that there was no interaction between them. However, at the same time, it has been mentioned in para 9.7 of the said SCN that the CB herein met Shri Syed Aslam Ali when introduced to him by the said Shri Sabindra Kumar Das. The CB submitted that the allegation is self-contradictory as it has been mentioned in para 9.7 of the said SCN that the CB herein met Shri Syed Aslam Ali once. The CB submitted that having met the said Shri Syed Aslam Ali there is no need to meet him again only for obtaining the Authorisation, which in any case was received by the CB herein. The CB submitted that the existence of an Authorisation from the importer has not been denied, therefore, the allegation is false and untenable. The CB submitted that

they herein had obtained the Authorisation from the Importer, a copy of which is placed hereto as ANNEXURE-C Therefore, the allegation in respect of violation of Regulation 10(a) of the CBLR 2018 is incorrect and false.

10.2 The CB submitted that they placed reliance upon the order of the Hon'ble CESTAT, New Delhi in the matter of M/s. Silver Line Global Freight Pvt Ltd Versus Commissioner of Customs (Airport & General) - New Delhi reported vide 2025 (12) TMI 568 CESTAT New Delhi, a copy of which is placed hereto as ANNEXURE-D. The relevant part of the same is as under:

“Violation of Regulation 10(a) - HELD THAT:- The SCN does not say that the appellant was asked to produce a copy of the authorization by the SIIB officers and that he either said that he had no authorization or that he failed to produce the authorization. All that the SCN says is that the SIIB officers could not find it during investigation. If they had asked the appellant for the authorization things would have been clear. The failure of the SIIB officers to find the authorization does not prove that it did not exist on that date. The second reason for holding that the appellant had not obtained authorization was that during investigation the SIIB officers found that the exporter was not functioning at the place of business declared in the GST registration. It was also found that the GST registration was cancelled Suo Moto with effect from 07.02.2023 before the Shipping bills were filed on 11.12.2023. What the SCN does not say is when the GST registration was cancelled. It is a common for the department to cancel GST registrations with retrospective effect. If the registration was cancelled with retrospective effect, the registration may have been valid at the time of filing of the Shipping Bills on 11.12.2023. As for the doubt as to how the authorization could have been issued and when exporter did not exist at the place of business, it is evident from the SCN itself with the department also proceeded on the belief that the exporter existed at the place of business. Otherwise, the department would not have issued to the exporter GST registration that with that address as the place of business.

When Government of India proceeds on the belief that the exporter existed from the place of business, the Customs Broker cannot be faulted for entertaining a similar belief and acting accordingly the charge that the appellant had not obtained an authorization from the exporters is not correct and needs to be rejected.”

10.3 The CB submitted that in para 9.8 of the said SCN, it has been alleged that the CB herein has violated Regulation 10(b) of the CBLR 2018, which is as under:

"(b) transact business in the Customs Station either personally or through an authorised employee duly approved by the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be,"

The CB submitted that in respect of the above, the Inquiry Officer had found that Shri Binay Kumar Das, proprietor of the CB herein in his statement recorded by DRI, Ahmedabad, on 06-08-2025 stated that he did not handle Customs clearance of used tyre scrap and the whole Customs clearance work of used tyre scrap was handled by Shri Sabindra Kumar Das only. The Inquiry Officer found that Shri Sabindra Kumar Das had operated License of the CB herein without applying for Customs Pass in the CB firm as per Regulation 10(b) of the CBLR 2018. On the basis of the same, the Inquiry Officer concluded that the CB herein had contravened the provisions of Regulation 10(b) of CBLR, 2018 and held the charge as 'Proved'.

10.4 The CB submitted that they had always conducted their business either themselves or through their employee who is H-Card holder. The CB submitted that the name of the said Shri Sabindra Kumar Das cropped up for the reasons that they have some common clients for different services. However, they both work in their own spheres and do not interfere or involve themselves in each other's businesses. Further, as a Customs Broker, the CB herein solicits the work through his contacts including the said Shri Sabindra Kumar Das. Further, the CB herein takes all kinds of Customs clearances for import as well as export and for all goods. The CB submitted that the allegation that the CB herein had rented out their CB license to the said Shri Sabindra Kumar Das is incorrect and false.

10.5 The CB submitted that they placed reliance upon the order of the Hon'ble CESTAT, Kolkata M/s. M.K. Saha and Co. Versus Commissioner of Customs (Airport and ACC) (Vice-Versa) reported vide 2021 (12) TMI 350 - CESTAT Kolkata, a copy of which is placed hereto as ANNEXURE-E. The relevant part of the same is as under:

"Regulation 10(b):

10. This Regulation requires the Customs Broker to conduct the operations personally or through his employees duly approved by the Assistant Commissioner or Deputy Commissioner of Customs. The allegation against the Customs Broker in the SCN is that Shri Babul Dey filed the Shipping Bills who was employed by the

Customs Broker but it did not obtain approval of the Assistant Commissioner or Deputy Commissioner of Customs. The Custom Broker's response was that Shri Dey was only appointed on trial basis only as a marketing agent and not for Customs clearance work and hence the question of obtaining the permission of Assistant Commissioner or Deputy Commissioner does not arise at that stage. During hearing, Shri Dey was cross- examined in which he stated that:

a) He was the employee of M/s Behag Overseas and was not and was never the employee of the appellant Customs Broker.

b) However, he did some work of business promotion for the appellant customs broker.

c) With respect to the consignment in dispute, he stated that he only provided the job to the appellant.

d) He did not handle any export consignments on behalf of the appellant customs broker and only earned money from them as a business promotion for providing the job to them.

11. Learned Commissioner did not agree with the arguments of the appellant Customs Broker and the statements made during cross-examination and held that the Inquiry officer was correct in concluding that Shri Dey handled the Customs work of the disputed consignment on behalf of the appellant.

12. We have considered the arguments and the evidence before us. We find no reason to doubt the cross-examination and hold that Shri Babul Dey did the export work of the disputed consignment with the Customs because if he was an employee of another Customs Broker, his G-card would say so. In this case, besides the paper work, samples have also been drawn at the time of provisional assessment. If Shri Dey was unauthorisedly representing the exporter in the Shipping Bills filed in the name of the appellant Customs Broker, the Customs officers would not have entertained him. It would not be unreasonable to assume that if the shipping bill is filed by Customs Broker X and the person representing the Custom Broker has a G-Card of Customs Broker Y, officers would not entertain or deal through him because he would have no locus standi. We, therefore, find that balancing the evidence available on both sides, we find in favour of the Customs Broker and hold that it has not been established that the Customs broker has violated Regulation 10(b) of CBLR, 2018.”

11. The CB submitted that in para 9.10 of the said SCN, it has been alleged that the CB herein has violated Regulation 10(d) of the CBLR 2018, which is as under:

"(d) Advise the client to comply with the provisions of the Customs Act, allied Acts, and the rules and regulations thereof, and in case of non-compliance, bring the matter to the notice of the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be;"

The CB submitted that in respect of the above Regulation, the Inquiry Officer had found that investigations conducted by DRI, Ahmedabad revealed that the importer failed to declare the correct description of goods, specifically "Used Tyre Scrap (pressed baled/multi-cut)", which does not fall under the 10 Mesh License category. The IO found that the investigations revealed that SILs issued for imports under Customs Tariff Item CTH 40040000 pertaining to tyre scrap are restricted both in terms of quantity and validity period; that these licenses authorize the import of only one specific type of rubber tyre scrap within the stipulated time-frame, either "Used Tyre Scrap (pressed baled/multi cut)" or "Rubber / granules finer than 10 mesh to 20Mesh, devoid of iron, steel, and most fibres". Both types fall under the broader category of waste, parings and scrap of rubber (other than hard rubber) including powders and granules obtained therefrom. Therefore, a valid license permit is required for the import of a specified quantity of a particular type of tyre scrap as detailed in the DGFT License within the prescribed period. By mis-declaring the goods, the importer has circumvented the conditions imposed by the DGFT import policy.

11.1 The CB submitted that the IO had further found that the SIL was over-debited on behalf of the importer, which indicated that the CB herein had hand in gloves in this case. The IO had found that as per provisions of Regulation 10(d) of CBLR, 2018, it was responsibility of Customs Broker to advise importer to declare the correct description of goods and ensure the proper utilization of the SIL License issued by the DGFT, rather than allowing or facilitating its over-debiting. The IO had found that the CB herein never advised their client about the same. The IO had found that that the CB herein never brought the said discrepancies to the notice of the Customs Department. Thus, it is evident that the CB had contravened the provisions of Regulation 10(d) of CBLR, 2018. Accordingly, the IO concluded that the charge of violation of Regulation 10(d) of the CBLR, 2018 was proved.

11.2 The CB submitted that the above allegation is based on the assumption that the CB herein had not advised their clients in respect of the said imports. The CB submitted that the fact is that they had always kept the importer informed about the law including any changes/amendments in the law. The CB submitted that they had kept the importer informed that in case of violation of any provision of the law, they will have to face loss of goods and imposition of penalties. The CB further submitted that they were never aware of the goods that were contained in the containers as at the time of filing the Bill of Entry and that they can never predict as to the actual goods contained in the import container. The CB submitted that the container containing the said goods were always opened in presence of the Customs Officers and thereafter examined by them. The CB submitted that before booking of this case, for the past consignments the goods were examined by the Customs officers and there was no objection from them. The importer or the CB herein were never in the adverse notice of any of the law enforcement agency.

11.3 The CB submitted that they had provided sufficient information to the importer from time to time in respect of their imports. It is incorrect to say that the CB had not advised their clients/ the importer about proper utilization of the SILs and always give correct documents about the import consignments. However, the CB stated that there could be instances when the importer, despite being warned, indulge in illegal activities behind the back of the CB about which the CB can never come to know. In hindsight, the CB stated that each one of them become wise. In such cases, the CB stated that it is incorrect to blame the CB and punish them when they had bonafidely complied with their responsibilities. In view of the same, the CB submitted that they had not violated Regulation 10(d) of the CBLR 2018.

11.4 The CB submitted that they placed reliance upon the order of the Hon'ble CESTAT, New Delhi in the matter of M/s Falcon Air Cargo & Travels Pvt. Ltd. Versus Commissioner of Customs, (Airport & General), New Delhi reported vide 2026 (4) 445 TMI-CESTAT New Delhi, a copy of which is placed hereto as ANNEXURE-F. The relevant part of the same is as under:

“Scope of the obligation of the customs broker under Regulation 10- Advice to client under Regulation 10(d) -failing to exercise due diligence and ascertaining the correctness of information imparted to the exporter Presumption of Genuineness - Reliance on Government-Issued Documents - Burden of Proof - KYC and address violation of the verification under Regulation 10(n) Regulation 10(d), 10(e) and 10 (n) of CBLR.

Advice to client under Regulation 10(d) - Burden to prove non-compliance - HELD THAT: The Tribunal held that for alleging breach of Regulation 10(d), the department had to produce credible material showing that the Customs Broker had not advised the exporter to comply with the Act and Rules. The show cause notice contained no such evidence. On the contrary, the appellant produced a letter from the exporter confirming that such advice had been given. The Commissioner's rejection of that letter on the ground that it did not specify the nature of due diligence or details of the advice was held unsustainable, since the Regulation does not require any such written particulars or even mandate production of a letter at all. [Paras 13, 14]”

The finding of breach of Regulation 10(d) was set aside as baseless.

12. The CB submitted that in para 9.12 of the said SCN, it has been alleged that the CB herein had violated Regulation 10(e) of the CBLR 2018, which is as under:

"(e) Exercise due diligence to ascertain the correctness of any information provided to the client related to clearance of cargo or baggage;"

The CB submitted that in respect of the above Regulation, the Inquiry Officer found that investigations conducted by DRI, Ahmedabad revealed that the importer failed to declare the correct description of goods, specifically “Used Tyre Scrap (pressed baled/multi-cut)”, which does not fall under the 10 Mesh License category. The IO found that the investigations revealed that Licenses issued for imports under Customs Tariff Item CTH 40040000 pertaining to tyre scrap are restricted both in terms of quantity and validity period; that these licenses. authorize the import of only one specific type of rubber tyre scrap within the stipulated time-frame, either “Used Tyre Scrap (pressed baled/multi cut)” or “Rubber /granules finer than 10 mesh to 20 Mesh, devoid of iron, steel, and most fibres”. Both types fall under the broader category of waste, parings and scrap of rubber (other than hard rubber) including powders and granules obtained therefrom. Therefore, a valid license permit is required for the import of a specified quantity of a particular type of tyre scrap as

detailed in the DGFT License within the prescribed period. By mis-declaring the goods, the importer had circumvented the conditions imposed by the DGFT import policy. Also, the SIL was over-debited on behalf of the importer, which indicated that the CB had hand in gloves in this case.

12.1 The CB submitted that on the basis of the above, the Inquiry Officer had found that the CB herein failed to exercise due diligence and merely accepted the incorrect declaration provided by the importer, rather than ensuring the correct classification under Customs Tariff Heading (CTH) 40040000, which pertains to tyre scrap. The IO had also found that this lapse contributed to the contravention of the DGFT policy conditions governing such imports. Further, the CB herein was found to be involved in the over-debiting of the SIL license issued by the DGFT, further indicating a pattern of non-compliance. Thus, it was evident that the charged Customs Broker had contravened the provisions of Regulation 10(e) of CBLR, 2018. Accordingly, the IO held that the charge of violation of Regulation 10(e) of the CBLR, 2018 was proved.

12.2 The CB submitted that the above allegation is made as the importer had made incorrect declaration of the CTH of the said goods. As submitted above, the CB stated that they had provided the CTH for the goods for which the said SILs were obtained by the importer. The CB submitted that they cannot predict as to what goods were contained in the import containers until the said containers are opened. The CB submitted that the said containers were always opened in presence of the Customs officers at which time the Bill of Entry had already been filed with the declaration of CTH based on the description of the goods mentioned in the import documents such as Invoice, packing list, etc. The CB stated that it is impossible to know in advance as to what goods will be contained in the container till the same are seen and examined. The CB submitted that they had advised the importer in respect of goods about which they were neither aware nor they had been informed by the importer.

12.3 In respect of the above allegation the CB further submitted that this regulation will apply when there is any complaint from the clients that they have been mis-informed or

misguided by the CB. The CB submitted that there is no such complaint nor such a complaint has ever been made by any of the clients of the CB herein. Therefore, the CB submitted that there is no violation of the Regulation 10(e) of the CBLR 2018.

12.4 The CB submitted that they placed reliance upon the order of the Hon'ble CESTAT, New Delhi in the matter of M/s Falcon Air Cargo & Travels Pvt. Ltd. Versus Commissioner of Customs, (Airport & General), New Delhi reported vide 2026 (4) 445 TMI-CESTAT New Delhi, a copy of which is placed hereto as ANNEXURE-F. The relevant part of the same is as under:

“Due diligence under Regulation 10(e) - Non-application of mind - HELD THAT: The Tribunal found that the Commissioner's reasoning under Regulation 10(e) was internally inconsistent with his own finding under Regulation 10(d). While one part of the order proceeded on the basis that no advice had been given, the finding under Regulation 10(e) suggested that incorrect or inaccurate information had been imparted. Neither the show cause notice nor the impugned order identified what incorrect information had actually been provided by the appellant to the exporter. In the absence of any stated material or specific information said to be wrongly imparted, the conclusion of violation could not stand. [Paras 16, 17]”

The finding of breach of Regulation 10(e) was held wholly baseless and was set aside.

13. The CB further submitted that they meticulously and bonafidely provided their services to all their clients. The CB submitted that they herein were disengaged by the importer in about March 2024 or thereabout. The CB submitted that they had never come to any adverse notice of the law enforcement agencies prior to the present case and after they were disengaged by the importer in the present case. The CB stated that they had maintained high level of diligence and complied with all the rules and regulations in letter and spirit.

13.1 The CB submitted that it may be appreciated that the SILs were to be debited by the Customs Authorities in terms of Public Notice No. 66/2023 dated 03-08-2023. Prior to that also there were standing instructions for the Customs officers to deal with the SILs in terms of standard operating procedures. The CB submitted that they herein had honestly complied

with the said procedures at all times without fail. The CB also submitted that there is no allegation that the CB had gained anything out of the mis-declarations, mis-use of the said SILs and evasion of Customs duty by the importers. Under the circumstances, the balance of convenience is in favour of the CB herein.

14. The CB further submitted that the time limit for passing the order under Regulation 17(7) of the CBLR 2018 has elapsed as the same was to be passed within 90 days from the date of the Inquiry Report dated 16-02-2026. Having crossed the time limitation for passing the order under Regulation 17(7) of the CBLR 2018 the present proceedings are not sustainable. The CB submitted that they placed reliance upon the *order of the Hon'ble Delhi High Court in the matter of M/s. Leo Cargo Services Vs. Commissioner of Customs (Airport and General), New Custom House, New Delhi reported vide 2022 (8) TMI 115-Delhi High Court*, a copy of which is placed as ANNEXURE-G hereto. The relevant part of the same is as under:

Time limit of ninety days for submission of inquiry report - mandatory nature of timelines in the Customs Brokers Licensing Regulations - directory versus mandatory character of Regulation 17(5) of CBLR 2018 (pari materia to Regulation 20(5) CBLR 2013) - effect of non-compliance with prescribed timelines on revocation proceedings - CBIC Circular No. 09/2010 overall nine months timeline.

Time limit of ninety days for submission of inquiry report - mandatory nature of timelines in the Customs Brokers Licensing Regulations - directory versus mandatory character of Regulation 17(5) of CBLR 2018 (pari materia to Regulation 20(5) CBLR 2013) - effect of non-compliance with prescribed timelines on revocation proceedings - The CESTAT erred in holding that the timeline under Regulation 20(5) CBLR 2013 (pari materia Regulation 17(5) CBLR 2018) is directory; the timeline is mandatory and non-compliance vitiates the proceedings. Held That: The Court examined the statutory scheme of Regulation 17 of CBLR 2018 (pari materia to Regulation 20 of CBLR 2013) which prescribes sequential timelines including issuance of show cause notice and submission of an inquiry report within ninety days. The Court reviewed consistent precedent of coordinate benches of this Court and other High Courts holding that the various time-limits in the CBLR regime are sacrosanct and mandatory, and that non-compliance renders subsequent proceedings invalid. The Court distinguished the contrary view of the Bombay High Court and rejected the principle that meritorious allegations can cure

failure to adhere to mandatory timelines, observing that reasons based on merits cannot override a clear statutory limitation. Applying these principles to the facts, the Court found a delay of 28 days in submission of the inquiry report beyond the ninety-day period prescribed by Regulation 17(5). As there was no acceptable explanation by the Revenue for the delay and given the binding precedents, the Court concluded that the Tribunal's characterization of the timeline as merely directory was incorrect and that the impugned revocation, forfeiture and penalty thereby stood vitiated. [Paras 11, 12, 13, 14, 15].

The appeal is allowed; the CESTAT order is set aside, and the proceedings of revocation of the customs broker licence, forfeiture of security deposit and imposition of penalty are quashed for non-compliance with the mandatory timeline.

Final Conclusion: The Court answered the confined question of law in favour of the appellant: the ninety-day timeline for submission of the inquiry report under Regulation 17(5) CBLR 2018 (pari materia to Regulation 20(5) CBLR 2013) is mandatory; the Tribunal erred in treating it as directory and the impugned revocation, forfeiture and penalty are set aside. The appellant's licence renewal application is to be processed in accordance with law and there shall be no order as to costs.

14.1 The CB submitted that based on the above, the Hon'ble CESTAT, Ahmedabad, in its order in the matter of *Richie Cargo Logistics Pvt. Ltd. Vs. C. C. Kandla* reported vide 2024 (9) TMI 1182 CESTAT Ahmedabad (ANNEXURE-H), has held as under:

Limitation period - show cause notice - offence report - investigation report - Show cause notice dated 06.12.2018 is barred by limitation because the investigation report dated 17.10.2014 constitutes the offence report for the purpose of limitation under the CBLR regime. HELD THAT: The Tribunal examined the provenance and date of the offence report relied upon for issuance of the show cause notice. The commissioner treated SCN dated 03.03.2016 as the offence report and held that receipt of that SCN on 08.11.2018 rendered the subsequent SCN of 06.12.2018 within 90 days. The Tribunal, however, noted that the investigation report dated 17.10.2014 (obtained by the appellant under RTI) is the operative offence report. Applying the limitation starting from the investigation report dated 17.10.2014, the show cause notice issued on 06.12.2018 falls beyond the prescribed limitation period and therefore does not survive. The consequence of the SCN being time-barred is that the proceedings founded on that SCN revocation of licence, forfeiture of security and imposition of penalty under the Custom Broker Licensing Regulations - cannot be sustained. [Paras 8, 9]

The show cause notice is time barred and cannot be sustained; consequent reliefs of revocation, forfeiture and penalty do not survive.

Final Conclusion: The appeals are allowed: the show cause notice is barred by limitation and therefore the impugned orders revoking the licence, forfeiting security and imposing penalty cannot be sustained.

14.2 The CB further submitted that the legal position enumerated above is binding on the Competent Authority as the same is supported by the order of the Hon'ble Delhi High Court and the CESTAT all over India. The CB submitted that the time limitations having expired as mandated under Regulation 17 of the CBLR 2018, the present proceedings are not maintainable and it is prayed that the same may be concluded in favour of the CB herein.

14.3 The CB further submitted that the said SCN may be withdrawn and suspension of their CB license may not be continued. Further, penalty may not be imposed and the Security Deposit of the CB herein may not be forfeited. The CB submitted that revocation of their License will lead to livelihood issues of them and their employee and in addition they will lose the present clients. The CB prayed to the Adjudicating Authority that lenient view may be taken in the present case in respect of the CB and their CB License may be permitted to remain operational. The CB assured that they will not act adverse to the interest of the Department in any manner whatsoever. The CB submitted that they shall be highly obliged for grant of the prayers as above.

DISCUSSIONS AND FINDINGS: -

15. I have gone through the facts and records of the case; the offence report DRI/AZU/CI-1/ENQ-62(INT-25)/2025 dated 04.07.2025 and 29.09.2025 issued by the Additional Director, DRI, AZU; Show Cause Notice No. 1610/2025-26/Pr. Commissioner of Customs/GR.2H/NS-I/CAC/JNCH dated 15.12.2025 issued by the Principal Commissioner of Customs, NS-I, JNCH; Suspension Order No. 09/2025-26 dated 17.10.2025 and Suspension Continuation Order No. 12/2025-26 dated 12.11.2025 issued under Regulation 16 of CBLR, 2018; Show Cause Notice No. 34/2025-26 dated 16.12.2025 issued under Regulation 17(1) of CBLR, 2018; Inquiry Report dated

16.02.2026, PH records dated 27.04.2026 and 20.05.2026; the CB's written submissions dated 27.04.2026 and 20.05.2026.

16. Briefly stating, the case against the CB M/s. Das Cargo Logistics (CB License No. 11/2701) originated from an investigation by the Directorate of Revenue Intelligence (DRI), Ahmedabad Zonal Unit into the import consignments of M/s Shabbir and Sons Eco Exim Pvt. Ltd. which involved the systematic misdeclaration and misuse of Special Import Licenses (SIL) by the importer M/s. Shabbir and Sons Eco Exim Pvt. Ltd., to circumvent EXIM policy restrictions on restricted goods. Acting on specific intelligence, the DRI intercepted and examined consignments at Nhava Sheva port, revealing that the importer was using licenses specifically intended for "10 Mesh" to instead import restricted "Used Tyre Scrap" in forms such as pressed, baled, shredded, and multi-cut scrap. Further investigation disclosed that the firm manipulated manual debit sheets to over-debit quantities from Special Import Licenses (SIL), importing quantities that far exceeded permitted limits. The investigation revealed that multiple customs brokers had filed such documents for customs clearance for the importer M/s. Shabbir and Sons Eco Exim Pvt. Ltd. More than 6700 metric tonnes with an assessable value of approximately Rs. 6.10 crores were found to have been over-debited using the Customs Broker license of M/s. Das Cargo Logistics. The investigation highlighted the active involvement and gross negligence of the CB M/s. Das Cargo Logistics. Statements recorded during the investigation revealed that the CB had effectively rented out or transferred its license to Shri Sabindra Kumar Das (Proprietor of M/s. Vinita Global Services) for monetary benefit, allowing him to handle the operational work and custom clearance for the importer. Based on these findings, the CB is charged with violating Regulations 1(4), 10(a), 10(b), 10(d) and 10(e) of the CBLR, 2018.

16.1 I observe that Show Cause Notice No. 1610/2025-26/Pr. Commissioner of Customs/GR.2H/NS-I/CAC/JNCH dated 15.12.2025 issued under section 124 of the Customs Act, 1962 mentions that, "M/s. Das Cargo Logistics, engaged in the customs clearance of old and used tyre scrap, facilitated M/s. Shabbir and Sons Eco Exim Private

Limited in the import of goods in contravention of the License issued by DGFT, by importing quantities in excess of the permissible limit. Consequently, M/s. Das Cargo Logistics, by not debiting the bills of entry and by misusing the manual debiting process of Customs, assisted M/s. Shabbir and Sons Eco Exim Private Limited in importing 6714.2 MTS of old and used tyre scrap, having an assessable value of Rs. 6,10,30,766/-, in excess of the permissible limit. Shri Sabindra Kumar Das, Proprietor of M/s. Vinita Global Services in his statement dated 05.08.2025 has stated that he used to handle the customs clearance work of M/s. Das Cargo Logistics at JNCH port. This has made Shri Binay Kumar Das, proprietor of M/s. Das Cargo Logistics and Shri Sabindra Kumar Das, proprietor of M/s. Vinita Global Services, liable for penalty under provisions of Section 112 of the Customs Act, 1962. Shri Sabindra Kumar Das, proprietor of M/s. Vinita Global Services, and Shri Binay Kumar Das, proprietor of M/s. Das Cargo Logistics, have caused submission of incorrect/false declarations to the Customs at the time of import, knowing fully that the items under import were in violation of licences issued by DGFT. Thus, having knowingly and intentionally caused a declaration to be made, signed and used which was false and incorrect, Shri Sabindra Kumar Das, proprietor of M/s. Vinita Global Services and Shri Binay Kumar Das, proprietor of M/s. Das Cargo Logistics have rendered themselves liable for penalty under Section 114AA of the Customs Act, 1962.”

17. I find that 05 articles of charges have been framed against the CB i.e. violation of Regulations 1(4), 10(a), 10(b), 10(d) and 10(e) of the CBLR 2018. Now, I proceed to discuss the 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, ‘in the present case, it appeared that the Customs Broker M/s. Das Cargo Logistics rented out their Customs Broker license to Shri Sabindra Kumar Das for some monetary benefit since rent of the office and payment of the staff was made from the account of M/s. Vinita Global Services. Further, as per the statement recorded by the Directorate of Revenue Intelligence, Ahmedabad on 06.08.2025

and upon scrutiny of the subject report, it was revealed that Shri Sabindra Kumar Das had obtained the Customs Broker license from M/s. Das Cargo Logistics and used it for the clearance of the subject imported goods and also over debited the SIL on behalf of the importer. This conduct clearly constituted a violation of Regulation 1(4) of the Customs Broker Licensing Regulations (CBLR), 2018. Such an omission represented a significant breach of the duties and responsibilities prescribed under Regulation 1(4). In light of the foregoing, it appeared that the Customs Broker had contravened the provisions of Regulation 1(4) by unlawfully renting out the Customs Broker license to Shri Sabindra Kumar Das, who had also over debited the SIL license on behalf of the importer.’

(b) I find that the inquiry officer, in this regard has observed that, investigations conducted by DRI, Ahmedabad Zonal Unit revealed that the Customs Broker M/s. Das Cargo Logistics (AIBPD7512RCH001) rented out their Customs Broker license to Shri Sabindra Kumar Das for some monetary benefit. The IO found that M/s. Vinita Global Services was using Customs Broker License of M/s. Das Cargo Logistics, and for using their Customs Broker License, M/s. Vinita Global Services was paying office rent and also making payment of the staff of M/s. Das Cargo Logistics. The IO found that such monetary gain by the charged CB M/s. Das Cargo Logistics in lieu of renting their Customs Broker License to M/s. Vinita Global Services amounts to transfer of Customs Broker License. The IO found that Shri Binay Kumar Das, proprietor of M/s. Das Cargo Logistics in his statement recorded by DRI, Ahmedabad, on 06.08.2025 admitted that Shri Sabindra Kumar Das, who is the proprietor of M/s. Vinita Global Logistics handled operational work in M/s. Das Cargo Logistics; that he did not handle customs clearance of Used Tyre Scrap and the whole customs clearance work of used tyre scrap was handled by Shri Sabindra Kumar Das only. Thus, it is evident that M/s. Vinita Global Services was using Customs Broker License of charged CB M/s. Das Cargo Logistics. Thus, the IO stated that it is evident that the charged Customs Broker had contravened the provisions of Regulation 1(4) by unlawfully renting out the Customs Broker license to Shri Sabindra Kumar Das, who had also over-debited the SIL license on behalf of the importer. Accordingly, the IO held the charge of violation of Regulation 1(4) of the CBLR, 2018 as proved.

(c) I have gone through the CB's submission in this regard wherein the CB denied the allegation of renting out their license to Shri Sabindra Kumar Das for monetary benefit, asserting that the license was neither sold nor transferred. They clarify that their office is located at the proprietor's residence, which he owns, and they employ only one person; therefore, there was no need for another party to pay their rent or staff salaries. The CB argued that the Inquiry Officer ignored these facts and provided no evidence of a formal transfer. They placed reliance on the order of the Hon'ble CESTAT, Kolkata in the matter of *M/s. B.K. Clearing Agency Versus Commissioner of Customs (Administration & Airport), Kolkata reported vide 2023 (5) TMI 614 - CESTAT Kolkata*. The relevant part of the same is as under:

“Liability for transfer or unauthorised use of Customs Broker licence under Regulation 1(4) of CBLR, 2018 - Whether the appellant violated Regulation 1(4) by effectively transferring its licence to Mr. Arup Ghosh. - HELD THAT: The Tribunal examined the material relied upon by the Department-namely the receipt of payments into an account of a related entity and the fact that a G card holder (Mr. Arup Ghosh) attended clearances over an extended period. The appellant produced evidence that Mr. Arup Ghosh acted in the capacity of a G card holder and authorised signatory of the appellant and that payments routing through a related concern was an internal commercial arrangement. The factual matrix shows continuous authorised attendance by the G card holder and no evidence of formal transfer of licence. On these findings the allegation of transfer of licence under Regulation 1(4) is without merit. [Paras 9]”

(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. I find that Shri Binay Kumar Das, proprietor of M/s. Das Cargo Logistics, admitted in his statement dated 06.08.2025 that the clearance work of trye scrap was entirely handled by Shri Sabindra Kumar Das (proprietor of M/s. Vinita Global Services). Furthermore, the investigation revealed that the office rent and staff salaries were paid from the account of M/s. Vinita Global Services. The CB contends that sharing an office is a common trade practice.

However, this is not a mere sharing of space. The complete surrender of operational control to an external person who is not a regular employee, combined with the financial dependency on that person's firm for operational costs, constitutes a de facto transfer of the license. Regulation 1(4) strictly prohibits the sale or transfer of a license; here, the transfer is established by the CB's total absence from the clearance process. The CB's conduct facilitated the gross over debiting of the Special Import License (SIL) thereby compromising the sanctity of the clearance process. I find the CB's reliance on the Hon'ble Tribunal's order in *M/s. B.K. Clearing Agency Versus Commissioner of Customs* misplaced. In that case the Tribunal noted continuous authorised attendance by the G card holder and no evidence of formal transfer of licence whereas, in the current case Shri Sabindra Kumar Das who looked after the customs clearance formalities was not an authorized employee of M/s. Das Cargo Logistics. Considering the facts and evidences on record I find the CB in outright violation of Regulation 1(4) of the CBLR, 2018.

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, 'in the present case, it appeared that the Customs Broker, M/s. Das Cargo Logistics failed to comply with the mandatory requirement as mandated under regulation 10(a) of CBLR, 2018. The Customs Broker did not obtain the necessary authorisation from the importer, as there is no record or indication of interaction between the Customs Broker and the importer. As per the statement of the Importer, he had given customs clearance work to Shri Sabindra Kumar Das. Further, in the statement recorded by DRI, Ahmedabad, Shri Binay Kumar Das proprietor of M/s. Das Cargo Logistics stated that he had once met Mr. Syed Aslam Ali, when he was introduced to him by Shri Sabindra Kumar Das. This proved that Shri Binay Kumar Das, proprietor of M/s. Das Cargo Logistics had never met the importer except when introduced to him by Shri Sabindra Kumar Das. Therefore, it was evident that the Customs Broker did not obtain the requisite authorisation, thereby constituting a clear violation of Regulation 10(a) of CBLR, 2018'.

(b) I find that the inquiry officer, in this regard has observed that, as per the statement of the Importer recorded by DRI, Ahmedabad he had given customs clearance work to Shri Sabindra Das. The IO found that Shri Binay Kumar Das, proprietor of M/s. Das Cargo Logistics in his statement recorded by DRI, Ahmedabad, on 06.08.2025 admitted that he had once met Mr. Syed Aslam Ali, when he was introduced to him by Shri Sabindra Kumar Das, which proved that Shri Binay Kumar Lal Das, proprietor of M/s. Das Cargo Logistics had never met him except when introduced to him by Shri Sabindra Kumar Das. The IO found that the charged CB did not produce any Authorization by the importer during the inquiry proceedings. Thus, it is evident that the charged Customs Broker had contravened the provisions of Regulation 10(a) of CBLR, 2018. Accordingly, the IO held that the charge of violation of Regulation 10(a) of the CBLR, 2018 was proved.

(c) I have gone through the CB's submission and find that the CB has contended that the charge of failing to obtain authorization from the importer is based on a false assumption that they never met the importer. They point out a contradiction in the Show Cause Notice (SCN), which admits they met the importer, Shri Syed Aslam Ali, at least once. The CB provided a copy of the actual authorization as evidence and argued that the mere failure of investigators to find it during a search does not prove its non-existence. They placed reliance on *M/s. Silver Line Global Freight Pvt Ltd Versus Commissioner of Customs (Airport & General) - New Delhi reported vide 2025 (12) TMI 568 CESTAT New Delhi* wherein, Hon'ble CESTAT held that:

"It is a common for the department to cancel GST registrations with retrospective effect. If the registration was cancelled with retrospective effect, the registration may have been valid at the time of filing of the Shipping Bills on 11.12.2023. As for the doubt as to how the authorization could have been issued and when exporter did not exist at the place of business, it is evident from the SCN itself with the department also proceeded on the belief that the exporter existed at the place of business. Otherwise, the department would not have issued to the exporter GST registration that with that address as the place of business.

When Government of India proceeds on the belief that the exporter existed from the place of business, the Customs Broker cannot be faulted for entertaining a similar

belief and acting accordingly the charge that the appellant had not obtained an authorization from the exporters is not correct and needs to be rejected.”

(d) I have perused the facts and records of the case, the findings of the inquiry officer and the defence arguments of the CB. Shri Binay Kumar Das stated that he only met the importer, Mr. Syed Aslam Ali, once when he was introduced by Shri Sabindra Kumar Das. The importer’s statement recorded during the investigation confirms that he dealt directly with Sabindra Das and not the licensed CB. The CB’s claim of having an authorization on file is technically hollow. An authorization under Regulation 10(a) is not a mere piece of paper; it implies a professional engagement between the CB and the client. When the CB admits to never transacting personally with the client and only meeting them as a guest of a third party, any authorization held is deemed a mere formality to bypass regulatory checks. Also, the Inquiry Officer has held that no such authorization was ever produced. Further, I find the CB’s reliance on *M/s. Silver Line Global Freight Pvt Ltd Versus Commissioner of Customs (Airport & General) - New Delhi reported vide 2025 (12) TMI 568 CESTAT New Delhi* misplaced in as much as the charge under 10(a) deals with obtaining an authorization from the client in a true sense whereas, the caselaw pertains to verification of genuineness of the client with respect to the existence of the business premises in actuality. In light of the findings and the CB’s own statement recorded before the investigating agency, I uphold the charge of violation of Regulation 10(a) of the CBLR, 2018.

17.3 Violation of Regulation 10(b) of the CBLR, 2018:

(a) I find that the charge of violation of Regulation 10(b) of the CBLR, 2018 has been levelled against the CB on the grounds that, ‘based on the subject report and the statement of Shri Binay Kumar Das dated 06.08.2025, recorded by the DRI, AZU, it was evident that Shri Sabindra Kumar Das Proprietor of M/s. Vinita Global Services, used to use the SIL licence of M/s. Shabbir and Sons Eco Exim Private Limited, as well as the licence of the Customs Broker M/s. Das Cargo Logistics for customs clearance work. However, as per Regulation 10(b), a Customs Broker is required to carry out business either personally or through an authorised employee who has been duly approved by the Deputy Commissioner

of Customs or Assistant Commissioner of Customs. In the instant case, it appeared that the Customs Broker was not transacting business either personally or through an authorised employee and neither had he authorised Shri Sabindra Kumar Das after obtaining the approval of the Deputy Commissioner of Customs or Assistant Commissioner of Customs. This constituted a clear violation of Regulation 10(b) of CBLR, 2018’.

(b) I find that the inquiry officer, in this regard, has observed that Shri Binay Kumar Das, proprietor of M/s. Das Cargo Logistics in his statement recorded by DRI, Ahmedabad, on 06.08.2025 stated that he did not handle customs clearance of Used Tyre Scrap and the whole customs clearance work of used tyre scrap was handled by Shri Sabindra Kumar Das only. The IO submitted that he had already held in Article of charge -I that M/s. Vinita Global Services was using Customs Broker License of charged CB M/s. Das Cargo Logistics and the charged CB had violated provisions of Regulation 1(4) of CBLR, 2018. The IO found that Shri Sabindra Kumar Das had operated License of charged CB M/s. Das Cargo Logistics without applying for a Customs Pass in M/s. Das Cargo Logistics as per Regulation 10(b). A Customs Broker is required to carry out business either personally or through an authorised employee who has been approved by the Deputy Commissioner of Customs or Assistant Commissioner of Customs. Thus, it was evident that the charged Customs Broker had contravened the provisions of Regulation 10(b) of CBLR, 2018. Accordingly, the IO held that the charge of violation of Regulation 10(b) of the CBLR, 2018 was proved.

(c) I have gone through the CB’s submission in this regard wherein, the CB denied the charge of allowing Shri Sabindra Kumar Das to operate their license without a valid Customs Pass. They clarify that while they may share common clients with Shri Das for different services, they work in separate spheres and do not interfere in each other’s businesses. The CB asserts they always conduct business personally or through their own H-Card holding employee. The CB cited order of the Hon’ble CESTAT, Kolkata in *M/s. M.K. Saha and Co. Versus Commissioner of Customs (Airport and ACC) (Vice-Versa)* reported vide 2021 (12) TMI 350 wherein, the Hon’ble CESTAT held that:

“We have considered the arguments and the evidence before us. We find no reason to doubt the cross-examination and hold that Shri Babul Dey did the export work of the disputed consignment with the Customs because if he was an employee of another Customs Broker, his G-card would say so. In this case, besides the paper work, samples have also been drawn at the time of provisional assessment. If Shri Dey was unauthorisedly representing the exporter in the Shipping Bills filed in the name of the appellant Customs Broker, the Customs officers would not have entertained him. It would not be unreasonable to assume that if the shipping bill is filed by Customs Broker X and the person representing the Custom Broker has a G-Card of Customs Broker Y, officers would not entertain or deal through him because he would have no locus standi. We, therefore, find that balancing the evidence available on both sides, we find in favour of the Customs Broker and hold that it has not been established that the Customs broker has violated Regulation 10(b) of CBLR, 2018.”

(d) Having carefully perused the facts of the case, I find that the CB argued that while they may share common clients with Shri Sabindra Kumar Das for different services, they work in separate spheres and do not interfere in each other’s businesses. The CB asserts they always conduct business personally or through their own H-Card holding employee. I have gone through Shri Binay Kumar Das’s statement recorded before DRI wherein, the CB admitted that he did not handle the customs clearance of the subject goods personally, nor was Shri Sabindra Kumar Das an approved employee of the firm. The clearance work was thus handled by a third party who held no legal status within M/s. Das Cargo Logistics. By allowing an external entity (Sabindra Kumar Das) to use the license, the CB completely bypassed the due process mandated under Regulation 10(b). I find the CB’s reliance on the order of the Hon’ble CESTAT, Kolkata in *M/s. M.K. Saha and Co. Versus Commissioner of Customs (Airport and ACC) (Vice-Versa) reported vide 2021 (12) TMI 350* completely misplaced since, Shri Binay Kumar Das, the proprietor of M/s Das Cargo Logistics himself admitted in his statement that Shri Sabindra Kumar Das was not authorized for customs clearance work. Also, I do not find any evidence suggesting that Shri Sabindra Kumar Das held any approval from the jurisdictional Deputy Commissioner of Customs or Assistant Commissioner of Customs in terms of Regulation 10(b). I find the conduct of the CB

completely non-compliant and observe that the Inquiry Officer has rightly held the charge of violation of Regulation 10(b) as proved.

17.4 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, ‘it appeared that the Customs Broker failed to advise their client to declare the correct description of goods, specifically “Used Tyre Scrap (pressed baled/multi-cut)” which did not fall under the 10 Mesh license category. Licenses issued for imports under Customs Tariff Item CTH 40040000 pertaining to tyre scrap are restricted both in terms of quantity and validity period. These licenses authorize the import of only one specific type of rubber tyre scrap within the stipulated timeframe, either “Used Tyre Scrap (pressed baled/multi-cut)” or “Rubber/granules finer than 10 Mesh to 20 Mesh, devoid of iron, steel, and most fibers.” Both types fall under the broader category of waste, parings and scrap of rubber (other than hard rubber) including powders and granules obtained therefrom. Therefore, a valid license permit is required for the import of a specified quantity of a particular type of tyre scrap as detailed in the DGFT license within the prescribed period. By misdeclaring the goods, the importer circumvented the conditions imposed by the DGFT import policy. Also, the SIL was over debited on behalf of the importer, which indicated that the CB was hand in gloves with the importer. Also, the Customs Broker failed to bring this non-compliance to the attention of the Deputy Commissioner or Assistant Commissioner of Customs. As per Regulation 10(d) of the CBLR, 2018, it is the responsibility of the Customs Broker to advise the importer to declare the correct description of goods and ensure the proper utilization of the SIL license issued by the DGFT, rather than allowing or facilitating its over debiting. This represented a clear deviation from the responsibilities outlined under Regulation 10(d) of CBLR, 2018. In view of the above, it appeared that the Customs Broker contravened the provisions of Regulation 10(d) by not ensuring compliance with the relevant statutory requirements and by neglecting to inform the Deputy/Assistant Commissioner of the irregularities.’

(b) I find that the inquiry officer, in this regard, has observed that the investigation conducted by DRI, Ahmedabad revealed that the importer failed to declare the correct description of goods, specifically “Used Tyre Scrap (pressed baled/multi-cut)”, which did not fall under the 10 Mesh License category. The IO found that the investigations revealed that Licenses issued for imports under Customs Tariff Item CTH 40040000 pertaining to tyre scrap are restricted both in terms of quantity and validity period; that these licenses authorize the import of only one specific type of rubber tyre scrap within the stipulated time-frame, either “Used Tyre Scrap (pressed baled/multi cut)” or “Rubber/granules finer than 10 mesh to 20 Mesh, devoid of iron, steel, and most fibres”. Both types fall under the broader category of waste, parings and scrap of rubber (other than hard rubber) including powders and granules obtained therefrom. Therefore, the IO stated that a valid license permit is required for the import of a specified quantity of a particular type of tyre scrap as detailed in the DGFT License within the prescribed period. The IO submitted that by mis-declaring the goods, the importer had circumvented the conditions imposed by the DGFT import policy. Also, the SIL was over-debited on behalf of the importer, which indicated that the C.B. was hand in gloves in this case. The IO found that as per provisions of Regulation 10(d) of CBLR, 2018, it was the responsibility of Customs Broker to advise importer to declare the correct description of goods and ensure the proper utilization of the SIL License issued by the DGFT, rather than allowing or facilitating its over-debiting. The IO found that the charged CB never advised their client about the same or brought the said discrepancies to the notice of the Customs Department. Thus, it was evident that the charged Customs Broker had contravened the provisions of Regulation 10(d) of CBLR, 2018. Accordingly, the IO held that the charge of violation of Regulation 10(d) of the CBLR, 2018 was proved.

(c) I have gone through the CB’s submission in this regard wherein the CB argued that they cannot predict the actual contents of a container before it is opened. They state they acted in good faith, as previous consignments were cleared by Customs without objection. The CB insists they always kept the importer informed about the law and potential penalties for violations. They relied on order of the Hon’ble CESTAT, New Delhi in the matter of

M/s Falcon Air Cargo & Travels Pvt. Ltd. Versus Commissioner of Customs, (Airport & General), New Delhi reported vide 2026 (4) 445 TMI-CESTAT New Delhi, which held that:

“for alleging breach of Regulation 10(d), the department had to produce credible material showing that the Customs Broker had not advised the exporter to comply with the Act and Rules. The show cause notice contained no such evidence. On the contrary, the appellant produced a letter from the exporter confirming that such advice had been given. The Commissioner's rejection of that letter on the ground that it did not specify the nature of due diligence or details of the advice was held unsustainable, since the Regulation does not require any such written particulars or even mandate production of a letter at all.”.

(d) Having gone through the facts and evidences on record, I find that the CB claims they were unaware of the misdeclaration. This is a gross dereliction of duty. As a licensed expert, the CB is responsible for ensuring that the license being debited matches the goods described. The over-debiting of a license to such a massive extent is impossible without the active participation or calculated ignorance of the CB. The failure to flag this massive discrepancy to Customs authorities is a direct violation of Regulation 10(d). The importer systematically imported restricted “Used Tyre Scrap” (pressed/baled) while using the 10 Mesh license. Additionally, the CB license was used to over-debit SIL licenses by a huge 6714 Mts (Assessable Value: Rs. 6.10 Crores) which in itself a serious lapse on the part of the CB. I observe that the impugned imports were spread across a period of more than a year and yet the CB failed to advise the importer on course correction or bring the irregularity to the notice of the department. The clearance of old and used tyre scrap in the absence of the mandatory license rendered the said goods prohibited which further aggravates the offence of the CB. In view of these findings, I am of the firm opinion that the CB has violated Regulation 10(d) of the CBLR, 2018.

17.5 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, ‘it appeared that the Customs Broker failed to exercise due diligence and merely accepted the incorrect declaration provided by the importer, rather than ensuring the correct classification under Customs Tariff Heading

(CTH) 40040000, which pertains to tyre scrap. This lapse contributed to the contravention of the DGFT Policy conditions governing such imports. Furthermore, the Customs Broker was also found to be involved in the over-debiting of the SIL license issued by the DGFT, further indicating a pattern of non-compliance. In view of the same, it appeared that the Customs Broker M/s. Das Cargo Logistics, instead of acting in accordance with regulatory obligations, actively facilitated and guided the importer in the commission of the offence. As per Regulation 10(e) of the CBLR, 2018, it is the responsibility of the Customs Broker to exercise due diligence and ensure the proper utilisation of the SIL license issued by the DGFT and prevent any misuse. Accordingly, it appeared that the Customs Broker failed to adhere to the prescribed procedures and responsibilities outlined under Regulation 10(e) of the Customs Brokers Licensing Regulations (CBLR), 2018.'

(b) I find that the inquiry officer, in this regard, has observed that the investigation conducted by DRI, Ahmedabad revealed that the importer failed to declare the correct description of goods, specifically "Used Tyre Scrap (pressed baled/multi-cut)", which does not fall under the 10 Mesh License category. The IO found that the investigations revealed that Licenses issued for imports under Customs Tariff Item CTH 40040000 pertaining to tyre scrap are restricted both in terms of quantity and validity period; that these licenses authorize the import of only one specific type of rubber tyre scrap within the stipulated time-frame, either "Used Tyre Scrap (pressed baled / multi cut)" or "Rubber/granules finer than 10 mesh to 20 Mesh, devoid of iron, steel, and most fibres". Both types fall under the broader category of waste, parings and scrap of rubber (other than hard rubber) including powders and granules obtained therefrom. Therefore, a valid license permit is required for the import of a specified quantity of a particular type of tyre scrap as detailed in the DGFT License within the prescribed period. By mis-declaring the goods, the importer circumvented the conditions imposed by the DGFT import policy. Also, the SIL was over-debited on behalf of the importer, which indicated that the C.B. was hand in gloves in this case. Thus, it is apparent that the charged Customs Broker failed to exercise due diligence and merely accepted the incorrect declaration provided by the importer, rather than ensuring the correct classification under Customs Tariff Heading (CTH) 40040000, which

pertains to tyre scrap. The IO also found that this lapse contributed to the contravention of the DGFT policy conditions governing such imports. Furthermore, the IO submitted that the Customs Broker had also been found to be involved in the over-debiting of the SIL license issued by the DGFT, further indicating a pattern of non-compliance. Thus, it was evident that the charged Customs Broker had contravened the provisions of Regulation 10(e) of CBLR, 2018. Accordingly, the IO held that the charge of violation of Regulation 10(e) of the CBLR, 2018 was 'Proved'.

(c) I have gone through the CB's submission and find that the CB contends that they provided the CTH based on the descriptions in the importer's documents (Invoice, Packing List). They argue this regulation typically applies when a client complains about being misguided, which has not occurred in this case. They again cite *M/s Falcon Air Cargo & Travels Pvt. Ltd. vs. Commissioner of Customs (2026)*, noting that the Tribunal set aside similar charges when the department failed to identify the specific incorrect information allegedly imparted by the broker.

(d) I have perused the facts and records of the case, the findings of the inquiry officer and the defence arguments of the CB. The CB argued that this regulation typically applies when a client complains about being misguided, which has not occurred in this case. However, a plain reading of Regulation 10(e) of the CBLR, 2018 implies that the law requires due diligence and a CB cannot act as a mere post office for an importer's documents. The fact that multiple consignments were cleared through the CB's license while the Special Import Licenses (SIL) were being over-debited proves a total lack of diligence, effectively facilitating the smuggling of restricted goods. The CB accepted the documents and description provided for restricted items without any verification. The CB's dereliction of duty is evident from the fact that 6714 metric tonnes of prohibited (in the absence of requisite license) used tyre scrap was systematically smuggled over a period or more than 01 year under Bill(s) of Entry filed using the CB's license. Had the CB exercised basic due diligence, smuggling of such a huge magnitude could have been averted. In light

of these findings, I find substance in the IO's findings and uphold the charge of violation of Regulation 10(e) of the CBLR, 2018.

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 Customs Broker M/s. Das Cargo Logistics (CB License No. 11/2701) has violated Regulations 1(4), 10(a), 10(b), 10(d) and 10(e) 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 Customs Broker M/s. Das Cargo Logistics have rendered themselves liable for penal action under the CBLR, 2018. Hence, while deciding the matter, I rely on the following caselaws:

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

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

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

"6.1 These provisions require the Customs Broker to exercise due diligence to ascertain the correctness of any information and to advice the client accordingly. Though the CB was accepted as having no mensrea of the noticed mis-declaration /under- valuation or mis-quantification but from his own statement acknowledging

the negligence on his part to properly ensure the same, we are of the opinion that CH definitely has committed violation of the above mentioned Regulations. These Regulations caused a mandatory duty upon the CB, who is an important link between the Customs Authorities and the importer/exporter. Any dereliction/lack of due diligence since has caused the Exchequer loss in terms of evasion of Customs Duty, the original adjudicating authority has rightly imposed the penalty upon the appellant herein."

(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 M/s. Das Cargo Logistics (CB License No. 11/2701) is guilty of violating Regulations 1(4), 10(a), 10(b), 10(d) and 10(e) of the CBLR, 2018. In view of the foregoing detailed discussion and findings, it is irrefutably established that the Customs Broker, M/s. Das Cargo Logistics, 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 completely surrendering its operational and administrative control to an unauthorized third party, Shri Sabindra Kumar Das of M/s. Vinita Global Services. This absolute abdication of regulatory responsibility directly facilitated fraudulent imports wherein a staggering volume of 6714 metric tonnes of restricted used tyre scrap with an approx. value of Rs. 6.10 crores and rendered prohibited in the absence of the requisite authorization/ license were illicitly cleared through massive, unauthorized over-debiting and manipulation of Special Import Licenses. The total absence of direct professional engagement with the importer, the mechanical processing of fraudulent documentation and the failure to report these severe statutory non-compliances to the Customs authorities collectively confirm an extreme lack of due diligence and active, hand-in-glove facilitation of smuggling. Such grave misconduct completely dismantles the trust reposed in a licensed intermediary rendering the Customs Broker entirely unfit to transact any further business within the Customs stations. Hence, under the factual matrix of the case and applying the principle of proportionate punishment I am inclined to revoke the CB license, forfeit the security deposit and impose a penalty on the CB M/s Das Cargo Logistics (CB License No. 11/2701) under the CBLR, 2018.

20. I observe that the CB vide their submission contended that the time limit for passing the order under Regulation 17(7) of the CBLR 2018 has elapsed as the same was to be passed within 90 days from the date of the Inquiry Report dated 16-02-2026. Having crossed the time limitation for passing the order under Regulation 17(7) of the CBLR 2018 the present proceedings are not sustainable.

I have gone through the available records and find that the Inquiry Report in the matter was received on 16.02.2026 and the Personal Hearing was conducted 27.04.2026. However, the Adjudicating Authority changed due to the transfers ordered vide CBIC Order No. 59/2026 dated 30.04.2026. Consequently, in the interest of natural justice, another PH opportunity was granted to the CB on 20.05.2026. The adjudication proceedings could not be completed within the prescribed 90 days period of receipt of the Inquiry Report due to the aforementioned administrative reason. Further, with respect to the timelines prescribed under Regulation 17 of the CBLR, 2018, I observe that the timelines under CHALR/CBLR are directory in nature and not mandatory in cases where the complexity of the investigation or administrative exigencies prevent the adjudication within the prescribed timeline. In this regard, I place reliance on the following caselaws:

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

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

provisions contained in Regulation 20 can be effectively implemented in the interest of both parties, namely, the Revenue and the Customs House Agent.”

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

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

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

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

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

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

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

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

21. In view of the above-discussed facts and for their acts of omission and commission, the Customs Broker M/s. Das Cargo Logistics (CB License No. 11/2701) 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(b), 10(d) and 10(e) of the CBLR, 2018 and is liable for penal action. Accordingly, I pass the following order:

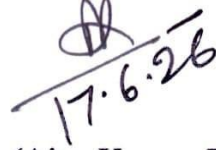
ORDER

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. Das Cargo Logistics (CB License No. 11/2701) 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. Das Cargo Logistics (CB License No. 11/2701) under Regulation 14 of the CBLR, 2018.
- (iii) I hereby impose a penalty of Rs. 50,000/- (Rupees Fifty Thousand Only) on the CB M/s. Das Cargo Logistics (CB License No. 11/2701) under Regulation 18(1) of the CBLR, 2018.

- (iv) 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. Das Cargo Logistics (PAN - AIBPD7512R)
(CB License No. 11/2701)

Flat 1202, Plot No. 1, L-21, Asawari CHS,
Sector – 27, Taloja Panchanand, Raigad,
Maharashtra – 410208.

Copy to:

1. The Pr. Chief Commissioner/ Chief Commissioner of Customs, Mumbai - I, II, III Zone.
2. The Pr. Commissioner of Customs, NS-I, Mumbai – II.
3. The Additional Director, DRI, Ahmedabad Zonal Unit.
4. EDI of NCH, ACC & JNCH.
5. ACC (Admn), Mumbai with a request to circulate among all departments.
6. JNCH (Admn) with a request circulate among all the concerned.
7. Cash Section, NCH.
8. Office copy.