



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/126/2025-CBS

आदेश दिनांक/Date of Order: 28.09.2026

CAO No. 43/2026-27/CAC/PCC(G)/AKP/Adj-CBS जारी दिनांक/Date of issue: 29.09.2026

संख्या:

DIN:- 20260977NO0000AF2E17

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।
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2. इस आदेश के विरुद्ध अपील माँगे गए राशी के **7.5%** के भुगतान पर सीमाशुल्क अधिनियम, 1962 की धारा 129A(1B)(i) के संबंध में सीमाशुल्क, केंद्रीय उत्पाद शुल्क एवं सेवाकर अपील अधिकरण में स्वीकार्य है, जहाँ शुल्क या शुल्क एवं जुर्माना विवादित हों, या जुर्माना, जहाँ सिर्फ जुर्माना ही विवादित हो। यह अपील इस आदेश के संप्रेषण की तारीख के तीन महीने के अंदर दायर की जाएगी। यह अपील सीमाशुल्क, केंद्रीय उत्पाद शुल्क एवं सेवाकर अपील अधिकरण (कार्यविधि) नियमावली, १९८२, के प्रावधानों के अंतर्गत, यथोत्तखंडपीठ में स्वीकार्य है।

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

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

It is informed that the jurisdiction of the Adjudicating Authority stands alienated with the conclusion of the present adjudication order and the Adjudicating

Authority attains the status of '*functus officio*' as held by Hon'ble CESTAT, Mumbai in its decision in the case of M/s Knowledge Infrastructure Systems Pvt. Ltd. & Others vs ADG, DRI, Mumbai vide Order No. A/86617-86619/2018 dated 31.05.2018.

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

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

5. यह अपील फॉर्म C.A.-3 में दायर की जानी चाहिए जो कि सीमाशुल्क (अपीलस) नियमावली, १९८२ के नियम के तहत निर्धारित है एवं उसी नियमावली के नियम 3 के उपनियम 2 में उल्लेखित व्यक्ति 6 द्वारा हस्ताक्षरित एवं सत्यापित की जाएगी।

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

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

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

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

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

Brief Facts of the Case:

M/s. Sea-Rock Shipping and Cargo (CB No. 11/916) (EDI License No AAHPU4742JCH001) having address registered at 26 Ida Mansion, 2nd Floor, 18, Vaju Kotak Marg, Ballard Estate, Fort, Mumbai-400038 (hereinafter referred as the Customs Broker/CB) is holder of Customs Broker License No. 11/916, issued by the Commissioner of Customs, Mumbai under Regulation 8 of CHALR, 1984, [Now regulation 7(2) of CBLR, 2018] and as such they are bound by the regulations and conditions stipulated therein.

2. An offence report was received in the form of O-in-O No. 209/2024-25/Commr./NS-II/CAC/JNCH dated 22.11.2024, issued by the Commissioner of Customs, NS-II, JNCH, vide F. No. S/10-16/2023-24/CC/NS-II/JNCH, regarding action against CB M/s. Sea-Rock Shipping and Cargo (CB No. 11/916) in case of M/s. Citywide International Private Limited (IEC-0314056831). Vide the offense report, inter-alia the following has been stated.

2.1 On the basis of specific information received by SIIB(X), JNCH, goods declared as 'High twisted cotton ropes hawser' and 'High twisted string ropes', under CTH 56079090 attempted to be exported by M/s. Collaborative Inc. (IEC 1013009215) under 43 Shipping Bills were seized on 10.03.2016. Investigation in the subject case revealed that it was a case of blatant fraud to claim illegitimate benefit of MEIS by gross over-valuation of the declared goods by 300-400 times. Further, it was revealed that a specific modus operandi had been adopted by a large number of exporters, wherein they had been exporting non-sensitive items such as "rope", disguised in different description under CTH 56079090 by grossly over valuing the same for undue benefit of MEIS & drawback.

2.2 Accordingly, based on above information and perusal of the Export data in ICES system, it was observed that, M/s. Citywide International Private Limited (herein referred as "Exporter") had also exported 'Cordage cord' & 'Waxed Cotton Hawser' which are ropes by declaring the value exorbitantly high. The values of Cordage cord' & 'Waxed Cotton Hawser' were declared as high as Rs. 39,750/Kg and Rs. 23,085/ Kg respectively. The

exporter had also exported Imitation Jewellery, Gas Injected Co-Axial Cable, Acrylic Beads, Snap Metal Button and Hair Pin by declaring the value exorbitantly high.

Further, as per the IEC documents, the directors of exporting firms are Shri Ashish Gajraj Singh Chaudhary and Shri Vijay Kumar Tiwari. The exporter had filed 45 Shipping Bills for export of goods having total declared FOB value of Rs.60,83,50,156/- under Export Promotion Scheme Code 19(drawback) for claim of drawback benefit of Rs. 89,63,525/- and MEIS benefit of Rs.2,17,66,796/-.

2.3 This case involves investigation of past exports of M/s. Citywide International Pvt. Ltd wherein the values of subject goods were intentionally declared on the higher side for illegitimate claim of export benefits viz. MEIS and Drawback. The said goods are not available for examination. Out of total 45 shipping bills, the exporter had exported the goods declared as 'Gas Injected Co-Axial Cable (Copper/Tin Core and Aluminium Outer Shield)' in 18 Shipping bills. Further, the goods declared as 'Cordage Cord' and 'Waxed Cotton Hawser' were exported in 04 Shipping Bills. Similarly, the exporter had exported other goods i.e. 'Imitation Jewellery', 'Acrylic Beads', Hair Pin' and 'Snap Metal Button' in remaining 23 shipping bills by highly inflating the value in the similar fashion to fraudulently avail higher export incentives.

2.4 There were 45 SBs filed by the 02 CBs namely M/s Shabari International (36 SBs) & M/s. Sea-Rock Shipping and Cargo (5 SBs) on behalf of the exporter and remaining 4 have been filed by the exporter.

3. **Statements recorded under section 108 of the Customs ACT, 1962:**

3.1 Statement of Shri Vijay Kumar Tiwari, director of Exporter M/s. Citywide International Pvt. Ltd was recorded on 30.01.2018 & 31.01.2018 wherein he had inter-alia stated that –

- he had cleared CS exam in 2013 and he started providing secretarial services for M/s. Gravity Impex Pvt. Ltd. and M/s. Foremost Merchandise Pvt Ltd on request of one Mr. Satish Pujari since June, 2014; later, Mr. Satish Pujari had requested to

acquire a company and one of his clients was ready to sell M/s. Citywide International Private Limited; he and Shri Ashish Chaudhary became director of M/s. Citywide International Private Limited as per request of Shri Satish Pujari; however, he placed his resignation on 27th January, 2015 and he was director of company from 13th January, 2015 to 27th January, 2015;

- he came to know that Shri Satish Pujari was doing something wrong in the company in the form of wrong export of goods; therefore, he had resigned immediately; he got to know Satish Pujari used to cheat people and used to wrongfully take benefit of duty drawback;
- he had never signed any document for obtaining IEC of company M/s. Citywide International Pvt. Ltd. and it might be case of forgery.

3.2. Statement of Shri Ashish Gajraj Chaudhary, director of Exporter M/s. Citywide International Pvt Ltd was recorded on 19.02.2018 wherein he had inter-alia stated that –

- he came in contact with Shri Satish Pujari through one Vijay Saxena who introduced Shri Satish Pujari as a businessman and who had requested to provide him an office premises; Shri Satish Pujari offered him post of director in M/s Citywide International Pvt Ltd for salary of Rs.50,000/- per month; Shri Satish Pujari told him that he would use his property dealer office address as mailing address for postal purpose and he requested his partner who was owner of Unit No.1, Jewel Nursing Home, Vile Parle to make leave and lease agreement with him; he became the director of company only for namesake; he signed letterheads of M/s. Citywide International Pvt Ltd and bank account opening form as per direction of Shri Satish Pujari;
- exports of M/s. Citywide International Pvt Ltd are not known to him as Shri Satish Pujari had told him only to sign some documents, cheque books in advance and visit office, whenever required; he was told that one Shri Sadanand Suvarna used to prepare documents related to export & import and same were handed over to one Shri Arun Agarwal for clearance of export goods;

- he had met Shri Arun Agarwal at office of Shri Satish Pujari and Shri Arun Agarwal was CHA of Satish Pujari; whenever he saw Shri Arun Agarwal in Shri Satish Pujari's office, they were talking secretly in his cabin; on few occasions, Shri Arun Agarwal used to carry cash from Shri Satish Pujari's office;
- Shri Satish Pujari had always introduced himself as CEO of the company and his name was not appearing in directors of company but he was pseudo-owner of the company and was managing company by appointing directors on lucrative salary and inducements like providing foods in Five Star Hotels, Watch, visits to casino in Goa;
- he had not seen exported items Cordage Cord, Wax Cotton Hauser, Cotton Ropes etc. physically; he didn't know from where the goods were procured; all the import and export was handled by Shri Satish Pujari.

3.3 During the course of statement of Shri Ashish Gajraj Chaudhary, bank account statement of M/s Citywide International Pvt Ltd in UCO bank was shown to him wherein he had transferred the amounts in lakhs in his personal account. On being asked about the same, he stated that on some occasions, he was directed by Shri Satish Pujari to move some money to his account and pay cash to him or his client for commission.

3.4 Summons were issued to CB of exporter M/s. Sea-Rock Shipping and Cargo. However, no one appeared for investigation & the same were returned, with remark 'left'.

4. Observation made by Adjudicating Authority:

4.1 The AA re-determined the FOB value for the goods exported by M/s. Citywide International Private Limited under 45 shipping bills at Rs. 37,22,614/- as against declared FOB of Rs. 60,83,50,156/- in terms of Rule-4 & 6 of the Customs Valuation (Determination of Value of Export Goods) Rules, 2007(CVR). Further, after re-determination of the value of the subject goods, the claimed drawback amount is re determined to Rs. 59,297/- against claimed drawback benefit of Rs.89,63,525/- and the claimed MEIS amount is re-determined and comes to Rs. 1,16,926/- against claimed MEIS benefit of Rs.2,17,66,796/-.

4.2 The AA imposed penalty of Rs. 10,00,000/- (Rupees Ten Lakh only) under Section 114(iii) of the Customs Act, 1962 & Rs. 5,00,000/- under Section 114AA of the Customs Act, 1962 on the CB Firm M/s. Sea-Rock Shipping and Cargo, for the export goods covered under 05 shipping bills having declared FOB of Rs. 5,99,99,520/-.

4.3. The AA observed that the CB M/s. Sea-Rock Shipping & Cargo had failed in carrying out the obligations mandated to be followed under the CBLR, 2013 (as amended CBLR, 2018). Further, the said CB had not acted efficiently in discharge of his duty, as they have contravened various provisions. it means that they have also contravened the Regulation 11 (m) of the CBLR, 2013(as amended CBLR 2018). Violation of various sub clauses of Regulation 11 namely regulation 11(d), 11(e) and 11(n) of CBLR, 2013, had been committed by the CHA/CB.

5. **Role of Customs Broker:**

The Customs Broker (CB) is an agent authorized by the exporter to work on their behalf. As per regulations of the CBLR, 2018, it is the obligation of the Customs Broker to exercise due diligence to ascertain the correctness of any information he imparts to a client and to advise the client accordingly to comply with the provisions of the Act, other allied Acts and the rules and regulations thereof, and in case of non-compliance, shall bring the matter to the notice of the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be. Further, it is the obligation upon CB to maintain records of all papers related to customs clearance and co-operate with customs authorities and join investigations promptly in case of enquiry against them or their employees.

The CB is an agent of importer. He works on behalf of importer. He also takes authorization to work on behalf of importer. A CB remains fully aware that omission and commission by the importer affects working of image of CB. It is a business practice that CB knows on whose behalf they are working, as CB can face investigation for omission and commission at any time. As per CB Regulation, a CB also requires to know the client. Even in the absence of such requirement it is business practice that the CB knows on whose behalf they are working as the relation between CB and importer is a long time relation.

In view of the above, it appears that CB M/s. Sea-Rock Shipping and Cargo (CB No. 11/916) (EDI License No AAHPU4742JCH001), Mumbai, has failed to comply with following regulations of the Customs Brokers Licensing Regulations (CBLR), 2013 (now CBLR, 2018): -

(i) Sub-regulation 11(d) of CBLR, 2013 (now Sub-regulation 10 (d) of the CBLR, 2018) which reads as:

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

On perusal of the offence report, it is apparent that the investigating agency has established that the CB abetted the exporter by deliberately declaring incorrect values for the exported goods i.e. "Snap Metal Buttons" in the 5 Shipping Bills to fraudulently avail undue export benefits under MEIS and duty drawback schemes. Further, Shri Vijay Kumar Tiwari, Director of M/s. Citywide International, admitted in his recorded statement dated 30.01.2018 that the goods were wilfully overvalued by Shri Satish Pujari, an unauthorized individual who orchestrated the entire fraudulent operation. The sole intent behind this overvaluation was to illegitimately claim MEIS benefits and duty drawback. The exporter, functioning as a dummy entity controlled by Shri Satish Pujari, fraudulently obtained duty drawback benefits amounting to Rs. 11,34,947/-, and MEIS benefits amounting to Rs. 29,86,702/- facilitated by the CB's inaction.

The CB should have understood prima facie that the declared value of the exported goods i.e. "Snap Metal Buttons" cannot be as high as 226 times of the reasonable market value. Despite this glaring mis-declaration, the CB neither advised the exporter against overvaluation nor reported the irregularities to Customs authorities. If the CB properly alerted the exporter or Customs officials, the fraudulent exports could have been prevented.

Under Regulation 11(d) of CBLR, 2013 (now regulations, 10(d) of CBLR, 2018), the CB was obligated to report such discrepancies to the Deputy/Assistant Commissioner of Customs as the case may be. By processing 5 Shipping Bills without flagging the obvious

overvaluation, the CB actively enabled the fraud. Thus, it is implausible that the exporter could have executed this scheme without the CB's collusion. Thus, the CB has violated the provisions of regulation 11(d) of CBLR, 2013 (now Regulation 10(d) of CBLR, 2018).

(ii) Sub-regulation 11(e) of CBLR, 2013 (now Sub-regulation 10 (e) of the CBLR, 2018) which reads as:

“Exercise due diligence to ascertain the correctness of any information which he imparts to a client with reference to any work related to clearance of cargo or baggage”

In the instant case, the CB, in collusion with the exporter, declared an inflated FOB value of Rs. 5,99,99,520/- for the exported goods ("Snap Metal Buttons"), while the re-determined actual value stood at only Rs. 2,65,486/-. This massive discrepancy representing an overvaluation of approximately 225 times the reasonable market value, clearly demonstrates a deliberate attempt to fraudulently claim export benefits.

The fraudulent nature of these transactions was further corroborated by Shri Vijay Kumar Tiwari, Director of M/s. Citywide International, who in his recorded statement dated 30.01.2018 admitted that the goods were wilfully overvalued by Shri Satish Pujari, an unauthorized individual who masterminded this entire scheme specifically to illegitimately avail MEIS benefits and duty drawback.

The CB's failure to exercise due diligence is particularly egregious given the obvious and extreme nature of the overvaluation. By not verifying or questioning this implausible valuation, and by not imparting correct information about the goods' actual worth, the CB effectively facilitated the exporter's fraudulent acquisition of undue benefits with a total amount of Rs. 41,21,649/- (comprising both duty drawback and MEIS claims).

This gross negligence and failure to fulfil basic professional responsibilities constitutes a clear violation of Regulation 11(e) of CBLR, 2013 (now Regulation 10(e) of CBLR, 2018), which mandates CB to exercise due diligence in verifying and imparting accurate information regarding cargo valuation.

(iii) Sub-regulation 11(m) of CBLR, 2013 (now Sub-regulation 10 (m) of the CBLR, 2018) which reads as:

“discharge his duties as a Customs Broker with utmost speed and efficiency and without any delay;”

From the perusal of the offence report, it is apparent that the Customs Broker's failure to exercise due diligence is particularly egregious given the obvious and extreme nature of the overvaluation. Additionally, Shri Ashish Chaudhary, Director of M/s. Citywide International, admitted in his recorded statement dated 19.02.2018 that he had not seen exported items physically and he didn't know from where the goods were procured. He also admitted that all the import and export was handled by Shri Satish Pujari, an unauthorized individual who orchestrated the entire fraudulent operation. It was the duty of the CB to verify the antecedents and genuineness of the exporter M/s. Citywide International Pvt. Ltd as well as identity and proper functioning of their client. But the CB has not fulfilled requisite norms before taking the clearance work from the exporter.

It is accepted fact from the offence report that the CB never joined the investigation despite several summons served to the Customs Brokers. Further, the investigating agency vide Para 33.1 of the Order-in-Original dated 22.11.2024, conclusively determined the CB's direct involvement in the fraudulent scheme, wherein M/s. Citywide International functioned as a dummy firm with a puppet director acting under Shri Satish Pujari's direction for financial gain. These systemic failures demonstrate the CB's clear violation of Regulation 11(m) of CBLR, 2013 (now Regulation 10(m) of CBLR, 2018), as it neither performed its duties efficiently nor expeditiously, but rather enabled and participated in fraudulent activities.

(iv) Sub-regulation 11(n) of CBLR, 2013 (now Sub-regulation 10 (n) of the CBLR, 2018) which reads as:

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

As per offence report, Director of export firm M/s. Citywide International Private Limited i.e. Shri Vijay Kumar Tiwari and Shri Ashish Gajraj Chaudhary became dummy directors for the namesake and allowed Shri Satish Pujari to operate the company for export

fraud. They intentionally signed the export documents of exporter which were false and incorrect for the reasons stated above. Further Shri Satish Pujari intentionally made Shri Vijay Kumar Tiwari and Shri Ashish Gajraj Chaudhary to sign the export documents which were false and incorrect in declaration for monthly remuneration. The same can also be substantiated by the statements of the Shri Vijay Kumar Tiwari and Shri Ashish Gajraj Chaudhary, Director of the exporting firm.

The CB M/s Sea-Rock Shipping and Cargo was required to verify the antecedents and genuineness of the exporter as well as identity and proper functioning of their client by using reliable, independent and authentic documents/ data/ information. But, the CB has not fulfilled requisite norms before taking the clearance work from the exporter. Further, had the antecedent /identity of the exporter been verified by these Customs Brokers, the exporter would not have attempted to defraud Government Exchequer to the extent of 41,21,649/- in lieu of illegitimate MEIS and drawback by submitting fake credentials. The CB has connived in the unjust enrichment of the exporter in availing the undue benefits for which the exporter was otherwise not eligible.

In view of the above discussions, the CB M/s. Sea-Rock Shipping and Cargo was aware about the facts that the goods were being grossly overvalued by the exporter to claim illegitimate MEIS and Drawback and have actually abetted the act of the exporter. The Customs Broker knowingly suppressed the facts and facilitated the mischievous exporter in clearance of the goods exported, through 05 shipping bills filed by M/s. Sea-Rock Shipping & Cargo by gross mis-declaration of value of the goods. Thus, the CB has violated the provisions of regulation 11(n) of CBLR, 2013 (now Regulation 10(n) of CBLR, 2018).

6. From the above, it appears that Sea-Rock Shipping and Cargo (CB No. 11/916), has failed to advice the client about compliances and acted in negligent way, leading to gross over-valuation of the goods. The CB further failed to inform the Customs Authorities regarding the same. The CB acted in a negligent way that led to exports by dummy exporter. Hence, it appeared that the M/s Sea-Rock Shipping and Cargo (CB No. 11/916) has violated multiple provisions of the CBLR, 2013 (now CBLR, 2018).

6.1 It was observed that the CB licence of M/s Sea-Rock Shipping and Cargo (CB No. 11/916) was already under Suspension vide Order No. 20/2016 dt 14.10.2016 under Regulation 19(1) of the CBLR, 2013 in a similar matter pertaining to Exporter M/s Collaborative Inc and M/s Global Overseas Trade and the suspension was continued vide Suspension Order No. 29/2016-17 dt 17.11.2016.

7. From the above facts, it appears that, prima facie, Customs Broker M/ Sea-Rock Shipping and Cargo (CB No. 11/916) (EDI License No AAHPU4742JCH001) had violated Regulation 11(d), 11(e), 11(m), and 11(n) of CBLR, 2013 (now Regulations of 10(d), 10(e), 10(m), and 10(n) of CBLR, 2018).

8 In view of the above, in terms of Regulation 20(1) of CBLR, 2013, (now Regulation 17(1) of CBLR, 2018), the Customs Broker M/s Sea-Rock Shipping and Cargo (CB No. 11/916) (EDI License No AAHPU4742JCH001) was show cause, as to why:

- i. the license, bearing no. 11/916, issued to them, should not be revoked;
- ii. security deposit should not be forfeited;
- iii. penalty should not be imposed

upon them under Regulation 18 read with 20 & 22 of the CBLR, 2013 (now Regulation 14 read with 17 & 18 of the CBLR, 2018) for their failure to comply with the provisions of CBLR, 2013 (now CBLR, 2018).

9. Shri Pankaj Jha, Deputy Commissioner was appointed on 02.06.2025 as Inquiry Officer (here in after referred as to the 'IO') to conduct the inquiry proceedings against the CB, M/s Sea-Rock Shipping and Cargo (CB No. 11/916) under Regulation 17 of the CBLR, 2018. The IO has given personal hearing to the CB vide letters dt 20.06.2025 and 03.07.2025, however, the same has returned with remarks by postal authorities that the sender or claimant not available at aforesaid address.

INQUIRY REPORT: -

10. The IO Shri Pankaj Jha, Deputy Commissioner has submitted his inquiry report vide letter dt 30.04.2026. Due to non-appearance of CB, the IO found CB M/s Sea-Rock Shipping and Cargo (CB No. 11/916) guilty for violation of sub-regulation 11 (d), 11(e),

11 (m) & 11 (n) of CBLR, 2013 (now regulation 10(d), 10(e), 10(m) and 10(n) of CBLR, 2018).

11. **FINDINGS OF THE IO: -**

11.1 The IO submitted that the opportunities for personal hearing were granted to CB vide letters dt 20.06.2025 and 03.07.2025, however, the letters returned with remarks by postal authorities that the sender or claimant not available at aforesaid address. Hence, the IO on the basis of available evidences and records held that CB M/s Sea-Rock Shipping and Cargo (CB No. 11/916) has violated sub-regulation 11(d), 11(e), 11 (m) & 11 (n) of CBLR, 2013 (now regulation 10(d), 10(e), 10(m) and 10(n) of CBLR, 2018).

12. **Written Submissions of the Customs Broker (CB).**

12.1 Reply to Show Cause Notice No. 07/2025-26 & 08/2025-26 with (hand written) date 30.05.2025 in F. No. GEN/CB/118/2025-CBS & F. No. GEN/CB/126/2025-CBS and request for revoking the suspension of Customs Broker Licence No. 11/916 (PAN AAHPU4742JCH001).

12.2 I am the proprietor of M/s. Sea-Rock Shipping and Cargo ("the Custom Broker"), having my registered address at: 26, Ida Mansion, 2nd Floor, 18, Viju Kotak Marg, Ballard Estate, Fort, Mumbai 400 038, and the holder of Customs Broker Licence No.: 11/916 (PAN AAHPU4742JCH001).

12.3. I submit this reply in response to the Show Cause Notice No. 07/2025-26 dated 30.05.2025 issued under Regulation 17 of the Customs Brokers Licensing Regulations, 2018 ("CBLR, 2018") the successor provision to Regulation 20 of the Customs Brokers Licensing Regulations, 2013 ("CBLR, 2013") which, as I understand it, arises out of and continues the proceedings earlier initiated vide Order No. 20/2016 dated 14.10.2016 (immediate suspension) and continued vide Order No. 29/2016-17 dated 17.11.2016 ("the 2016 Order") passed after a post decisional hearing held on 02.11.2016.

12.4 I began my career in 1970 with a shipping company as an Export-Import Clerk. In 1989, upon applications being invited, I applied for a Customs House Agent (CHA)

licence. I was initially granted a temporary licence, subject to clearing the prescribed written and oral examinations within a stipulated time frame, which I duly cleared, following which I was granted a permanent licence bearing No. 11/916. I thereafter established my own proprietary concern under the name: M/s. Sea Rock Shipping and Cargo (Searock Shipping and Cargo), which is the holder of the said regular Customs Broker Licence No. 11/916, granted under Regulation 9(1) of the erstwhile Customs House Agents Licensing Regulations, 2004 (now Regulation 7(1) of CBLR, 2013 I Regulation 7 of CBLR, 2018). Over the years, my business gradually expanded including through airport operations and, until the events referred to below, I had conducted the business without any adverse finding, penalty or violation of the Customs Act, 1962, or the Regulations framed thereunder, having ever been held or recorded against me.

12.5 Around February-March 2015, I employed one Mr. Nilesh Jadiyer as a clerk in my proprietary concern. Mr. Jadiyer had approached me repeatedly over four to five months seeking employment on account of financial hardship, and I employed him out of sympathy for his situation. After joining, Mr. Jadiyer showed eagerness to learn, and over time I permitted him to handle work independently; he also brought in export clearance business from one or two client known to him, including M/s Collabrative Inc., Kerala (IEC 1013009215). The clearance work in question related to the export of goods (described in the Department's papers as High Twisted String Ropes and High Twisted Cotton Ropes Hawser) under Shipping Bills filed on behalf of M/s Collabrative Inc. and, I am given to understand from the record of these proceedings also M/s Global Overseas Trade.

12.6 In discharge of my obligations under Regulation 11(n) of CBLR, 2013 (now Regulation 10(n) of CBLR, 2018), I obtained and verified the IEC, PAN and GST/KYC documents and the Authorization of the exporter M/s Collabrative Inc. before commencing clearance work, and duly filed the shipping bills and connected documents received from the exporter with the Customs authorities at Jawahar Custom House. In addition, I caused a physical survey of the exporter's branch premises at Borivali to be conducted, which was

carried out by my employee, Shri Sanjay Mahimkar, and is recorded in his statement dated 17.03.2016. The exports in question took place in December 2015 and February 2016.

12.7. Subsequently, upon investigation and a survey conducted by SIIB(X), JNCH, it was alleged that the export goods were grossly overvalued, resulting in the allegedly undue availment of drawback and benefit under the Merchandise Exports from India Scheme (MEIS). It was only at this stage through the alleged SIIB market enquiry that I became aware of the alleged overvaluation. I have neither played any role in the realization of drawback nor in obtaining any MEIS scrip from the DGFT on behalf of the exporters, and I am not, and do not hold myself out, not now or any time prior to be, an expert in matter of Custom Valuation. A vigilant customs officer detected the irregularities, and since I was the proprietor and licence-holder, notices were issued and I was called for inquiry. I attended the hearings and co-operated fully with the Customs Department in its investigation, including by furnishing the requisite KYC documents and the statements of my employees when called upon to do so.

12.8 Immediately upon learning of the allegations against Mr. Jadiyer, I terminated his employment, having made clear to him that I could not continue to employ a person involved in any illegal activity that would jeopardise my clean reputation maintained over the past several decades. When summoned and questioned by the customs authorities, Mr. Jadiyer stated that he alone had carried out the wrongful acts, in the following terms: *"I have done this. My boss has not done anything. I alone carried out this work."*

12.9 Customs Broker Licence No. 11/916 was placed under immediate suspension vide Order No. 20/2016 dated 14.10.2016 under Regulation 19(1) of CBLR, 2013 - approximately eight to ten months after the exports in question, and roughly six to seven months after Mr. Jadiyer's employment had already been terminated. A post-decisional hearing was held on 02.11.2016, followed by a written submission dated 03.11.2016 (the submissions in which are elaborated and reinforced in this reply). By Order No. 29/2016-17 dated 17.11.2016, the suspension was continued and an inquiry under Regulation 20 of CBLR, 2013 was directed to be initiated.

12.10 Between 17.11.2016 and the issuance of the present Show Cause Notice on 30.05.2025, a period of over eight and a half years, no further order or communication is on my record; I have, however, sought confirmation from the Department, and separately from myself, as to whether any Inquiry Officer's report was in fact submitted in this intervening period, and if so, its contents and date as this bears directly on the submissions below.

12.11 The present Show Cause Notice No. 07/2025-26 dated 30.05.2025 has now been issued under Regulation 17 of CBLR, 2018 (F. No. GEN/CB/118/2025-CBS dated 30.05.2025), referable to the 2016 Order, and this reply is filed in response thereto. As on date, the suspension of my licence has continued, for over ten years, during which period my proprietary concern which was my sole means of livelihood, and that of my family and employees has remained non-functional due to the aforementioned suspension.

13. **SUBMISSIONS ON MERITS.**

13.1 The Custom Broker discharged its verification obligation under Regulation 11(n) of CBLR, 2013 (now Regulation 10(n) of CBLR, 2018).

13.2 Regulation 11(n) of CBLR, 2013 obliges a Custom Broker to "verify antecedents, correctness of Importer Exporter Code (IEC) number, identity of his client and functioning of his client at the declared address by using reliable, independent, authentic documents, data or information." The Regulation does not, expressly or by necessary implication, prescribe personal or physical verification of the exporter's premises by the Custom Broker himself as a mandatory or exclusive mode of compliance.

13.3 As per Regulation 2(d) CBLR 2018, a Customs Broker is defined as "a person licensed under these regulations to act as an agent on behalf of the importer or an exporter for purposes of transaction of any business relating to the entry or departure of conveyances or the import or export of goods at any Customs Station including audit;"

13.4 The SCN in question speaks of "An offense Report O-in-O No. 209/2024-25/Commr./NS-II/CAC/JNCH dated 22.11.2024, issued by the Commissioner of Customs,

NS-II, JNCH, vide F. No. S/10-16/2023-24/CC/NS-II/JNCH in the case of M/s. Citywide International Private Limited (IEC-0314056831) against the CB M/s Sea-Rock Shipping and Cargo (AAHPU4742JCH00I) received in this office vide mail dated 03.03.2025."

13.5 I say that an extraordinary period of time has passed since the alleged occurrence of the offence and the occasion on which my License was first placed under immediate suspension which had then culminated into an Offence Report and thereafter a Show Cause Notice has been issued. I say that settled principles of natural justice irrespective of the Customs Act or CBLR being silent on the same are to be followed at all times, in enquiry, investigation and adjudication. Furthermore, a copy of the Offence Report was not attached to the SCN.

13.6 As set out at paragraph 8 above, I verified the IEC, PAN and GST/KYC documents and the Authorisation of M/s Collabrative Inc., and additionally caused a physical survey of its branch premises at Borivali to be conducted by my employee, Shri Sanjay Mahimkar, on 17.03.2016. This constitutes independent, reliable verification going beyond mere paper compliance, and squarely satisfies Regulation 11(n). Verification carried out by an employee acting within the scope of his employment and authority is, in law, the act of the employer-firm, on ordinary principles of agency; it cannot be treated as though it does not ensure to the benefit of the Custom Broker.

"It is an admitted fact that the partnership firm involved in the import of the auto parts is an existing concern, duly registered having a deed for partnership and two existing partners. The IEC copy, PAN Card, telephone bill of the firm, Voter ID of the partners, copy of the partnership deed have been seen and verified by the appellant. ... There is no stipulation or legal requirement to physically verify the business premises or residential premises of the importer and also to have a personal meeting with the importer before taking up the work for any importer. "
- Mis. Him Logistics Pvt. Ltd. v. Commissioner of Customs, New Delhi, 2016 (340) E.L.T. 388 (Tri.-Del.)

"The CHA is not an inspector to weigh the genuineness of the transaction. It is a processing agent of documents with respect to clearance of goods through customs house... there is no obligation on the CHA to look into the information which may be made available to them from the exporters/importers." -Kunal Travels (Cargo)

v. Commissioner of Customs (Import & General), IGI Airport, New Delhi, 2017 (354) E.L.T. 447 (Del.)

The Custom Broker was neither obliged nor competent to verify or vouch for the declared export value.

13.7 It is well settled that a Custom Broker is neither required nor competent to sit in judgment over the commercial valuation of export goods declared by an exporter, which is a matter within the domain of assessment by the Customs authorities. I never advised, induced, or had knowledge of any overvaluation by the exporter, and became aware of the allegation of overvaluation only pursuant to the market enquiry conducted by SIIB, a fact that has not been controverted by any positive evidence to the contrary.

"The CHA is not an officer of Customs who would have an expertise to identify mis-declaration of goods." Akbarali Mohemed ali Mukadam v. Principal Commissioner of Customs (General), CESTAT Mumbai (order dated December 2024)

13.8 It has also recently been held that a Custom Broker cannot be penalised on the strength of statements of third parties or co-noticees alone, in the absence of direct evidence, investigation, or corroboration linking the Custom Broker to the alleged undervaluation, a principle squarely applicable here, since the allegation overvaluation rests on the acts of the exporter and, at the highest, of a since terminated employee, and not on any independent material implicating me personally.

"...the statements of co-accused are not sufficient unless corroborated by independent evidence. Since there was no material on record linking the CHA to the alleged undervaluation, the tribunal held that the penalty could not be sustained." - S.A. Dalal and Co. v. Commissioner of Customs (Import), 2025 TAXSCAN(CESTAT) 665 (CESTAT Mumbai, 10.06.2025)

13.9 The conduct of the employee, Shri Nilesh Jadiyer, cannot automatically be imputed to the Custom Broker. As recorded above, Mr. Jadiyer himself, when questioned by the customs authorities, unequivocally stated that he alone had carried out the wrongful acts and that I had done nothing. My immediate termination of his employment upon learning of the allegations further evidences the absence of any connivance on my part. No allegation of personal knowledge, connivance, or pecuniary benefit accruing to me has

been made out on record, and in the absence of such a finding, action against the licence as a whole as opposed to action limited to the individual concerned - is disproportionate.

"Any act to defraud presupposes the intention to obtain something fraudulently."- Kunal Travels (Cargo) v. Commissioner of Customs (1&G), IGI Airport, New Delhi, 2017 (354) E.L.T. 447 (Del.), where revocation was set aside for want of evidence that the Custom Broker itself possessed the requisite knowledge or intent, notwithstanding the employee's admitted role"

13.10 Continuation of action after this length of time is not justified in the absence of emergent necessity, and is disproportionate. Regulation 19(1) of CBLR, 2013 (now Regulation 16 of CBLR, 2018) contemplates immediate suspension only in cases of genuine emergent necessity, pending a full inquiry. The exports in question took place in December 2015 and February 2016, whereas the suspension order was issued only on 14.10.2016, a gap of approximately eight to ten months, itself destructive of any claim of emergent necessity. This is compounded by the further gap of over eight and a half years between the 2016 Order and the present Show Cause Notice, during which period I have received no order or communication (subject to my query at paragraph 17 above). Such extended and unexplained delay is inconsistent with the very premise of an emergency power and causes grave, disproportionate prejudice, particularly where the suspension, my sole means of livelihood, and that of my employees, has continued for over ten years without any adjudicated finding of guilt against me personally.

"Emergent need" is the mandate for exercise of power under Regulation 16 of CBLR, 2018... there is no proximity in time between these two events, establishing no emergent need for suspension of Custom Broker licence." - Shakti Cargo Movers v. Commissioner of Customs, Airport & General, CESTAT (2023)

"...the revocation of Customs Broker Licence is set aside as business and the livelihood of not only the appellant, but also its employees is adversely affected because of the suspension and revocation of the licence." - Sameer Logistics (P) Ltd. v. Commissioner of Customs, CESTAT Chennai (16.08.2023)

13.11 The exporters are genuine and available to the Department; recoveries are not rendered irrecoverable. It is not the case that the exporters are non-existent or unavailable for investigation. The alleged undervaluation and resultant recoveries pertain to exporters

who remain available to the Department, and it is incorrect to suggest that I extended any free hand to Mr. Jadiyer in this regard; the export business from M/s Collabrative Inc. was, to my knowledge, genuine business.

13.12 Bona fides, cooperation, clean antecedents, and disproportionate hardship. I have never been involved in any offence case or violation of the Customs Act, 1962, or the Regulations framed thereunder, either before or since the events in question, and I have cooperated fully with the investigation and these proceedings throughout, including by furnishing KYC documents and the statements of my employees. I was unaware of any misuse of the 'H' card by Mr. Jadiyer, and no additional charge should accrue against me on that count alone, nor has any allegation been raised as to my past conduct from the time the licence was first granted.

14. There are several cases *including C.V. Karia Clearing & Forwarding Pvt. Ltd. v. Principal Commissioner of Customs (General), Mumbai, CESTAT Mumbai (order dated 30.01.2025)* where the CESTAT has held that on materially similar facts overvaluation by an exporter to fraudulently claim drawback, with the broker's role confined to filing documents supplied by the exporter the licence was restored for want of any evidence of the broker's knowledge or complicity.

15. *In M/s Silver Line Global Freight Pvt. Ltd. v. Commissioner of Customs (Airport & General), New Delhi, CESTAT Principal Bench, Customs Appeal No. 51371 of 2025*, it was held that wrongdoing on the part of an exporter does not, without more, establish a failure on the part of the broker to advise compliance.

16. *In Airmasters Freight Services v. Commissioner of Customs, CESTAT Mumbai, order dated December 2024*, The Tribunal held that invoking the power of immediate suspension more than four years after the alleged act cannot be sustained in law, and set aside continuation of the suspension on that basis alone.

17. Even applying the Bombay High Court's directory standard for these timelines, Tribunals continue to treat a gross departure from the prescribed ninety-day inquiry period

as a serious factor going to the sustainability of the proceedings. The discussion of a comparable thirteen-month delay is in [2024 (8) TMI 1348] (CESTAT Mumbai).

18. Even where a prescribed period is treated as merely directory, the authority exercising the power remains bound to act within a reasonable time, having regard to the nature of the statute and the prejudice caused by delay as stated in *State of Punjab v. Bhatinda District Co-operative Milk Producers Union Ltd.*, (2007) 11 SCC 363, para 11. No explanation for the nearly nine-year gap between the 2016 Order and the present Show Cause Notice appears anywhere on the record available to the Custom Broker.

19. I say that neither I nor my proprietary concern should be penalised for the wrongs of an employee or of exporters who may have misused the licence for their own ends. My proprietary concern is the sole means of livelihood for myself and my family, and the suspension, now running over ten years, has caused, and continues to cause, severe financial hardship, out of all proportion to any culpability that may attach to me personally. I once again express my deepest regret for the harm and loss caused to the Department by the acts of my former employee and, if it be so, the exporters, though I reiterate that I had neither knowledge of nor connivance in those acts.

20. With humility, I assure the Department of my continued and best co-operation as and when required for any further inquiry, and I undertake to remain vigilant and to ensure that my licence is not misused by anyone in future. I further agree to comply with all directions that may be issued in this regard, including enhancement of the security deposit.

21. In view of the foregoing submissions, I most respectfully pray that this Ld. Authority may be pleased to:

- (a) revoke/lift the suspension of Customs Broker Licence No. 11/916 (PAN AAHPU4742JCH001) forthwith and restore the said licence to enable me to resume business operations;
- (b) not forfeit my security deposit;
- (c) not impose any penalty upon me or my CB proprietorship firm

(d) in the alternative, and without prejudice to prayer (a), (b), (c) above, direct that any inquiry pursuant to the Show Cause Notice under reply be conducted and concluded expeditiously, with a full and fair opportunity to inspect documents, cross-examine witnesses and lead evidence in defence; and

(e) in the alternative and without prejudice to prayer (a), (b), (c) or (d) impose an enhanced security deposit and continued oversight of the functioning of my Custom Broking License till the satisfaction of your good office.

(f) pass such further or other order(s) as this Ld. Authority may deem fit and proper in the facts and circumstances of the case, in the interest of justice.

RECORDS OF PERSONAL HEARING: -

22. The Inquiry Report submitted by the IO was accepted by the Principal Commissioner of Customs (General) and Personal Hearing (PH) was granted on 07.07.2026, however, the CB has sought adjournment and did not appear. The 2nd PH was granted to CB on 22.07.2026 however, he failed to appear and no communication in this regard has been received. The 3rd Personal Hearing was granted 27.07.2026. Shri Girish Umrigar, Proprietor and Shri Bruno Castellino, Advocate appeared on 27.07.2026 and requested to grant week's time to make a written submission. Vide letter dt 04.08.2026, Shri Girish Umrigar, Proprietor submitted reply to the Show Cause Notice No. 07/2025-26 dt 30.05.2025 and 08/2025-26 dt 30.05.2025. However, it has been observed that the CB at para 2.1 of his submission, the CB stated that I submit this reply in response to Show Cause Notice No. 07/2025-26 dt 30.05.2025. In succeeding paras and till the end of reply there is no mention of reply pertaining to Show Cause Notice No. 08/2025-26 dt 30.05.2025. Later, CB vide letter dt 20.08.2026 submitted that my reply dt 04.08.2026 may be treated as reply for both the Show Cause Notice No. 07/2025-26 and 08/2025-26.

DISCUSSIONS AND FINDINGS: -

23. I have gone through the facts and records of the case; an Offence report received in the form of O-in-O No. 209/2024-25/Commr./NS-II/CAC/JNCH dated 22.11.2024, issued by the Commissioner of Customs, NS-II, JNCH, vide F. No. S/10-16/2023-24/CC/NS-II/JNCH, regarding action against CB M/s. Sea-Rock Shipping and Cargo (CB No. 11/916)

in case of M/s. Citywide International Private Limited (IEC-0314056831), SCN No. 08/2025-26 dated 30.05.2025 against the CB M/s Sea-Rock Shipping and Cargo (CB No. 11/916), the IO Report dated 30.04.2026 and written submission of CB received vide letter dt 04.08.2026 and 20.08.2026. In compliance with the principles of natural justice, sufficient opportunities were granted to the Noticee to present their defence through written submissions as well as during personal hearing. All the submissions advanced by the Noticee have been carefully considered and taken on record before proceeding to adjudicate the present proceedings on merits.

24. I find that the present proceedings against the CB under CBLR, 2013 (now CBLR, 2018) originated from O-in-O No. 209/2024-25/Commr./NS-II/CAC/JNCH dated 22.11.2024, issued by the Commissioner of Customs, NS-II, JNCH, vide F. No. S/10-16/2023-24/CC/NS-II/JNCH, regarding action against CB M/s. Sea-Rock Shipping and Cargo (CB No. 11/916) in case of M/s. Citywide International Private Limited (IEC-0314056831). The AA observed that the CB M/s. Sea-Rock Shipping & Cargo had failed to discharge his obligations as mandated under the regulations 11(d), 11(e), 11(m) & 11(n) of CBLR, 2013 (now regulation 10(d), 10(e), 10(m) and 10(n) of CBLR, 2018). This led to the issuance of the Show Cause Notice No. 08/2025-26 dated 30.05.2025.

25. The CB licence of M/s Sea-Rock Shipping and Cargo (CB No. 11/916) was suspended vide Suspension Order No. 20/2016 dt 14.10.2016 under Regulation 19(1) of the CBLR, 2013 in similar matter pertaining to Exporter M/s Collaborative Inc and M/s Global Overseas Trade. The suspension remains continued vide Suspension Order No. 29/2016-17 dt 17.11.2016.

26. As per Regulation 17 of the CBLR, 2018, Shri Pankaj Jha, Deputy Commissioner was appointed as IO to conduct a detailed inquiry into the allegations levelled in the Show Cause Notice No. 08/2025-26 dated 30.05.2025. The IO was required to examine the charges of violation of regulations 11(d), 11(e), 11(m) & 11(n) of CBLR, 2013 (now regulation 10(d), 10(e), 10(m) and 10(n) of CBLR, 2018).

27. The IO submitted his Inquiry Report vide letter dated 30.04.2026, wherein he held all charges as “**Proved**”.

28. Upon careful consideration of the brief facts and allegations contained in the Show Cause Notice No. 08/2025-26 dated 30.05.2025, O-in-O No. 209/2024-25/Commr./NS-II/CAC/JNCH dated 22.11.2024, issued by the Commissioner of Customs, NS-II, JNCH, vide F. No. S/10-16/2023-24/CC/NS-II/JNCH, regarding action against CB M/s. Sea-Rock Shipping and Cargo (CB No. 11/916) in case of M/s. Citywide International Private Limited (IEC-0314056831), the IO Report dated 30.04.2026, the written submissions advanced by the Noticee dated 04.08.2026 and 20.08.2026 and the evidence available on record, I find that the following issues arise for determination in the present proceedings:

(a) Whether the CB M/s Sea-Rock Shipping and Cargo (CB No.11/916) has violated Regulation 11(d), 11(e), 11(m), and 11(n) of CBLR, 2013 (now Regulations 10(d), 10(e), 10(m), and 10(n) of CBLR, 2018).

(b) Whether the Inquiry Officer’s findings dated 30.04.2026 are sustainable?

(c) Whether the evidence on record establishes complicity/conscious facilitation or negligence by the Customs Broker?

(d) Whether the proposed penalties under CBLR, 2013 (now CBLR,2018) are justified/proportionate?

29. *Regulation 11(d) of CBLR, 2013 (now 10(d) of CBLR, 2018) reads as under:*

“A Customs Broker shall — “advise his client to comply with the provisions of the Act and in case of non-compliance, shall bring the matter to the notice of the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be.”

29.1 I find that the CB has facilitated in clearance of overvalued Export goods for dummy Exporter M/s. Citywide International Private Limited (IEC-0314056831) to fraudulently avail undue export benefits under MEIS and Duty Drawback schemes. I find that the CB has colluded with Shri Satish Pujari who was controlling and operating M/s. Citywide International Private Limited (IEC-0314056831). I find that due to this fraud Shri Satish Pujari fraudulently obtained duty drawback benefits amounting to Rs. 11,34,947/-, and MEIS benefits amounting to Rs. 29,86,702/- facilitated by the CB’s inaction. I find that

Shri Satish Pujari was running a cartel in collusion with various Exporters and CBs including M/s. Sea-Rock Shipping & Cargo in overvaluation of Exported goods to get illegitimate benefit of Export incentives. I find that the Exporter has failed to provide any evidence to substantiate the declared value. I also find that investigation has established that during the same period, other exporters were exporting the goods at much lower price to the same destination. I find that the CB neither advised the exporter against overvaluation nor reported the same to Deputy/Assistant Commissioner of Customs to prevent the fraudulent exports, which led to loss to the Exchequer. The act of CB is an act of omissions and commissions to avail the undue benefit of export incentives. Shri Vijay Kumar Tiwari, one of the Director of M/s. Citywide International Private Limited admitted that the goods were wilfully overvalued by Shri Satish Pujari to claim illegitimate MEIS benefits and duty drawback. The IO, in his report dated 30.04.2026, has rightly held this charge as proved after considering the Offence Report, SCN and the relevant statements. Under Regulation 11(d) of CBLR, 2013 (now 10(d) of CBLR, 2018), the CB was obligated to report such discrepancies to the Deputy/Assistant Commissioner of Customs as the case may be. Therefore, I find that the CB has not fulfilled his statutory obligation under Regulation 11(d) of CBLR, 2013 (now 10(d) of CBLR, 2018).

29.2 The CB's own admission in its written submissions that it permitted its employee, Shri Nilesh Jaidyer, to "handle the clearance work independently" and that the said employee "brought in export clearance business" from exporters who were following the same modus operandi of overvaluation. This admission establishes that the CB abdicated its supervisory responsibility over a person who was not even a license holder. The CB's employee brought in business from two exporters (M/s Collaborative Inc. and M/s Global Overseas Trade) who were both following the same modus operandi of overvaluation. This is not a one-off lapse but a systematic failure of the CB's internal controls. Despite becoming aware of the overvaluation through its employee, the CB neither advised the exporter against it nor reported the matter to the Deputy/Assistant Commissioner of Customs, as mandated under Regulation 11(d) of CBLR, 2013 (now 10(d) of CBLR, 2018).

I observed that in *Commissioner of Customs v. K.M. Ganatra and Co. (Civil Appeal No. 2940 of 2008)*, the Hon'ble Supreme Court upheld the view that any contravention of the CB's obligations, even without intent, is sufficient to invite punishment. The present case involves not mere negligence but a conscious disregard of statutory duties for the benefit of unscrupulous exporters. Therefore, in view of the foregoing findings, the charge of violation of regulation 11(d) of CBLR, 2013 (now 10(d) of CBLR, 2018) stands proved against the CB M/s Sea-Rock Shipping and Cargo (CB No.11/916). In light of these findings, I uphold the charge of violation of Regulation 11(d) of CBLR, 2013 (now Regulation 10(d) of CBLR, 2018) levelled against the CB.

30. *Regulation 11(e) of CBLR, 2013 (now 10(e) of CBLR, 2018) reads as under:*

“A Customs Broker shall-exercise due diligence to ascertain the correctness of any information which he imparts to a client with reference to any work related to clearance of cargo or baggage;”

30.1 In the present case, CB M/s Sea-Rock Shipping and Cargo has clearly violated this provision. I find that M/s. Citywide International Private Limited (IEC-0314056831) was a dummy Exporter and engaged in export of overvalued goods to get undue export incentive with the help of various CBs including M/s Sea-Rock Shipping & Cargo. I find that the CB has never paid attention to the credential of the Exporter and facilitated in clearance of overvalued exported goods. I also find that the CB has never raised query or questioned the inflated value of the exported goods with the Exporter. The CB is saddled with responsibility to safeguard the interest of exchequer by way of exercising due diligence to ascertain the correctness of any information which he imparts to a client with reference to any work related to clearance of cargo or baggage. However, the CB has completely failed in discharging his duty mandated under Regulations 11(e) of CBLR, 2013 (now 10(e) of CBLR, 2018). Therefore, I find that the CB has violated the Regulation 11(e) of CBLR, 2013 (now Regulation 10(e) of CBLR, 2018).

30.2 Shri Vijay Kumar Tiwari, Director of M/s. Citywide International Private Limited (IEC-0314056831) in his statement recorded under Section 108 of the Customs Act, 1962

admitted that the goods were wilfully overvalued by Shri Satish Pujari to claim illegitimate MEIS benefits and duty drawback. The IO, in his report dated 30.04.2026, has rightly held CB guilty of violation of Regulation 11(e) of CBLR, 2013 (now Regulation 10(e) of CBLR, 2018) and found charge as proved after considering the Offence Report, SCN and the relevant statements.

30.3 The defence taken by the CB that a CB is neither required nor competent to sit in judgment over the commercial valuation of export goods declared by an exporter, which is a matter within the domain of assessment by the Customs authorities in view of the judgement in case of *Akbarali Mohemedali Mukadam v. Principal Commissioner of Customs (General)*, *CESTAT Mumbai (order dated December 2024)* is not valid defence in the present case. The regulation 11(e) of CBLR, 2013 (now 10(e) of CBLR, 2018) clearly mandate that the CB shall exercise due diligence to ascertain the correctness of any information which he imparts to a client with reference to any work related to clearance of cargo or baggage. The CB has colluded with a group of Exporters, who were engage in similar modus operandi of overvaluation of exported goods for the illegitimate benefit of MEIS and Drawback. In his reply the CB himself admitted that he permitted his employee, Mr Nilesh Jadiyer to handle work independently. The CB employed Mr Nilesh Jadiyer to bring export clearance work irrespective of nature of work and allowed overvaluation for monetary benefit. The CB in his submission admitted that during questioning by Customs Authorities of his employee Mr Niles Jadiyer, he confessed that he alone had carried out the wrongful acts. I find that CB remains ignorant of his responsibilities for monetary benefits only. The plea taken by CB that the conduct of his employee, Shri Nilesh Jadiyer, cannot automatically be imputed to the CB is not tenable in view of the responsibilities as mandated under Regulation 11(e) of CBLR, 2013 (now 10(e) of CBLR, 2018). Thus, I find that CB has not observed due diligence in discharging his duty as mandated under Regulation 11(e) of CBLR, 2013 (now 10(e) of CBLR, 2018). Therefore, I find that CB M/s Sea-Rock Shipping and Cargo has clearly violated the Regulation 11(e) of CBLR, 2013 (now Regulation 10(e) of CBLR, 2018). In light of these findings, I uphold the charge

of violation of Regulation 11(e) of CBLR, 2013 (now Regulation 10(e) of CBLR, 2018) levelled against the CB.

31. Regulation 11(m) of CBLR, 2013 (now 10(m) of the CBLR, 2018) reads as:

“A Customs Broker shall-discharge his duties as a Customs Broker with utmost speed and efficiency and without any delay;”

31.1 I find that the CB has never joined the investigation despite summons served to the CB and thus delayed the proceedings of investigation and inquiry. The CB has also not appeared before the IO and letters issued for personal hearing remain undelivered and returned with remarks by postal authorities that the sender or claimant not available at aforesaid address. Therefore, I find that the CB was not available at his given address and the process of investigation, adjudication and inquiry were delayed due to non-appearance of CB. I find that the CB has not discharged his duty with utmost speed and efficiency and without delay. I find that CB M/s. Sea-Rock Shipping and Cargo has clearly violated Regulation 11(m) of CBLR, 2013 (now Regulation 10(m) of CBLR, 2018). The IO, in his report dated 30.04.2026, has rightly held this charge as proved.

31.2 I find that, Shri Ashish Chaudhary, Director of M/s Citywide International Private Limited in his statement admitted that he had not seen exported items physically and he didn't know from where the goods procured. He also admitted that all the import and export was handled by Shri Satish Pujari who was mastermind behind this fraudulent operation. Therefore, I find that the CB has not performed his duty with efficacy in verifying the antecedent and genuineness of the Exporter.

31.3 The CB in his submission claimed that the exporters are genuine and available to the Department; recoveries are not rendered irrecoverable. The CB further submitted that it is not the case that the exporters are non-existent or unavailable for investigation. He further stated that the alleged undervaluation and resultant recoveries pertain to exporters who remain available to the Department. However, I find that investigation has clearly established that the Exporter M/s. Citywide International Private Limited (IEC-0314056831) is a dummy company controlled by mastermind Shri Satish Pujari who did

not turn up for investigation. Therefore, the claim of CB that Exporters are genuine and available to the department is completely wrong. In view of the same, I found that the CB has violated Regulation 11(m) of CBLR, 2013 (now 10(m) of the CBLR, 2018). In light of these findings, I uphold the charge of violation of Regulation 11(m) of CBLR, 2013 (now Regulation 10(m) of CBLR, 2018) levelled against the CB.

32. *Regulation 11(n) of CBLR, 2013 (now regulation 10(n) of the CBLR, 2018) reads as:*

“A Customs Broker shall-Verify correctness of Importer Exporter Code (IEC) number, Goods and Services Tax Identification Number (GSTIN), identity of his client and functioning of his client at the declared address by using reliable, independent, authentic documents, data or information”

32.1 The CB M/s Sea-Rock Shipping & Cargo was required to verify the antecedents and genuineness of the exporter as well as identity and proper functioning of their client by using reliable, independent and authentic documents/ data/ information. However, the CB has not fulfilled requisite norms before taking the clearance work from the exporter. I also find that investigation has clearly established that the M/s. Citywide International Private Limited (IEC-0314056831) is a dummy firm being controlled by Shri Satish Pujari. In view of the same, I find that the CB has violated Regulation 11(n) of CBLR, 2013 (now 10(n) of the CBLR, 2018). The IO, in his report dated 30.04.2026, has rightly held this charge as proved after considering the Offence Report, SCN and the relevant statements.

32.2 The CB in his reply letter dt 04.08.2026 stated that *“In discharge of my obligations under Regulation 11(n) of CBLR, 2013 (now Regulation 10(n) of CBLR, 2018), I obtained and verified the IEC, PAN and GST/KYC documents and the Authorization of the exporter M/s Collabrative Inc. before commencing clearance work, and duly filed the shipping bills and connected documents received from the exporter with the Customs authorities at Jawahar Custom House. In addition, I caused a physical survey of the exporter's branch premises at Borivali to be conducted, which was carried out by my employee, Shri Sanjay Mahimkar, and is recorded in his statement dated 17.03.2016”*. The CB has miserably

failed in submitting correct reply pertaining to SCN No. 08/2025-26 dt 30.05.2025. I find that the impugned SCN pertains to the M/s. Citywide International Private Limited (IEC-0314056831), however, the CB is referring to verification of another Exporter M/s Collabrative Inc. The CB has also taken defence that the Regulation does not, expressly or by necessary implication, prescribe personal or physical verification of the exporter's premises by the Custom Broker himself as a mandatory or exclusive mode of compliance. However, this defence is merely misinterpretation of the Regulations 11(n) of CBLR, 2013 (now 10(n) of CBLR, 2018). In view of the same, I found that the CB has violated Regulation 11(n) of CBLR, 2013 (now 10(n) of the CBLR, 2018). Therefore, I uphold the charge of violation of Regulation 11(n) of CBLR, 2013 (now 10(n) of the CBLR, 2018) levelled against the CB.

33. I find that a CB 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. In the present case, the CB has colluded with dummy Exporter and facilitated the clearance of overvalued exported goods, which resulted in loss to the Exchequer. I also find that the AA has found the CB M/s. Sea-Rock Shipping and Cargo (CB No. 11/916) guilty under the Customs Act and imposed a penalty of Rs. 10,00,000/- under Section 114(iii) of the Customs Act, 1962 & Rs. 5,00,000/- under Section 114AA of the Customs Act, 1962. I find that the AA has also found the CB M/s. Sea-Rock Shipping and Cargo (CB No. 11/916) guilty of violation of Regulation 11(d), 11(e), 11(m), and 11(n) of CBLR, 2013 (Now Regulations of 10(d), 10(e), 10(m), and 10(n) of CBLR, 2018). I find that the CB acted in collusion with a cartel of exporters to defraud the Government. I also find that the CB is a repeated offender and the license is already under suspension in different cases. A lot of trust is kept in CB by the Government Agencies; however, by their acts of omissions and commissions, CB M/s Sea-Rock Shipping and Cargo (CB No. 11/916) has violated Regulation 11(d), 11(e), 11(m), and 11(n) of CBLR, 2013 (now Regulations 10(d), 10(e), 10(m), and 10(n) of CBLR, 2018). I find that for the violation of obligations provided under the CBLR, 2013 (now CBLR, 2018) and for their acts of omissions and commissions, the CB M/s Sea-Rock Shipping and Cargo (CB No. 11/916) have rendered themselves

liable for penal action under the CBLR, 2013 (now CBLR, 2018). Such repeated misconduct completely dismantles the trust reposed in a licensed intermediary rendering the Customs Broker 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 Sea-Rock Shipping and Cargo (CB No. 11/916) under the CBLR, 2013 (now CBLR, 2018). Hence, while deciding the matter, I rely on the following case laws:

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

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

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

"6.1 These provisions require the Customs Broker to exercise due diligence to ascertain the correctness of any information and to 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 CHA 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.

34. I find that Shri Pankaj Jha, Deputy Commissioner was appointed as IO to conduct the inquiry proceedings against the CB, M/s. Sea-Rock Shipping and Cargo (CB No. 11/916) under Regulation 17 of the CBLR, 2018. He granted PH opportunities to the CB, however, the PH letters returned with remarks by postal authorities that the sender/recipient is not available at given address. In the event of non-appearance of CB, the IO has concluded his inquiry proceedings on the basis of available facts and evidences on record.

I observe that the proceedings were delayed due to the non-appearance of CB. The CB cannot be permitted to take advantage of a delay substantially occasioned by its own non-cooperation. Further, with respect to the timelines prescribed under Regulation 17 of the CBLR, 2018, relying on the following case laws, I observe that the timelines under CHALR/CBLR are directory in nature and not mandatory:

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

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

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

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

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

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

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

14. A reading of the Regulation 17 would also go to show that the Inquiry Officer during the course of his inquiry is not only required to record the statement of the parties but also to give them an opportunity to cross-examine and produce oral and documentary evidence. In the event of the respondents not co-operating, it would be difficult for the Inquiry Officer to complete the inquiry within the prescribed period of 90 days, as provided under Regulation 17(5). Therefore, we find force in the argument of the learned counsel for the appellant that the Regulation No.17 is required to be considered as directory and not mandatory. Though the word "shall" has been used in Regulation 17, an overall reading of the said provision of law makes it very clear that the said provision is procedural in nature and non-compliance of the same does not have any effect. If there is no consequence stated in the Regulation for non-adherence of time period for conducting the inquiry or passing an order 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 CHALR, there is some merit in the argument. But nevertheless, it has to be borne in mind that time-limit prescribed in the law though required to be followed by the enforcement officers, at times could not be adhered to for administrative reasons. That by itself does not make the impugned order bad in law”.

35. In view of the above discussed facts and for their acts of omissions and commissions, the CB M/s. Sea-Rock Shipping and Cargo (CB No. 11/916) is held liable and guilty for violating the provisions of the CBLR, 2013 (now CBLR, 2018), as mentioned above. I hold that the CB has failed to discharge his duties cast upon them with respect to Regulations 11(d), 11(e), 11(m), and 11(n) of CBLR, 2013 (Now Regulations of 10(d),

10(e), 10(m), and 10(n) of CBLR, 2018) and is liable for penal action. Accordingly, I pass the following order:

ORDER

36. I, Principal Commissioner of Customs (General), in exercise of the power conferred upon me under Regulation 17(7) of the CBLR, 2018 (erstwhile Regulation 20(7) of the CBLR, 2013), pass the following order:

(i) I hereby order for revocation of the CB license held by M/s. Sea-Rock Shipping and Cargo (CB No. 11/916) under Regulation 14 of the CBLR, 2018 (erstwhile Regulation 18 of the CBLR, 2013).

(ii) I hereby order for forfeiture of the entire amount of the security deposit furnished by the CB M/s. Sea-Rock Shipping and Cargo (CB No. 11/916) under Regulation 14 of the CBLR, 2018 (erstwhile Regulation 18 of the CBLR, 2013).

(iii) I take note that forfeiture of the same security deposit has also been ordered vide Order-in-Original CAO No. 42/2026-27/CAC/PCC(G)/AKP/Adj-CBS dated 28.09.2026. To avoid the double-realization of the same security, it is ordered that the forfeiture in the present case shall run concurrently with the forfeiture ordered vide the aforementioned order dated 28.09.2026. While the physical realization of the security shall occur only once, this order stands as an independent and substantive forfeiture. In the event that the forfeiture in the concurrent case is set aside, modified, or stayed by any competent appellate authority, the forfeiture ordered herein shall immediately and independently remain enforceable against the security deposit of the firm.

(iv) I, hereby impose a penalty of Rs. 50,000/- (Rupees Fifty Thousand only) on the CB M/s. Sea-Rock Shipping and Cargo (CB No. 11/916) under Regulation 18(1) of the CBLR, 2018 (erstwhile Regulation 22 of the CBLR, 2013).

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

This order is passed without prejudice to any other action that 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.


(AJAY KUMAR PANDEY)

Principal Commissioner of Customs (G)
NCH, Mumbai-I

To,

M/s. Sea-Rock Shipping and Cargo (CB No. 11/916)

(EDI License No AAHPU4742JCH001)

26 Ida Mansion, 2nd Floor, 18,

Vaju Kotak Marg, Ballard Estate, Fort, Mumbai-400038

Copy to:

1. The Pr. Chief Commissioner/ Chief Commissioner of Customs, Mumbai - I, II, III.
2. The Commissioner of Customs, NS-II, Mumbai - II.
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4. ACC (Admn), Mumbai with a request to circulate among all departments.
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