



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/174/2025-CBS

आदेश दिनांक/Date of Order: 29.09.2026

CAO No.48/2026-27/CAC/PCC(G)/AKP/Adj-CBS जारी दिनांक/Date of issue: 29.09.2026

संख्या:

DIN:- 20260977NO0000415B10

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 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 (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 ब्याजवलगाए 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 Future Impex (CB No. 11/2395, PAN No. AGVPN4016C), having address registered at 112, The Great Eastern Summit, Plot No. 66, Sector-15, CBD Belapur Navi Mumbai 400614 (hereinafter referred to as the Customs Broker/CB) is holder of Customs Broker License No. 11/2395 issued by the Principal 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. An offence report in the form of Order-In-Original No. 331/2024-25/Commr./NS-III/CAC/JNCH dated 06.03.2025 was received from the Office of the Commissioner of Customs, NS-III, JNCH, regarding import of currants by mis-declaring as processed black raisins and processed dried black currants by the importer M/s Frunuts Exim LLP (IEC AAFF5428E) through their Customs Broker M/s Future Impex (CB No. 11/2395).

3. An intelligence was gathered by the Amritsar Unit of the DRI that the importer M/s Frunuts Exim LLP were importing Currants (Dried grapes; Botanical Name: Vitis Vinifera) from M/s Agricultural Cooperatives Union Aeghion S.A., Greece under CTH 20081920 and 08062010 of the First Schedule to the Customs Tariff Act, 1975 and have paid Basic Customs Duty 30%, Social Welfare Surcharge @ 10%, and IGST @ 12% for the Bills of Entry filed under CTH 20081920 by mis-declaring the same as processed black raisins (dry roasted), processed dried black currants. The importer firm have paid Basic Customs Duty @ 30% claiming exemption under Sr. No. 32 of Notification No. 50/2017-Cus dated 30.06.2017 and IGST @ 5% for the Bills of Entry filed under CTH 08062010 by mis-declaring the same as dried black seedless currant small, dried black seedless currant-small (Vitis Vinifera), and dark seedless raisins small, and were marketing and selling the same as 'Black Currants'. The Country of Origin declared as per the import documents is Greece. The Currants made from small black grapes of Greece origins are distinct from Raisins and are classifiable under CTH 08062090 of the Customs Tariff as 'other dried grapes' and attract higher effective BCD @ 100% ad valorem as per the Notification No. 50/2017-Cus dated 30.06.2017 (serial No. 31). The intelligence was further validated by the fact that the goods were originally manufactured and supplied by M/s Agricultural Cooperatives Union Aeghion S.A., Greece who themselves had imported the very same product i.e. 'Greek Currants' in India in the year 2014 by classifying the same under CTH 08062090 of the Customs Tariff and had paid Customs Duty @ 100%.

4. As per the ICES data/available records and the data submitted by the importer firm, the importer firm had filed various Bills of Entry at Nhava Sheva port and Bombay Air Cargo for import of Currants from Greece (w.e.f. 12.03.2018 till 20.10.2022) by declaring these wrongly with miscellaneous item descriptions such as 'Processed Black Raisins',

'Processed Dried Black Currants', 'Dried Black Seedless Currants Small', 'Dark Seedless Raisins' under CTH 08062010 of the Customs Tariff.

5. Accordingly, the importer firm vide letter 16.09.2021 and reminder dated 11.10.2021 was requested to supply the import documents in respect of import of Dried Black Currants. Further, summons dated 28.10.2021 were issued to the importer firm as well as to the Customs Broker dated 29.10.2021.

6. During course of investigation, Statement of Shri Ajit Shrirang Nalawade, Proprietor of the CB firm M/s Future Impex was recorded on 08.11.2021 under Section 108 of the Customs Act, 1962 wherein he, inter-alia stated that:

i. They had filed Bills of Entry regarding import of Dried Black Currants in respect of the importer firm M/s Frunuts Exim LLP under CTH 08062010.

ii. That the word 'Raisin' is not mentioned in any of the import document.

iii. That they had classified the import item i.e. Dried Black Currants under CTH 08062010 of the customs tariff by claiming exemption under Sr. No. 32 of Notification No. 50/2017 dated 30.06.2017.

iv. That at the time of first import vide Bill of Entry No. 5565030 dated 05.11.2019, he discussed matter with the importer Shri Bhavin Laxmichand Gada about the finalization of HS code of the import consignment and the item was classified under CTH 08062010.

v. That checklist was prepared and after approval of same by the importer firm, they filed Bill of Entry in the EDI system.

vi. The approval was given by the importer firm over phone to him. That all his discussions with the importer firm have happened on phone and he was not supplied any documents as evidence that the 'Dried Black Currants' are raisins.

vii. That as per the invoice supplied by M/s Agricultural Cooperative Union Aeghion, S.A., Greece, the HS code 080620 is mentioned, meaning that the import item is Dried Grapes.

viii. That they have not consulted the explanatory notes to the Harmonised system published by WCO for classification purposes at the time of import.

ix. That the effective customs duty is 100% on all kinds of Dried Grapes falling under Customs sub-heading of 080620 by virtue of Sr. No. 31 of the Notification No. 50/2017-Cus dated 30.06.2017.

x. That he was aware of merchandise export from India Scheme (MEIS) and as per Appendix 3B Table 2 of MEIS Schedule, 'raisins' are mentioned against Sr. No. 231

with CTH/HS code 08062010 and 'Sultanas and other Dried Grapes' under HS code 08062090.

xi. That he had also seen the EDI printout in respect of Bill of Entry No. 6693345 dated 08.09.2014 filed by M/s Agricultural cooperative Union Aeghion S.A., Greece, wherein currants have been classified under CTH 08062090 and 100% Customs Duty have been paid by them.

xii. That the 'currants' are a type of dried grapes different from other kind of dried grapes like 'raisins' and 'sultana' and the proper classification as per his understanding is under CTH 08062090 of the Customs Tariff and the correct effective Customs duty is 100% of the assessable value.

xiii. That he didn't have import documents in respect of Bill of Entry No. 2909417 dated 19.04.2019 and will provide the same.

7. Statement of Shri Bhavin Laxmichand Gada, Partner of the importer firm M/s Frunuts Exim LLP, was recorded on 15.11.2021 under Section 108 of the Customs Act, 1962 wherein he, inter-alia stated that:

i. His firm primarily deals in import of dry fruits, spices & nuts and subsequently these import goods are sold Pan India.

ii. That the custom broker for the above-mentioned Bills of Entry is same i.e. M/s Future Impex, Mumbai.

iii. That 'Black currants' imported by importer firm is a product which is used most commonly as a food ingredient in ice-cream & bakery industry and also as a direct snack in some occasions.

iv. That the taste of 'Black currants' is different from Black raisins' of other origins. That currants imported by his firm from Greece are in standard net weight packing of 12.5 kgs each and are sold as such without any repacking and relabelling.

v. That the tariff classification of all import items imported by importer firm are discussed by him and his customs broker.

vi. That accordingly, Customs broker prepare the checklist & send them for approval via email and after his approval, the Bill of Entry is filed accordingly.

vii. That all the above shipments pertain to same import item i.e. 'Dried Black currants' with the same supplier firm i.e M/s Agricultural Cooperatives Union Aeghion SA, Greece.

8. Statement of Shri Bhavin Laxmichand Gada, Partner of the importer firm M/s Frunuts Exim LLP, was again recorded on 16.11.2021 under Section 108 of the Customs Act, 1962 wherein he, inter-alia stated that:

i. He had carefully seen all the import invoices of all the Bills of Entry filed by them and the word raisin is not mentioned in any of import invoices except BOE 5833653 dated 14.10.2021.

ii. That he had conveyed the supplier M/s Agricultural Cooperatives Union Aeghion S.A to change the description of the imported goods from Dried Black Currants to Dark Seedless Raisins while placing the order.

iii. That all the sales invoices raised by his firm for the import items mentioned the word 'Dried Black Currants/Black Currants small while in the latest sales Invoices pertaining to BOE 5833653 dated 14.10.2021, the word 'Dark Seedless Raisins Small' has been mentioned.

iv. That initial two BOEs i.e. 5546983 dated 12.03.2018 and 2909417 dated 19.04.2019 for the import item 'Black Corinthian Currants' were filed by them under the CTH 20081920 by mistake as the import item Black Corinthian Currants variety Vitis Vinifera L is a type of Dried Grapes and merit classification under the chapter heading 080620.

v. That subsequent to these two BOE, remaining seven BOE were filed & cleared under CTH 08062010. This change in the CTH was due to the reason that many customers raised query that their firm is charging 12% GST and other Trader/Importer charged 5% GST for the same product. Moreover, the item i.e. Dried Black currants small of the species Vitis Vinifera L is a type of Dried Grapes & most appropriately falls under chapter 080620.

vi. That he understands that Greece is also a part of the European Union and accordingly the above tariff classification/combined nomenclature also applicable to Greece.

vii. That he was aware about the duty structure of the chapter heading 0806. He was aware that vide serial number 31 of the Notification No. 50/2017 Cus dated 30.06.2017, the effective customs duty is 100% for all goods under sub-heading of Customs 080620 & vide serial number 32 of the said Notification, the customs duty is 30% (effective) for Dark Seedless raisins under Chapter heading 08062010.

viii. That he understands that 100% Customs Duty is applicable for the all types of raisins except dark seedless raisins that attract concessional customs duty of 30%.

ix. That he had also been shown some details of BOE 6693345 dated 08.09.2014 filed by his supplier M/s Agriculture Cooperatives Union Aeghion, SA Greece wherein they have themselves imported Black Currants under CTH 08062090 and have paid Customs duty at the rate of 100%.

x. That the description of the import goods has been changed from 'Black currants' to 'dark Seedless Raisin' in the instant BOE 5833653 dated 14.10.2021 as the serial no. 32 of the Notification No. 50/2017 Cus dated 30.06.2017 is applicable to Dark Seedless Raisins.

xi. That out of Nine BOEs for the import item, only one BOE 5546983 dated 12.03.2018 which was filed under CTH 20081920 was selected by EDI system for assessment and examination purpose. For the rest of the BOES (8) assessment & examination was not prescribed by EDI system.

xii. That the goods imported vide Bill of Entry No. 5546983 dated 12.03.2018 mentioned as processed Black Raisins (Dry Roasted) under CTH 20081920 whereas the words processed' or 'Dry Roasted' are not used in Invoice by M/s ACUA SA Greece. This was done by mistake.

xiii. That he had seen the statement dated 08.11.2021 of his Customs Broker, Sh. Ajit S. Nalwade under section 108 of the Customs Act wherein he had stated that currants are type of Dried Grapes different from raisins & sultanas & as per his understanding the CTH for currants is 08062090 of the Customs Tariff & the correct effective Customs duty is 100% and that he (the Customs Broker) would advise him (the Importer) to pay the customs duty along with interest as soon as possible.

xiv. That Raisin is not mentioned in any of the import documents submitted by him in respect of his firm M/s Frunuts Exim LLP. That neither the supplier nor the customs broker or any other person has advised him that currants are classified under 08062090. And accordingly, they have filed BOE as advised/discussed with customs broker.

xv. That the import item is being sold as Black Currants & the word Raisin is not used in domestic sales.

xvi. That the importer firm had imported Green Raisins from China and have paid 100% Customs Duty.

9. On perusal of the import documents provided by the importer firm and retrieved from ICES, it was observed that only after the initiation of investigation by DRI, the importer firm changed the item description of all the subsequent Bills of Entry for the same import item. The imported goods in all these bills of entry were same/identical items produced in Greece and were from the same supplier namely M/s Agricultural

Cooperatives Union of Greece from Greece. The item description mentioned in Invoice, Bill of lading, and Phytosanitary certificate as Dark seedless raisins small Botanical Name Vitis vinifera'. The Bills of Entry filed by the importer also mentioned the item descriptions as 'Dark Seedless Raisins small. It is also admitted by the importer firm in their statement dated 16.11.2021 tendered under Section 108 of the Customs Act, 1962 that all the sales invoices raised by them for the import item mentioned the word Dried Black Currants/Black Currants small while in the latest sales Invoices pertaining to BOE 5833653 dated 14.10.2021, the word Dark Seedless Raisins Small has been mentioned.

10. While the onus of correct classification and declaration primarily rests with the importer, the Customs Broker, having knowledge of the nature of the goods and the applicable tariff provisions, was in a position to exercise due diligence and advise the importer appropriately. The Customs Broker also had the option to escalate the matter to the Department in case of any doubt or discrepancy. His failure to take such steps does not appear to be in consonance with the advisory responsibilities envisaged under Regulation 10(d), read with the obligation to discharge duties with efficiency under Regulation 10(m) of the CBLR, 2018.

11. In the regime of trade facilitation, a lot of trust is being placed on the Customs Broker who directly deals with the importers/exporters. Failure to comply with regulation by the CB mandated in the CBLR gives room for unscrupulous persons to get away with import export violations and revenue frauds. In this case, non-compliances, as detailed above, were found with respect to the imported goods. Therefore, it appears that the Custom Broker failed to adhere to the responsibilities as was expected in terms of the Regulations made under CBLR 2018.

11.1 Regulation 10(d) of CBLR, 2018 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 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;"

From the statement of the Customs Broker, Shri Ajit Nalawade, it appears that he did not fully adhere to his responsibilities in accordance with the obligations laid down under Regulation 10(d) of the CBLR, 2018. As per his own admission, the Customs Broker was aware that the imported goods were 'currants' and not 'raisins', and that the correct classification should have been under CTH 08062090, attracting Basic Customs Duty at the rate of 100%. Despite being aware of this, he continued to file Bills of Entry under CTH 08062010, which attracts a lower duty rate of 30%, thereby facilitating the payment of lesser duty. He also mentioned that the classification was provided telephonically by the importer and no supporting documents were submitted. Despite this, he neither advised the

importer to correct the classification nor escalated the matter to the appropriate Customs authorities. Such conduct, indicates a failure to fulfil the obligations prescribed under Regulation 10(d) of the CBLR, 2018.

11.2 Regulation 10(m) of CBLR, 2018 reads as,

"discharge his duties as a Customs Broker with utmost speed and efficiency and without any delay"

From the statement of the Customs Broker, Shri Ajit Nalawade, it appears that there has been a lapse in discharging his duties with the level of promptness and efficiency expected under Regulation 10(m) of the CBLR, 2018. The CB stated that the classification of the imported goods was approved by the importer over a phone call, and no supporting documents were provided. All interactions were verbal, with no written correspondence or documentary trail maintained. The reliance on informal communication, without seeking or maintaining supporting records, indicates a lack of procedural care and thoroughness. In view of these facts, it appears that the CB did not fully meet the expectations laid down under Regulation 10(m) of the CBLR, 2018.

12. Relevant provisions:

Regulation 10(d) of CBLR, 2018

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

Regulation 10(m) of CBLR, 2018

"discharge his duties as a Customs Broker with utmost speed and efficiency and without any delay"

Regulation 14 of the CBLR, 2018: Revocation of license or imposition of penalty:

The Principal Commissioner or Commissioner of Customs may, subject to the provisions of regulation 17, revoke the license of a Customs Broker and order for forfeiture of part or whole of security, on any of the following grounds, namely: -

- (a) failure to comply with any of the conditions of the bond executed by him under regulation ;
- (b) failure to comply with any of the provisions of these regulations, within his jurisdiction or anywhere else;

(c) commits any misconduct, whether within his jurisdiction or anywhere else which in the opinion of the Principal Commissioner or Commissioner of Customs renders him unfit to transact any business in the Customs Station;

(d) adjudicated as an insolvent;

(e) of unsound mind; and

(f) convicted by a competent court for an offence involving moral turpitude or otherwise.

Regulation 17(1) & 17(2) of the CBLR, 2018: Procedure of revoking license or imposing penalty:

(1) *The Principal Commissioner or Commissioner of Customs shall issue a notice in writing to the Customs Broker within a period of ninety days from the date of receipt of an offence report, stating the grounds on which it is proposed to revoke the license or impose penalty requiring the said Customs Broker to submit within thirty days to the Deputy Commissioner of Customs or Assistant Commissioner of Customs nominated by him, a written statement of defence and also to specify in the said statement whether the Customs Broker desires to be heard in person by the said Deputy Commissioner of Customs or Assistant Commissioner of Customs.*

(2) *The Commissioner of Customs may, on receipt of the written statement from the Customs Broker, or where no such statement has been received within the time-limit specified in the notice referred to in sub-regulation (1), direct the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, to inquire into the grounds which are not admitted by the Customs Broker.*

Regulation 18 of the CBLR, 2018: Penalty-

(1) *The Principal Commissioner or Commissioner of Customs may impose penalty not exceeding fifty thousand rupees on a Customs Broker or F card holder who contravenes any provisions of these regulations or who fails to comply with any provision of these regulations.*

(2) *The Deputy Commissioner or an Assistant Commissioner of Customs may impose penalty not exceeding ten thousand rupees on a G card holder who contravenes any provisions of these regulations in connection with the proceedings against the Customs Broker.*

(3) *The imposition of penalty or any action taken under these regulations shall be without prejudice to the action that may be taken against the Customs Broker or F card holder or G card holder under the provisions of the Customs Act, 1962 (52 of 1962) or any other law for the time being in force.*

13. A Custom Broker occupies a very important position in the Custom House and supposed to safeguard the interests of both the importers and the customs department. A lot of trust is kept in CB by the Government Agencies, but by their acts of omission and commission it appears that the CB M/s Future Impex has violated Regulation 10(d) and 10(m) of the Customs Broker Licensing Regulation, 2018 and rendered himself liable for penal action under Regulations 14 & 17 of CBLR, 2018.

14. In view of the above, in terms of Regulation 17(1) of CBLR, 2018, CB M/s. Future Impex (CB No. 11/2395) was called upon to show cause, as to why:

- i. The Customs Broker license bearing no. 11/2395 issued to them should not be revoked under Regulation 14 read with Regulation 17 of CBLR, 2018.
- ii. Security deposited should not be forfeited under Regulation 14 read with Regulation 17 of CBLR, 2018, and/or
- iii. Penalty should not be imposed upon them under Regulation 18 read with Regulation 17 of CBLR, 2018.

15. Shri Parmar Kritikumar RN, Assistant Commissioner of Customs, Import-I, NCH was appointed as Inquiry Officer on 28.08.2025 under Regulation 17 of CBLR, 2018 to conduct the inquiry proceedings against CB, M/s Future Impex (CB No 11/2395). The IO granted personal hearing to the CB on 08.10.2025, however they did not appear on that date. The IO gave another opportunity of PH to CB on 17.04.2026 which was attended by Shri Ajit S. Nalawde and submitted written reply.

16. **INQUIRY REPORT:** - The IO concluded the inquiry proceedings and submitted the Inquiry Report dated 01.07.2026, wherein, all the charges levelled against the CB vide Show Cause Notice (SCN) No. 24/2025-26 dated 28.08.2025 were held as “Proved”.

FINDINGS OF THE INQUIRY OFFICER: -

17. The IO has stated that he has carefully considered the allegations contained in the Show Cause Notice, the written and oral submissions made by the Customs Broker (CB), the statements recorded during investigation, and the documents available on record.

18. **Regulation 10(d) of CBLR, 2018.**

18.1 The IO observed that Regulation 10(d) of the Customs Brokers Licensing Regulations, 2018 casts a clear obligation upon a Customs Broker to advise his client to comply with the provisions of the Customs Act, 1962, allied laws, and the rules and regulations framed thereunder. The IO further observed that the regulation further mandates that where the Customs Broker becomes aware of any non-compliance, he is

required to bring the matter to the notice of the jurisdictional Deputy Commissioner or Assistant Commissioner of Customs.

18.2 The IO submitted that the defence of the CB is that the dispute pertains merely to classification of the imported goods and that there is no evidence to establish that he knowingly participated in any mis-declaration. The IO further submitted the CB has also contended that he acted on the basis of documents provided by the importer and had no reason to doubt the classification declared by the importer.

18.3 The IO submitted that he had carefully considered the submissions. However, the evidence available on record indicates that the Customs Broker was not a mere passive transmitter of information supplied by the importer. The IO observed that Shri Ajit Shrirang Nalawade, Proprietor of the Customs Broker firm in his statement recorded under Section 108 of the Customs Act, 1962 admitted that he had discussed the classification of the imported goods with the importer at the time of the first import and that the classification adopted in the Bills of Entry was finalized after such discussions. The IO further observed that the CB further admitted that the imported goods were "currants", that currants are distinct from raisins and sultanas, and that, according to his understanding, the appropriate classification was under CTH 08062090 attracting Basic Customs Duty at the rate of 100%.

18.4 The IO found that the statement of CB further revealed that the CB was aware that the invoices merely reflected tariff heading 080620 and did not specifically support the concessional classification adopted under CTH 08062010. The IO found that the CB also admitted that he had not referred to the Harmonized System Explanatory Notes for classification purposes despite participating in discussions relating to classification. The IO found that notwithstanding such knowledge and despite his own understanding regarding the proper classification of the goods, the CB continued to file Bills of Entry under a tariff entry attracting a substantially lower rate of duty. The IO observed that the CB was expected to advise the importer appropriately and ensure that the declarations made before Customs were in conformity with the legal provisions. The IO further observed that there is no evidence on record to show that the CB advised the importer to adopt the correct classification or cautioned the importer regarding the duty implications arising therefrom.

18.5 The IO observed that the obligation cast under Regulation 10(d) extends beyond mechanical filing of documents. The IO observed that a licensed CB, being a professional authorized to transact business before Customs, is expected to advise clients appropriately when issues relating to compliance with customs law arise. The IO further observed that once the CB possessed knowledge raising doubt regarding the correctness of the classification adopted, it became incumbent upon him either to advise the importer to adopt the legally correct classification or, in the event of disagreement, to bring the matter to the

notice of the proper Customs authorities. The IO found that that no evidence has been produced by the CB to establish that any such advice was given or that any discrepancy was reported to Customs. Thus, the IO found that the CB has failed to discharge Regulation 10(d) of CBLR, 2018.

18.6 The IO found that the plea of CB that the Customs authorities assessed and cleared the Bills of Entry does not absolve the CB of his independent statutory obligations under the Regulations. The IO found that the duties prescribed under Regulation 10(d) operate independently of the assessment function exercised by Customs officers.

18.7 Therefore, in view of the foregoing facts and admissions, the IO held that the Customs Broker failed to discharge the obligations cast upon him under Regulation 10(d) of CBLR, 2018. Accordingly, the charge under Regulation 10(d) stands proved.

19. **Regulation 10(m) of CBLR, 2018.**

19.1 The IO submitted that the Regulation 10(m) requires a Customs Broker to discharge his duties with utmost speed, efficiency and professionalism. The IO further submitted that the expression "efficiency" necessarily encompasses due diligence, maintenance of proper records, adherence to professional standards, and exercise of reasonable care while undertaking customs clearance work on behalf of clients.

19.2 The IO found that the record revealed that the CB admittedly relied upon telephonic instructions received from the importer while determining and filing the classification of the imported goods. The IO found that the CB has stated that the approval of the checklist was obtained telephonically and that all discussions regarding classification were conducted over the phone. The IO found that the CB has further admitted that no documentary evidence was obtained from the importer to substantiate the claim that the imported goods were classifiable as dark seedless raisins under CTH 08062010 and that he had not undertaken any independent verification through the relevant explanatory notes governing tariff classification.

19.3 The IO observed that a CB occupies a position of trust in the customs clearance process and is expected to maintain adequate documentary records supporting declarations made before Customs. The IO observed that the absence of written instructions, documentary justification, contemporaneous records of classification advice, or any evidence of due verification reflects a lack of professional diligence and procedural discipline. The IO further observed that such conduct falls short of the standards expected from a licensed CB entrusted with statutory responsibilities under the Customs Act and the Customs Brokers Licensing Regulations.

19.4 The IO found that the contention of CB that there was no delay in filing the Bills of Entry does not by itself establish compliance with Regulation 10(m). The IO submitted that

efficiency under the Regulation cannot be interpreted narrowly to mean mere speed of filing. The IO further submitted that the requirement encompasses proper, careful and responsible discharge of professional duties. The IO observed that filing declarations involving classification and duty implications without maintaining supporting records or exercising adequate diligence cannot be regarded as efficient discharge of duties within the meaning of the Regulation.

19.5 Therefore, the IO held that the CB has failed to discharge his duties with the degree of care, diligence and professional efficiency expected under Regulation 10(m) of CBLR, 2018. Thus, the IO held the charge under Regulation 10(m) as proved.

20. **Conclusion.**

In view of the foregoing discussion and findings, the IO held that the Customs Broker has contravened the provisions of Regulations 10(d) and 10(m) of the Customs Brokers Licensing Regulations, 2018.

Sr. No.	Charges against the CB	Findings
1.	Violation of Regulation 10(d) of CBLR, 2018	Proved
2.	Violation of Regulation 10(m) of CBLR, 2018	Proved

21. Accordingly, IO found that the charges framed against the CB under Regulations 10(d) and 10(m) of the Customs Brokers Licensing Regulations, 2018 stand established.

RECORDS OF PERSONAL HEARING:

22. The IO’s report was accepted by the Principal Commissioner of Customs (General) and Personal Hearing (PH) in the matter was scheduled on 24.08.2026. However, the CB requested for postponement of PH and requested for new date. Therefore, on request of CB the PH was re-scheduled on 08.09.2026, which was attended by Shri Ajit Nalawade (Prop.) and Shri Prashant Kubal (Consultant). The CB reiterated their written submission dated 06.09.2026 and 08.09.2026 during the PH. Accordingly, the oral and written submissions of the CB were taken on record.

Written Submissions of the Customs Broker (CB).

23. The CB has submitted his submission vide letter dated 06.09.2026 and also made additional submission vide letter dated 08.09.2026. In a nutshell, the CB’s submission and case laws relied upon are as under:

- At the outset, we deny the allegations levelled against us in the Show Cause Notice No. 24/2025-26 dated 28.08.2025, which is baseless, as the same is not supported

with documentary or oral evidence. The observations made by the learned Inquiry Officer in the said Inquiry Report dated 01.07.2026 are contrary to the facts of this case and legal position as laid down by various judicial pronouncements given on the issues similar to this case.

- *The Board has issued Instruction No. 20/2024-Customs dated 03.09.2024 vide F. No. 520/01/2023-Cus. VI.*
- We would like to submit that in the impugned Show Cause Notice, the element of abetment of the Customs Brokers in the investigation has not been established by the investigating authority.
- Also, element of abetment has not been clearly elaborated in the impugned Show Cause Notice issued under the provisions of the CBLR, 2018. On this ground itself the impugned Show Cause Notice is liable to be dropped.
- *Advisory No. 02/2024 JNCH dated 23.10.2024, issued by the Additional Commissioner of Customs, PCCO Zone-II, JNCH, Nhava Sheva, which is in line with the aforesaid CBIC Instruction No. 20/2024 dated 03.09.2024.*
- *Time line under CBLR, 2018 not maintained.*

Reliance is placed upon:

- *Hon'ble High Court Delhi in case of LEO Cargo Services vs. Commissioner of Customs, Airport & General, New Delhi, reported in 2022 (385) E.L.T. 30 (Del.).*
- *Hon'ble High Court, Madras in case of KTR Logistics Solutions Pvt. Ltd. Vs. Commissioner of Customs, Chennai, reported in 2020 (371) E.L.T. 685 (Mad.).*
- *Hon'ble High Court, Madras in case of M/s.Sea Queen Shipping Services Pvt. Ltd. Vs. Commissioner of Customs, Chennai, in W. P. Number 27243 of 2025 & WMP.Nos.30622 & 30624 of 2025.*
- It is submitted that Order-in-Original is required to be passed within 90 days from the date of Inquiry Report as per provisions of *Regulation 17(7) of the CBLR, 2018*. In this regard, the procedure for revoking suspension of the license or revoking the licence of the Customs Broker or imposing penalty is governed by Regulation 17(7) of CBLR, 2018.

Reliance is placed upon:

- *Leo Cargo Services Vs. Commissioner of Customs, Airport & General, New Delhi, reported in 2022 (382) E.L.T. 30 (Del.) Hon'ble High Court of Delhi.*

➤ Total time line for completion of Inquiry Proceedings from date of the Offense Report upto issuance of Order in Original is 270 days. The Order-in-Original was required to be issued by 01.12.2025 i.e 270 days from offense report dated 06.03.2025. Delay of 08 months 23 days (266 days) from 01.12.2025 upto date of hearing 24.08.2026 (Order-in-Original yet to be issued). The following are the various time limits as per provisions of Regulation 17 of CBLR, 2018;-

Relevant Regulation of Customs Brokers Licensing Regulations, 2018	Statutory Time Limit prescribed under respective Regulation	Actual date of receipt of office report, issuance of Show cause Notice and issuance of impugned order.	Delay, beyond the statutory time limit mentioned in col. (2)
(1)	(2)	(3)	(4)
17 (1)	Show-cause Notice to be issued within 90 days from the receipt of report office	Office Report was issued 06.03.2025 and Show Cause Notice No. 24/2025-26 dated 28.08.2025 was required to be issued on or before 04.06.2025	There is <u>delay of 85 days</u> in issuance of Show Cause Notice
17(5)	Inquiry Report to prepared within 90 days from the date Show-cause Notice	Show-cause Notice issued on 28.08.2025 and Inquiry Report dated 01.07.2026 was required to be prepared on or before 26-11-2025.	Delay of 217 days. Hence, the proceedings are vitiated.
17(7)	Total time line for completion of Inquiry Proceedings from date of the Offense Report upto issuance of Order in Original is 270 days.	Order-in-Original was required to be issued by 01.12.2025 i.e 270 days <u>from offense report dated 06.03.2025</u> . Delay of 08 months 23 days (266 days) from 01.12.2025 upto date of hearing 24.08.2026	Hence, the proceedings are vitiated.

		(Order-in-Original yet to be issued)	
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- Delay of 08 months 233 days (266 days) from 01.12.2025 upto date of hearing 24.08.2026 (Order-in-Original yet to be issued). On this ground itself the impugned Show Cause Notice is liable to be dropped.
- In view of the undisputed violation of the mandatory timelines prescribed under Regulation 17 of the Customs Brokers Licensing Regulations, 2018, the impugned proceedings are wholly without jurisdiction, illegal and unsustainable in law. The statutory safeguards intended to ensure time-bound adjudication and protection of livelihood have been rendered illusory due to departmental inaction. It is a settled position of law, consistently upheld by the Hon'ble High Courts and the Hon'ble Tribunal, that non-adherence to even a single timeline under Regulation 17 vitiates the entire proceedings, irrespective of the nature of allegations or merits of the case. Consequently, the present proceedings are liable to be quashed and set aside in toto as void ab initio.

SUBMISSION OF ARTICLE OF CHARGE-I viz. REGULATION 10(d) OF CBLR, 2018. It is alleged in Article of Charge-I viz. Regulation 10(d) of CBLR, 2018 that :

“As per his own admission, Customs Broker was aware that the imported goods were ‘currants’ and not ‘raisins’ and that correct classification should have been under CTH 08062090 attracting Basic Customs Duty @ 100%”

- It is pertinent to mention that the aforementioned allegation has been levelled in the Article of Charge-I without quoting statement of Shri Ajit Shrirang Nalawade, Proprietor of Customs Broker M/s. Future Impex. While framing any article of charge, it is basic expectation that Department ought to have mentioned the what was stated in the statement of Shri Ajit S. Nalawade, recorded on 08.11.2021. It is pertinent to mention that aforementioned six bills of entry were filed between 05.11.2019 and 31.05.2021, whereas statement of Shri Ajit Nalawade was recorded on 08.11.2021.
- We would like to state that in order to establish the charge under Regulation 10(d) of CBLR, 2018, it is required to point out specific instances when the CB has failed to advise his clients to comply with the provisions of the Act or when he has failed to report the non-compliance of the provisions of the Act by his clients to the Customs authorities. It is alleged in the Show Cause Notice that we did not advise the importer to comply with the provisions of the Customs Act, 1962. In this

regard, we would like to submit that there is no default on the our part as we have filed the said six Bills of Entry as per the Invoice/Packing List, Bill of Lading and other documents submitted by the importer M/s. Frunuts Exim LLP.

We would like to submit further grounds as follows:

LIMITED ROLE OF THE NOTICEE CUSTOMS BROKER.

- We would like to submit that the role of Customs Broker is limited to filing of the documents as received from the exporter/importer. Therefore, the proposition of involvement of the Customs Broker in facilitating importer is speculative of its role and therefore cannot be sustained. Only because we have handled the import consignment covered under six Bills of Entry **does not mean that we have facilitated/ abetted the importer M/s. Frunuts Exim LLP in alleged mis-classification.**
- We would like to further submit that we did not physically see the impugned goods before the same were received in custom area. We have filed the said six Bill of Entry on behalf of **M/s. Frunuts Exim LLP** on the basis of document supplied to us.
- In this regard, we rely upon the decision of the *Hon'ble Tribunal, Kolkata in the case of Advent Shipping Agency Versus Principal Commissioner of Customs (A & A), Kolkata, reported in (2023) 2 Centax 157 (Tri.-Cal.)*.
- Reliance is placed upon the decision in the case of *Dipankar Sen Vs Commissioner of Customs, Kolkata reported in 2003 (159) ELT 260 (Tri. Kolkata)*.
- We cannot be faulted in any manner when we have placed the Information available with the us before the customs authorities.

NO WRONG ADVICE GIVEN TO THE IMPORTER M/S. FRUNUTS EXIM LLP.

It is respectfully submitted that there is no evidence in the form of statement or any corroborative evidence to prove that we have given wrong advice or that they were having knowledge of the alleged mis-declaration by importer **M/s. Frunuts Exim LLP**. In fact, statement of Shri Bhavin Laxmichand Gada, Partner of the importer firm M/s. Frunuts Exim LLP was recorded on 15.11.2021 and 16.11.2021, under Section 108 of the Customs Act, 1962, wherein he has stated that checklist was prepared by us after discussion and approval was given by him. It is pertinent mentioned that in his aforementioned statements, the importer never implicated us, i.e. the importer never stated that we were having any knowledge about the mis-declaration in the said Bill of Entry.

DUE COMPLIANCE WITH THE PROCESS OF LAW.

- It is hereby submitted that the subject Checklist in respect of the said six Bills of Entry was generated by us on behalf of the **M/s. Frunuts Exim LLP** on the basis of the documents furnished by them. Further, the impugned goods covered under the aforesaid six Bills of Entry neither physically handled by us nor examined prior to examination by Customs Authority, therefore, we had no opportunity to ascertain the value/quantity/ description of the goods. We had no reason to suspect or know that the export goods were mis-declared, when we had no occasion to examine the said goods, before the Customs officers did.

Reliance is placed upon:

- *M/s. L. M. S. Transport Co. V/s Commissioner of Customs (G) Mumbai, 2014(229) E.L.T.368 (Tri-Mumbai).*
- *Akanksha Enterprises Vs. Commissioner of Customs [2006 (203) ELT 125 (Tri-Del), Hon'ble Tribunal.*
- *R. S. Kandalkar & Co. V/s. Commissioner of Central Excise, Mumbai reported in 2014 (299) E. L. T. 360 (Tri-Mumbai.)*
- *Hon'ble CESTAT in the case of Parvath Shipping Agency Vs. Commissioner of Customs (Gen.), Mumbai [2017(357) ELT. 296(Tri. Mumbai)]*
- It is pertinent to mentioned that in all aforementioned six Bills of Entry, FSSAI and PQ compliance was done i.e. description of the goods were checked by the FSSAI and PQ Authorities and necessary NOC was given by the competent authorities. The description of the goods mentioned in the said Bills of Entry were based on the documents provided by the overseas supplier. Notwithstanding the terminology, all said consignments were examined and duly cleared by the Food Safety and Standards Authority of India (FSSAI) under **Standard 2.3.47(2)** as "*Raisins*" [Category 04.1.2.2] after detailed physical and laboratory analysis. If there was any mismatch in description of the goods covered under the Bills of Entry filed by us, the competent FSSAI and PQ Authorities would have raised objection at the time of clearance. Further, as all the Bills of Entry filed by us were subjected to FSSAI and PQ compliances, the said Bills of Entry were subjected to approval of Deputy Commissioner/Assistant Commissioner of Customs and all the bills of entry were cleared after approval/release order by the Deputy Commissioner/Assistant Commissioner of Customs. Also, in case of some of the bills of entry, the consignments were examined by the proper officer and out of charge was given by the proper officer. Classification under **HS Code 0806 20 10** rightly necessitated the submission of a **Phytosanitary Certificate**, which was duly furnished for all

consignments. Notably, this requirement does **not** apply to goods classified under HS Code 0806 20 90, further validating our position on the correct tariff classification. During the entire period of clearance none of officer raise the objection at the time of physical examination of the goods and notification benefit claimed by importer. At the every stage of Investigation we have produced the documents and cooperated for the investigation.

ALL GOODS WERE CORRECTLY CLASSIFIED UNDER CTH 08062010.

- It is respectfully submitted that the goods covered under the said Bills of Entry were correctly classified under **HS Code 0806 20 10**, based on:
 - The intrinsic characteristics of the product,
 - Relevant regulatory standards and documentation,
 - Prevailing customs practice, and
 - International harmonized nomenclature references.
- Reference is made to European Union Combined Nomenclature (CN) for Tariff classification and the TARIC code (Integrated Tariff of the European Union : a more detailed version of the European Union Combined Nomenclature) where ‘currants’ are shown to be covered by the 8 digit code 0806 20 10, but the seeks to exclude them from the scope of 0806 20 10 of the Indian Tariff on the ground that HS codes of the WCO at international level are same only up to six digits and are different at the national level at the seventh and eight digit levels and hence the Tariff of the EU cannot be applied to the imports in India HS codes of various member countries of WCO are different at the seventh and eight digit levels. However, it is submitted that if there is a separate entry for ‘currants’ at the eight digit level in the Indian Tariff different from 0806 20 10, only then it would be incorrect to apply the HS code of Combined Nomenclature of the European Unions and the TARIC code. It may be seen that there is no separate eight digit entry for ‘currants’ different from ‘raisins’ in the Indian Tariff and simultaneously there is no separate entry for ‘raisins’ in the Combined Nomenclature of the European Unions or in the TARIC. Therefore there is nor bar to apply the CN and TARIC codes 0806 20 10 for currants in India too as there is no specific tariff item for currant under heading 0806.
- *Reliance is placed upon ruling of Customs Advance Ruling Authority (CAAR), a statutory body instituted under the Customs Act,1962, in the case of M/s Frizwell Agro Foods (CAAR Mumbai), wherein it has been held by the Authority that ‘currants’ are classifiable as ‘raisins’ under CTI 0806 20 10 and are eligible for the benefit of Notification 50/2017- Customs dated 30.06.2017 (Sr.No.32).*

- *Reliance is also placed upon the ruling of the Customs Advance Ruling Authority in the case of M/s Wholesome Essentials (CAAR Delhi) wherein it has been ruled that 'Dried Black Currants' i.e. dehydrated dark and small seedless raisins from Greece and other countries are classifiable under the CTI 0806 20 10 and are eligible for eligible to avail benefit under Sr. No. 32 of notification no. 50/2017-Cus., dated 30.06.2017.*
- *Reliance is placed upon Supreme Court ruling and its recommendation in National Co-operative Development Corporation regarding relevance and applicability of decisions of Advance Ruling Authority.*
- *Reliance is also placed upon decision of Hon'ble High Court of Judicature at Madras in case of M/s. Pellagic Food Ingredients Pvt Ltd Vs. The Commissioner of Customs Chennai II in WP No. 39 of 2023 and WMP Nos.29 and 30 of 2023.*

NEED TO ADVISE A CLIENT WOULD ARISE ONLY IF WE KNOW ALLEGED UNDER- MIS-DECLARATION.

- *It is submitted that need to advise a client would arise only if we were aware of any intent to alleged mis-declaration of the impugned goods.*
- *Reliance is placed upon the decision of the Hon'ble Tribunal, Mumbai in the case of Bajaj Enterprises Vs. Commissioner of Customs (General), Mumbai reported in 2017 (347) E.L.T. 675 (Tri. - Mumbai).14.*
- *Reliance is also placed upon the decision of the Hon'ble Bombay High Court judicature at Mumbai in the case of Commissioner of Customs (General), Mumbai v. M.D. Shipping Agency, [2014 (299) E.L.T. 257 (Bom.)].*
- *It is submitted that ratio of the aforesaid decisions is applicable in the instant case as the facts and circumstances of the case are identical. Therefore, the allegation of violation of Regulation 10(d) of CBLR, 2018 levelled against us has no leg to stand.*

SUBMISSION OF ARTICLE OF CHARGE-II viz. REGULATION 10(m) OF CBLR, 2018.

- *Regulation 10(m) of CBLR, 2018 deals with functioning of a Customs Broker with utmost speed and efficiency. It is pertinent to mention that 'professionalism' is not an ingredient of Regulation 10(m) of CBLR, 2018. It was never stated that the bill of entry was filed only on the basis of discussions with the importer over phone.*

There is no iota of evidence to prove that due to the lack of speed, efficiency or delay on our part as Customs Broker that we become responsible for import of mis-declared goods by the import **M/s. Frunuts Exim LLP**. Also, there is no complain on the part of importer or for that matter from the department that we have delayed in filing the said Bill of Entry for clearance of the said import cargo. All the documents/information required by DRI were submitted without any delay. There is no allegation by DRI that we had not cooperated or had not responded or delayed submission of any information desired by them or had failed to produce importer or any other person required by them. Allegation of violation of Regulation 10(m) of CBLR, 2018 levelled against us is based on assumption and presumption. The charge of violation of Regulation 10(m) of CBLR, 2018 is merely a conjuncture and pure assumption that we had not discharged our duties with utmost speed and efficiency. Therefore, there is no violation of the said Regulation and we have not failed to comply with the requirement of Regulation 10(m) of CBLR, 2018. We would like to further submit that the punishment meted out to the Customs Broker should be commensurate with such omission. It is a settled law that penalty should be proportionate to the offence committed. It would be too harsh to revoke the license of the Customs Broker and to leave the right to livelihood of the Customs Broker as well as his employees. For the above proposition following case law is relied upon:

- (i) *HIM Logistics Pvt. Ltd. v. CC, New Delhi* - 2016 (338) E.L.T. 725 (Tri.-Del.) The aforesaid decision of the Hon'ble Tribunal was affirmed in the Hon'ble High Court of Delhi, reported in 2017 (348) ELT 625 (Del.).
- (ii) *Ashiana Cargo Services v. CC (I &G), Delhi* in their Final Order No. Cus.AA. 24/2012, C.M. APPL. 19694/2012, dated 14-3-2014 [2014(302) E.L.T.161 (Del.)]
- As per our submissions above, We kindly request you to drop the proceedings as we have not violated any of the provisions of CBLR 2018 as stated in the SCN and Inquiry report which is devoid of facts and merits of the case in Hand. We believe that your good self will concur with our plea and drop the proceedings. Your esteemed approval in the above said matter is highly solicited.
- **Additional written submissions** filed by the Noticee seeking complete dropping of proceedings under Regulations 10(d) and 10(m) of the Customs Brokers Licensing Regulations, 2018 (CBLR, 2018), rejection of the Inquiry Report dated 01.07.2026, and full exoneration.

- Submissions filed in response to the Show Cause Notice and the Inquiry Report dated 01.07.2026. The Noticee asserts that disciplinary liability must be based on specific conduct and evidence establishing the statutory ingredients of alleged breaches, rather than automatically holding the broker liable for the importer's declarations.
- A tariff classification dispute within Heading 0806 concerning six Bills of Entry filed between 05.11.2019 and 31.05.2021. The Noticee contends the declared position was bona fide and legally arguable.

Nature and Limited Statutory Role of the Customs Broker.

- The Noticee acts strictly as an authorized agent for handling customs clearance formalities and is neither the importer, owner, supplier, nor beneficial owner of the cargo. Bills of Entry were prepared based on commercial documents provided by the importer and overseas supplier. The broker lacks the ability to independently create or alter underlying commercial facts. Filing a declaration does not limit the statutory authority of Customs officers to inspect, assess, or reclassify goods.

No Ownership, Custody, or Beneficial Interest.

- The Noticee had no physical custody, proprietary interest, or control over the cargo, which was handled by shipping lines, port authorities, and CFS/terminals. Remuneration was limited to professional service fees, with zero monetary interest or profit-sharing tied to differential duties or duty savings.

No Role in Creation of the Declaration.

- Commercial documents (Invoices, Packing Lists, Bills of Lading) originated from the importer/exporter. The Noticee did not fabricate, alter, or suppress any document, nor did it direct the supplier to misrepresent facts.

Clarification Regarding Alleged Telephonic Instructions.

- Telephonic communication regarding documentation, tariff classification, and clearance procedures is standard professional practice. The Department provided no contemporaneous written, electronic, or recorded proof showing the Noticee advised the importer to deliberately adopt an incorrect classification to evade duty.

No Conscious Facilitation, Suppression, or Financial Benefit.

- The Inquiry Officer's conclusion of "facilitation of lower duty" is an unsupported inference. Goods were declared openly and underwent necessary regulatory checks

(FSSAI/PQ) and Customs scrutiny, including physical examination and grant of Out of Charge in certain cases.

Bona Fide and Debatable Classification Issue.

- The dispute is confined to the 8-digit tariff level under Heading 0806 (CTH 08062010 vs. CTH 08062090) for goods declared as "currants". The classification adopted was supported by legal arguments and precedent, including a ruling by the Customs Authority for Advance Rulings (CAAR), Mumbai (M/s Frizwell Agro Foods).

Knowledge of Product Identity vs. Knowledge of Unlawful Classification.

- Knowing that goods are commercially termed "currants" is distinct from knowing that a specific 8-digit tariff entry is legally impermissible. A difference of legal interpretation cannot be equated with deliberate misdeclaration.

Temporal and Evidentiary Value of Statement Dated 08.11.2021.

- The six Bills of Entry were filed between 05.11.2019 and 31.05.2021, whereas the statement under Section 108 of the Customs Act was recorded later on 08.11.2021. Statements recorded post-import cannot retrospectively prove the Noticee's state of mind at the time of each earlier filing without contemporaneous corroborating evidence.

Importer's Section 108 Statements and Checklist Approval.

- Partner of M/s Frunuts Exim LLP (Shri Bhavin Laxmichand Gada) stated under Section 108 (on 15.11.2021 and 16.11.2021) that the checklist was prepared after discussion and approved directly by the importer. The importer never attributed any deliberate misdeclaration, fraudulent advice, or duty evasion instructions to the Noticee.

Regulation 10(d): Statutory Ingredients Not Established.

- Regulation 10(d) requires bringing known non-compliance to the notice of Customs authorities. The Department failed to prove the Noticee knew the classification was unlawful at the time of filing or consciously suppressed any non-compliance.

Regulation 10(m): No Delay, Inefficiency, or Failure of Speed.

- All clearance operations were completed promptly; no complaints of delay or inefficiency were raised by the importer or Customs. The mere absence of a written

internal record of a telephonic classification discussion does not constitute operational inefficiency under Regulation 10(m).

New Findings, Expansion of Charges, and Natural Justice.

- The Inquiry Officer introduced new standards (e.g., failure to maintain a written paper trail or failure to consult Harmonized System Explanatory Notes) not raised in the original Show Cause Notice. Expanding the scope of charges at the inquiry stage without prior notice violates natural justice principles under Regulation 17.

Evidence Gaps and Absence of Specific Proof.

- Highlights complete absence of contemporaneous emails, financial trails showing commission/benefits, altered invoices, cargo manipulation, or evidence of non-cooperation with investigating authorities (DRI).

No Revenue Loss Attributable to the Customs Broker.

- Differential duty claims arising from an arguable tariff dispute do not constitute a revenue loss caused by wilful misconduct of the broker.
- Reliance is placed on *Falcon India*, *Priya Hemant Bhandarkar*, *Suswashis Clearing & Forwarding*, *Ayushi Logistic Co.*, *Auro Logistix*, and *Merchant and Sons*.

Limitation under Regulation 17(1) of CBLR, 2018.

- Regulation 17(1) mandates Show Cause Notice issuance within 90 days of receipt of the Offence Report. The Offence Report is dated 06.03.2025, but the Show Cause Notice was issued on 28.08.2025. If received on 06.03.2025, the notice exceeds the 90-day limit, rendering proceedings unsustainable (citing *Leo Cargo Services*).

Conclusion and Prayers.

- Completely drop proceedings under Regulations 10(d) and 10(m), reject the Inquiry Report, exonerate the Noticee, and allow Licence No. 11/2395 to continue without adverse action. If procedural lapses are noted, apply the principle of proportionality and avoid licence revocation, suspension, or cancellation given the lack of intent, collusion, or financial benefit.

DISCUSSIONS AND FINDINGS: -

24. I have gone through the facts and records of the case; Order-In-Original No. 331/2024-25/Commr./NS-III/CAC/JNCH dated 06.03.2025, SCN No. 24/2025-26 dt 28.08.2025, the IO's Report dated 01.07.2026 and written submission of CB received on

08.09.2026 vide letter dt 06.09.2026 and 08.09.2026. 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.

25. I find that the present proceedings against the CB under originated from Offence report in the form of Order-In-Original No. 331/2024-25/Commr/NS-III/CAC/JNCH dated 06.03.2025. This led to the issuance of the SCN No. 24/2025-26 dated 28.08.2025 under Regulation 17(1) of the CBLR, 2018 for violation of Regulation 10(d) and 10(m) of CBLR, 2018.

26. Shri Parmar Kritikumar RN, Assistant Commissioner of Customs, Import-I, NCH was appointed as Inquiry Officer on 28.08.2025 under Regulation 17 of CBLR, 2018 to conduct the inquiry proceedings against CB, M/s Future Impex (CB No 11/2395).

27. The IO submitted his Inquiry Report vide letter dated 01.07.2026 wherein, he held all the charges as “Proved”.

28. I find that 02 articles of charges have been levelled against the CB i.e. violation of Regulations 10(d) and 10(m) of the CBLR 2018. Now, I proceed to discuss the charges, sequentially.

29. **Violation of Regulation 10(d) of CBLR, 2018:**

29.1 Regulation 10(d) of the Customs Brokers Licensing Regulations, 2018 requires a Customs Broker to advise his client to comply with the provisions of the Customs Act, 1962 and other allied Acts and rules and regulations, and in case of non-compliance, to bring the matter to the notice of the Deputy or Assistant Commissioner of Customs. In the present case the CB was aware that the imported goods were 'currants' and not 'raisins', and that the correct classification should have been under CTH 08062090, attracting Basic Customs Duty at the rate of 100%. Despite being aware of this, he continued to file Bills of Entry under CTH 08062010, which attracts a lower duty rate of 30%, thereby facilitating the payment of lesser duty. The CB also admitted that the classification was provided telephonically by the importer and no supporting documents were submitted. The CB neither advised the importer to correct the classification nor escalated the matter to the appropriate Customs authorities. Therefore, the CB has failed to fulfil the obligations prescribed under Regulation 10(d) of the CBLR, 2018.

29.2 The IO observed that Shri Ajit Shrirang Nalawade, Proprietor of the Customs Broker firm in his statement recorded under Section 108 of the Customs Act, 1962 admitted

that he had discussed the classification of the imported goods with the importer at the time of the first import and that the classification adopted in the Bills of Entry was finalized after such discussions. The IO further observed that the CB further admitted that the imported goods were "currants" that currants are distinct from raisins and sultanas, and that, according to his understanding, the appropriate classification was under CTH 08062090 attracting Basic Customs Duty at the rate of 100%. The IO found that the statement of CB further revealed that the CB was aware that the invoices merely reflected tariff heading 080620 and did not specifically support the concessional classification adopted under CTH 08062010. The IO found that the CB also admitted that he had not referred to the Harmonized System Explanatory Notes for classification purposes despite participating in discussions relating to classification. The IO found that notwithstanding such knowledge and despite his own understanding regarding the proper classification of the goods, the CB continued to file Bills of Entry under a tariff entry attracting a substantially lower rate of duty. The IO observed that the CB was expected to advise the importer appropriately and ensure that the declarations made before Customs were in conformity with the legal provisions. The IO further observed that there is no evidence on record to show that the CB advised the importer to adopt the correct classification or cautioned the importer regarding the duty implications arising therefrom. The IO further observed that once the CB possessed knowledge raising doubt regarding the correctness of the classification adopted, it became incumbent upon him either to advise the importer to adopt the legally correct classification or, in the event of disagreement, to bring the matter to the notice of the proper Customs authorities. The IO found that that no evidence has been produced by the CB to establish that any such advice was given or that any discrepancy was reported to Customs. Thus, the IO found that the CB has failed to discharge Regulation 10(d) of CBLR, 2018. Therefore, the IO has rightly held the charge as proved after considering the offense report and relevant statement.

29.3 I find that the investigation has conclusively proved that the CB being aware of the fact that the imported goods were misclassified as 'Dark Seedless Raisins' under Customs Tariff Heading (CTH) 08062010 in Bills of Entry, instead of the correct classification as 'Currants' under CTH 08062090. This intentional misclassification was done to claim wrong exemption under Sr. No. 32 of Notification No. 50/2017-Cus dated 30.06.2017, which provides for a concessional Customs rate of duty of 30%. The CB has denied all allegations under Regulations 10(d) of CBLR, 2018, submitting that the entire disciplinary proceedings are *void ab initio* due to severe, unexcused delays violating mandatory statutory timelines prescribed under Regulation 17. The CB contended that that its role was strictly limited to filing entry documents in good faith based on supplier and importer records without prior cargo access, abetment, or extra financial gain, emphasizing that the classification of "currants" under CTH 08062010 vs. 08062090 was a bonafide legal

interpretation backed by regulatory NOCs (FSSAI/PQ) and CAAR rulings. The CB's contention is not tenable in context of evidences on record. The admission of CB as well as Importer are testimony of intentional mis-declaration to evade custom duty which resulted in loss to the Exchequer. In view of the admission of the CB and also Importer all contentions seem to be mere afterthought. I find that in the present matter the CB has not been made co-noticee in routine manner as contended by CB in view of the CBIC Instruction No. 20/2024 and JNCH Advisory No. 02/2024. I find that evidences are on record that CB has not fulfilled his obligation mandated under Regulation 10(d) of the CBLR, 2018. I find that the CB has contended that FSSAI and PQ Officer have checked the description and after detailed physical and laboratory analysis cleared the Bill of Entry. I observe that the FSSAI and PQ Department have to analyse and check different aspect of the goods covered under the BoE. However, the Customs Department has to examine the different aspects of the goods. Therefore, this argument of CB is not tenable in the present case. The CB has also quoted about CAAR Rulings and Supreme Court Judgment in this context. I find that the same is not applicable in the present case in view of the scope and judgement of CAAR Rulings. In view of the above findings and discussion, I find that the CB neither advised the Importer against this mis-declaration nor did he bring this matter to the notice of appropriate Customs Authority, which resulted in loss to the Exchequer. I find that the CB has violated the Regulation 10(d) of the CBLR, 2018. Therefore, the charge of violation of Regulation 10(d) of the CBLR, 2018 stands proved against the CB M/s Future Impex (CB No. 11/2395).

30. **Violation of Regulation 10(m) of CBLR, 2018.**

30.1 Regulation 10(m) of CBLR, 2018 requires that a CB shall discharge his duties as a Customs Broker with utmost speed and efficiency and without any delay. There had been a lapse on part of CB in discharging his duties with the level of promptness and efficiency expected under Regulation 10(m) of the CBLR, 2018. I find that the classification of the imported goods was approved by the importer over a phone call with CB and no supporting documents were taken from Importer. The CB admitted that all interactions were verbal, with no written correspondence or documentary trail maintained. Therefore, the reliance on informal communication, without seeking or maintaining supporting records, indicated a lack of procedural care and thoroughness. In view of these facts, it was observed that the CB did not fully meet the expectations laid down under Regulation 10(m) of the CBLR, 2018.

30.2 The IO found that the CB admittedly relied upon telephonic instructions received from the importer while determining and filing the classification of the imported goods. The IO found that the CB has stated that the approval of the checklist was obtained telephonically and that all discussions regarding classification were conducted over the

phone. The IO found that the CB has further admitted that no documentary evidence was obtained from the importer to substantiate the claim that the imported goods were classifiable as dark seedless raisins under CTH 08062010 and that he had not undertaken any independent verification through the relevant explanatory notes governing tariff classification. The IO observed that the absence of written instructions, documentary justification, contemporaneous records of classification advice, or any evidence of due verification reflects a lack of professional diligence and procedural discipline. The IO found that the contention of CB that there was no delay in filing the Bills of Entry does not by itself establish compliance with Regulation 10(m). The IO submitted that efficiency under the Regulation cannot be interpreted narrowly to mean mere speed of filing. The IO further submitted that the requirement encompasses proper, careful and responsible discharge of professional duties. The IO observed that filing declarations involving classification and duty implications without maintaining supporting records or exercising adequate diligence cannot be regarded as efficient discharge of duties within the meaning of the Regulation. Therefore, the IO held that the CB has failed to discharge his duties with the degree of care, diligence and professional efficiency expected under Regulation 10(m) of CBLR, 2018. Thus, the IO rightly held the charge under Regulation 10(m) as proved.

30.3 I find that the CB failed to discharge his professional duties with the requisite care, diligence, and operational efficiency. I find that the CB blindly accepted and executed the importer's deceptive instructions to falsely declare the goods as 'Dark Seedless Raisins' under CTH 08062010, despite actively possessing full personal knowledge that the product was actually 'Currants' classifiable under CTH 08062090 at a higher duty rate of 100%. I find that the CB has completed Customs formalities and declarations purely on verbal telephonic requests without obtaining any written correspondence, documentary classification justification, or independent verification through the WCO Explanatory Notes, which reflects a severe lack of procedural care and thorough standards. Consequently, because the CB effectively succumbed to the importer's influence and facilitated a massive revenue evasion scheme through manipulated documents, separate penal proceedings are directly warranted under the CBLR framework. Therefore, I hold that the CB has failed to discharge his duties with the degree of care, diligence and professional efficiency expected under Regulation 10(m) of CBLR, 2018. Thus, I uphold the charge under Regulation 10(m).

31. 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. A lot of trust is kept in CB by the Government Agencies. The CB acts as an intermediary between the Department and Exporter/Importer. I find that the Adjudicating

Authority has imposed a penalty of Rs. 25,00,000/ (Rs Twenty Five Lakh) under Section 112(a) of the Customs Act, 1962 and Rs. 25,00,000/- (Rs. Twenty Five Lakh) under Section 114AA of the Customs Act, 1962 on CB M/s Future Impex. I am also in the process of adjudication of two more cases in respect of CB M/s Future Impex. I find that one case is similar to this case and other is filing of multiple Bill of Entry for one consignment wherein one Country of Origin is reflected in other Bills of Entry also. The CB is saddled with responsibility to safeguard the revenue of Exchequer by way of adhering to the Regulations mandated in CBLR, 2018. However, in the present case the CB has acted in a reckless manner and not followed his duty as mandated under Regulations 10(d) and 10(m) of CBLR, 2018 which resulted in loss to the Exchequer. I find that for the violation of obligations provided under the CBLR, 2018 and for their acts of omissions and commissions, the CB M/s. Future Impex have rendered themselves liable for penal action under the CBLR, 2018. Hence, while deciding the matter, I rely on the following case laws:

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

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

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

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

31.1 The CB has not demonstrated any prejudice caused to it by the said delay. Therefore, the delay does not vitiate the proceedings. As regards CBIC Instruction No. 20/2024-Customs dated 03.09.2024 and JNCH Advisory No. 02/2024 dated 23.10.2024, I have considered the same. The said instruction and advisory require that the element of abetment or complicity of the Customs Broker must be established and that the broker should not be held liable merely for the importer's declarations. In the present case, the findings against the CB are not based merely on the importer's declarations. The CB, in his statement under Section 108 of the Customs Act, 1962, admitted that the goods were 'currants' and not 'raisins', that the correct classification was under CTH 08062090 attracting 100% duty, that he did not consult the Harmonized System Explanatory Notes, that the classification was finalized on telephonic instructions without any supporting documents, and that he continued to file Bills of Entry under CTH 08062010 attracting 30% duty. These admissions establish the CB's failure to advise the importer or report the non-compliance to Customs. I find that the CB acted in a callous manner, which resulted in a significant loss of revenue to the exchequer. Therefore, by their acts of omissions and commissions, the CB M/s. Future Impex (CB No. 11/2395) have rendered themselves liable for penal action under the CBLR, 2018. Hence, under the factual matrix of the case and applying the principle of proportionate punishment I am not inclined to revoke the License of the CB as the punishment of revocation of license is much harsher and disproportionate to the offence committed. However, I am of the considered view that the ends of justice will be met by forfeiture of security deposit under Regulation 14 and imposing a penalty on the CB under Regulation 18 of the CBLR, 2018 which suffices both as a punishment for the infraction and as a deterrent to future violations. In this regard, I place reliance on the following case laws:

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

"13. By order dated 15-7-2000, licence was revoked. It is not clear how there could be revocation when the licence itself was not functional after 13-1-2000. Licence can be suspended or revoked on any of the grounds as mentioned in [Regulation 21](#). It is, therefore, clear that if any of the grounds enumerated existed, two courses are open to the Commissioner. One is to suspend the licence and the other is to revoke it. Suspension would obviously mean that licence would be for a particular period inoperative. An order of revocation would mean that licence is totally inoperative in future, it loses its currency irretrievably. Obviously, suspension/revocation, as the case may be, has to be directed looking to the gravity of the situation in the background of facts. For minor infraction or infraction which are not of very serious nature order of suspension may suffice. On the contrary, when revocation is directed it has to be only in cases where infraction is of a very serious nature warranting exemplary action on the part of the authorities, otherwise two types of actions would not have been provided for. Primarily it is for the Commissioner/Tribunal to decide as to which of the actions would be appropriate

but while choosing any of the two modes, the Commissioner/Tribunal has to consider all relevant aspects and has to draw a balance sheet of gravity of infraction and mitigating circumstances. The difference in approach for consideration of cases warranting revocation or suspension or non-renewal has to be borne in mind while dealing with individual cases. In a given case the authorities may be of the view that non-renewal of licence for a period of time would be sufficient. That would be in a somewhat similar position to that of suspension of licence though it may not be so in all cases. On the other hand, there may be cases where the authorities may be of the view that licensee does not deserve a renewal either. Position would be different there. Though we have not dealt with the question of proportionality, it is to be noted that the authorities while dealing with the consequences of any action which may give rise to action for suspension, revocation or nonrenewal have to keep several aspects in mind. Primarily, the effect of the action vis-a-vis right to carry on trade or profession in the background of [Article 19\(1\)\(g\)](#) of the Constitution has to be noted. It has also to be borne in mind that the proportionality question is of great significance as action is under a fiscal statute and may ultimately lead to a civil death."

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

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

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

"6. We are unable to appreciate such a peremptory conclusion. The CBLR, 2013 lays down that stepwise procedures are to be followed before ordering any punishment to the Customs broker. True, the said regulations do contain provisions for revocation of the license and for forfeiture of full amount of security deposit, however these are maximum punishments which should be awarded only when the culpability of the Customs broker is established beyond doubt and such culpability is of very grave and extensive nature. In case of such fraudulent imports, for awarding such punishment, it has to be established without doubt that the Customs broker had colluded with the importer to enable the fraud to take place. No such culpability is forthcoming in respect of the appellant herein.....”

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

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

32. Shri Parmar Kritikumar RN, Assistant Commissioner of Customs, Import-I, NCH is appointed Inquiry Officer on 28.08.2025 under Regulation 17 of CBLR, 2018 to conduct the inquiry proceedings against CB, M/s Future Impex (CB No 11/2395). The IO has given personal hearing to the CB on 08.10.2025, however they did not appear on that date. The IO had given another opportunity of PH to CB on 17.04.2026 which was attended by Shri Ajit S. Nalawde and submitted written reply. The IO concluded the inquiry proceedings and submitted the Inquiry Report dated 01.07.2026. The IO's report was accepted by the Principal Commissioner of Customs (General) and Personal Hearing (PH) in the matter was scheduled on 24.08.2026. However, CB had requested for postponement of PH and requested for new date. Therefore, on request of CB, the PH was scheduled on 08.09.2026, which was attended, by Shri Ajit Nalawde (Prop.) and Shri Prashant Kubal (Consultant). I find that the CB has contended that there is delay in timeline as mandated in CBLR, 2018. However, I find that CB on several occasions requested for adjournments during personal hearing. 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 (Bom.), which stipulates that:

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

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

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

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

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

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

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

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

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

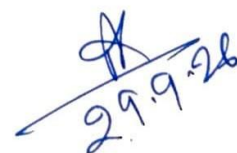
33. In view of the foregoing findings and relying upon the cited judicial precedents and the "Doctrine of Proportionality" which propagates the idea that the punishment for an offence should be proportional to the gravity of the offence, I am not inclined to revoke the license of the CB. However, for their acts of omissions and commissions, the Customs Broker M/s. Future Impex (CB No. 11/2395) is held liable and guilty for violating the provisions of the CBLR, 2018, as mentioned above. Accordingly, I pass the following order:

ORDER

34. 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 forfeiture of the entire amount of the security deposit furnished by the CB M/s Future Impex (CB No. 11/2395) under Regulation 14 of the CBLR, 2018.
- (ii) I, hereby impose a penalty of Rs. 50,000/- (Rupees Fifty Thousand only) on the CB M/s Future Impex (CB No. 11/2395) under Regulation 18(1) of the CBLR, 2018.

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.


29.9.26

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

To,

M/s. Future Impex (CB No. 11/2395),
(PAN No. AGVPN4016CCH001),
112, The Great Eastern Summit B,
Plot NO 66 Sector 15 CBD Belapur,
Navi Mumbai-400614.

Copy to:

1. The Pr. Chief Commissioner/ Chief Commissioner of Customs, Mumbai - I, II, III.
2. The Commissioner of Customs, NS-III, Mumbai - II.
3. The Commissioner of Customs, NS-V, Mumbai - II
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.
8. Notice Board.
9. Office copy