



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/433/2024-CBS

आदेश दिनांक/Date of Order: 12.10.2026

CAO No. 51/2026-27/CAC/PCC(G)/AKP/Adj-CBS जारी दिनांक/Date of issue: 12.10.2026

संख्या:

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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 कि 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 ब्याजवलागाएगए 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/- एवंiii) 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. Eagle Shipping Agency having office address at E-104, Om Gokul Nagari CHS Ltd., 90 feet road, Thakur Complex, Kandivali (E), Mumbai – 400101 (hereinafter referred to as the Customs Broker/CB) is a holder of Customs Broker License No. 11/994, issued by the Commissioner of Customs, Mumbai under Regulation 10 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 in the form of Supplementary Show Cause Notice (SCN) No. 142/ADC/ADJ(X)/2022-23 dated 26.11.2025 issued vide F.No. CUS/DBK/ADJN/2/2024-DBK(EDI) issued by the Joint Commissioner of Customs, ACC(Export), Mumbai – III was received in Customs Broker Section. As per the offence report, an investigation was initiated by the Special Intelligence and Investigation Branch (Export) ACC, Mumbai -III (hereinafter referred to as “SIIB”) against the Exporter M/s. Heeba Enterprises Pvt. Ltd., (IEC – 0316963721) regarding realisation of BRCs against exports. Pursuant to the completion of the said investigation, it appeared that export proceeds in respect of 108 shipping bills filed by the Exporter had not been realised by them during the year 2016-2018, involving FOB value of Rs. 15,47,16,142/-, claiming Drawback of Rs. 63,49,427/- and ROSCTL amount of Rs.22,48,812/-. Subsequently, an SCN No. 142/ADC/ADJ(X)/2022-23 dated 30-03-2024 was issued to the Exporter, with seven Customs Brokers included as co-noticees, proposing penal action under the provisions of the Customs Act, 1962. Subsequently, the SIIB found that even though the name of the Customs Broker M/s. Eagle Shipping Agency (CB License No. 11/994) was mentioned in the said SCN, their role had neither been adequately addressed in the said SCN nor had specific penalties been proposed against them for their specific involvement in the clearance of the export consignments and their non-compliance with the Customs Brokers Licensing Regulations (CBLR), 2018. Accordingly, an investigation was initiated by SIIB against the CB by way of issuing Summons for the purpose of recording their statement. Further, the offence report informed the following:

2.1 On scrutiny of data from 1.5 ICES system, it was observed that Customs Broker M/s Eagle Shipping Agency (CB No. 11/994) had filed 10 shipping bills on behalf of the Exporter, involving total FOB value of Rs. 71,16,054/-, Drawback of Rs. 5,55,055/- and RoSCTL of Rs. 2,34,959/-. Accordingly, a Summons dated 27.02.2025 was issued to M/s. Eagle Shipping Agency. However, the same was returned undelivered with the remarks “No Such Person”. Subsequent summons issued on 19.09.2025 and 26.09.2025 were also returned with identical remarks. In view of the above, statement of representative of the said CB could not be recorded under Section 108 of the Customs Act, 1962, and therefore the investigation relied solely on the available records.

3. **ROLE OF THE CUSTOMS BROKER:**

3.1 The CB is an agent, authorised by the Exporter to work on their behalf. As per regulation 10(d) & 10(e) 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 Customs Act, 1962, other allied Acts, and 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. Also, as per regulation 10(n), it is mandatory for a Customs Broker to verify the 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 regulation 10(q), which mandates that a Customs Broker must fully cooperate with the Customs authorities and promptly participate in investigations when required. These CBLR Regulations cast a mandatory duty upon the Custom Broker, who serves as an important link between the Customs Authorities and the Exporter, and any dereliction of this duty or lack of due diligence results in loss to the Exchequer in terms of evasion of Customs Duty.

3.2 In the instant case, neither the Exporter nor the CB had suo moto informed the department about the Exporter's failure to realise the export proceeds or their inability to furnish the Bank Realisation Certificates (BRCs). They did not bring this discrepancy to the notice of Customs authorities though mandated to do so under Regulation 10(d) of CBLR, 2018. The non-compliance was uncovered during the investigation by SIIB. This clearly demonstrated the casual attitude of the CB towards their obligations mandated under CBLR 2018. They failed to exercise due diligence in ascertaining the correctness of the information imparted to their client with respect to compliance with the provisions of the Customs Act, 1962, other allied Acts, and rules, & regulations related to the clearance of cargo, as mandated under Regulation 10(e) of the CBLR, 2018.

3.3 The above acts of omissions and commissions by the CB resulted in contravention of the provisions of Regulations 10(d), 10(e), 10(n) & 10(q) of the CBLR, 2018, Section 50(2), 50(3) & 75(1) of the Customs Act, 1962 read with Section 7(1) & 8 of the Foreign Exchange Management Act, 1999; Rule 17 & 18 of the Customs and Central Excise Duties Drawback Rules, 2017; Rule 11 of the Foreign Trade (Regulations) Rules, 1993 and Regulation 9 of the Foreign Exchange Management (Export of Goods & Services) Regulations, 2015.

4. In view of the above, it appeared that the CB M/s. Eagle Shipping Agency (CB License No. 11/994) had failed to comply with following regulations of the CBLR, 2018:

4.1 Regulation 10(d) of the CLR, 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 noncompliance, shall bring the matter to the notice of the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be;"

M/s. Eagle Shipping Agency who had effected the clearance of export shipments were made a co-noticee in the SCN, for non-realisation of export proceeds in respect of shipping bills filed on behalf of the exporter M/s. Heeba Enterprises Pvt. Ltd. during the years 2016-2018, involving total FOB value of Rs. 15,47,16,142/-, with Drawback of Rs. 63,49,427/- and ROSCTL amount of Rs. 22,48,812/-. In the instant case, neither the Exporter nor the CB informed the department about the Exporter's failure to realise the export proceeds or their inability to furnish the Bank Realisation Certificates (BRCs). They did not bring this discrepancy to the notice of Customs authorities though mandated to do so under Regulation 10(d) of CBLR, 2018.

4.2 Regulation 10(e) of the CBLR, 2018:

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

The case was detected due to the investigation by SIIB. This clearly demonstrated the casual attitude of the CB towards their obligations mandated under CBLR 2018. They failed to exercise due diligence in ascertaining the correctness of the information imparted to their client with respect to compliance with the provisions of the Customs Act, 1962, other allied Acts and rules & regulations related to the clearance of cargo. The CB failed to act diligently in the matter and got purposely involved in clearance of export consignments in which no foreign remittance had been received and thus appeared to have violated Regulation 10(e) of the CBLR, 2018.

4.3 Regulation 10(n) of the CBLR, 2018:

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

A Customs Broker is expected to act as an authorised representative of the Department while simultaneously serving as an advisor to their clients, it is their responsibility to ensure that all provisions of the Customs Act, 1962, and other rules and regulations are duly complied with by them as well as their clients. However, from the investigation, it appeared that the Customs Broker M/s. Eagle Shipping Agency did not verify the correctness of Importer Exporter Code (IEC) number, Goods and Services Tax Identification Number (GSTIN), identity and functioning of their client at their declared

address by using reliable, independent, authentic documents, data or information as mandated by regulation 10(n) of CBLR, 2018.

4.4 Regulation 10(q) of the CBLR, 2018:

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

Regulation 10(q) mandates that a Customs Broker must fully cooperate with the Customs authorities and promptly participate in investigations when required. Failure to comply with the regulation by the CB gives room for unscrupulous persons to get away with import-export violations and revenue frauds. M/s. Eagle Shipping Agency did not participate in the investigation which resulted in significant loss of revenue to the Exchequer.

5. Further, it was observed that the CB licence had been suspended in earlier case. The said case was decided by the competent authority and the CB licence was revoked. In view of this, it appeared that the CB was a habitual offender and may participate in fraudulent activity in future also. From the above facts, the CB M/s. Eagle Shipping Agency (CB License No. 11/994) appeared to have failed to fulfil their obligations under Regulation 10 of CBLR, 2018 and contravened the same. Therefore, for their acts of omissions and commissions as above, CB M/s Eagle Shipping Agency, (CB No. 11/994) appeared liable for penal action. The gross negligence and dereliction of duty exhibited by the Customs Broker posed a significant threat to the Indian economy at large. Thus, it appeared that the CB M/s Eagle Shipping Agency (CB License No. 11/994) had violated Regulations 10(d), 10(e), 10(n) & 10(q) of the CBLR, 2018 which has made them unfit to transact any business at Mumbai Customs and also at other Customs Stations.

5.1 Accordingly, the CB license of M/s. Eagle Shipping Agency (CB License No. 11/994) was suspended vide Order No. 31/2025-26 dated 12.03.2026 and an opportunity of personal hearing was granted to the CB on 26.03.2026, 02.04.2026, and 08.04.2026. However, the suspension order was returned with a remark as 'Left'; hence, the said order was again sent to another address, but still no one appeared for the personal hearing. Subsequently, the suspension of the CB license was continued vide Order No. 02/2026-27 dated 08.04.2026 pending further inquiry proceedings under CBLR, 2018.

5.2 Further, a Show Cause Notice No. 05/2026-27 dated 08.04.2026 under Regulation 17(1) of the CBLR, 2018 was issued to the Customs Broker M/s. Eagle Shipping Agency (CB License No. 11/994) wherein, the CB was called upon to show cause, as to why:

- i. The Customs Broker license bearing no. 11/994 issued to them should not be revoked;
- ii. Security deposit should not be forfeited;
- iii. Penalty should not be imposed upon them

under Regulation 14 read with Regulation 17 & 18 of the CBLR, 2018 for their failure to comply with the provisions of the CBLR, 2018.

5.3 Ms. Medha Tiwary, Deputy Commissioner was appointed as the Inquiry Officer to conduct the inquiry proceedings against the CB M/s. Eagle Shipping Agency (CB License No. 11/994) under Regulation 17 of the CBLR, 2018.

INQUIRY REPORT: -

6. The Inquiry Officer (hereinafter referred to as the 'IO') concluded the inquiry proceedings and submitted the Inquiry Report dated 29.07.2026 on 12.08.2026 wherein all the charges levelled against the CB i.e. violation of Regulations 10(d), 10(e), 10(n) & 10(q) of the CBLR, 2018 were held as proved.

FINDINGS OF THE INQUIRY OFFICER: -

The IO submitted as below –

7. The Customs Broker M/s Eagle Shipping Agency, (CB No. 11/994) did not submit any written submission in connection to the charges framed against them vide Show Cause Notice No. 05/2026-27 dated 08.04.2026. Subsequently, they were granted opportunities of Personal Hearing on 15.05.2026, 29.06.2026 and 10.07.2026. However, neither the CB nor any of his authorized representative attended the Personal Hearing. Further, the letters issued to them for the same were returned as 'Unclaimed' and 'Left'. Therefore, the case has been taken up to conclude the inquiry under Regulation 17 of CBLR, 2018 (as amended) on the basis of facts and documents available on records.

8. The allegations levelled and the sustainability thereof is discussed in the following paragraphs sequentially.

8.1 Regulation 10(d):

a. It has been alleged in the offence report that sale proceeds of the exports were not realized within the prescribed time limit. During the course of the investigation the CB under charge did not turn up before the investigating agency to produce evidence in his own support.

b. Further, during the inquiry proceeding initiated under Regulation 17 of CBLR, 2018, the CB has failed to submit any documentary proof to show that the CB had advised the exporter properly with regard to realization of export proceeds within stipulated time frame. The CB did not turn up for personal hearing neither during the proceedings under Regulation 16 of CBLR, 2018, i.e. suspension/continuation of suspension of CB licence and personal hearing during the inquiry proceedings under Regulation 17 of CBLR, 2018. From the offence report it is evident that not only the CB

had not properly advised the exporter while filing the Shipping Bill(s) but abetted the wrong doer and thereby failed in his duty to inform the same to the Department. Thus, the violation of regulation 10(d) of CBLR 2018 by the CB is conclusively proved.

8.2 Regulation 10(e):

a. The CB did not appear before the investigating agency. Subsequently on issuance of the Show Cause Notice No. 05/2026-27 dated 08-04-2026, they did not participate in the inquiry proceedings. Therefore, it is apparent that the CB has failed to exercise due diligence and to sensitize the exporter to make proper declaration with regards to the non-realisation of the sale proceeds of the exports undertaken by them. It is the obligation and duty of the CB to exercise due diligence to ascertain the correctness of information in respect of any information which they impart to a client with reference to any work related to cargo and in this case the CB failed to do so.

b. In this case, it is evident that CB did not exercise due diligence and did not impart the information to the client about the necessary realization of the sale proceeds for the exports done by the exporter, but aided the exporter in availing the undue export benefits. Thus, the violation of regulation 10(e) of CBLR 2018 by the CB is also proved.

8.3 Regulation 10(n)

a. During the course of the investigation, various summons were issued to the exporter for giving his statement and submit relevant documents pertaining to the case. Exporter neither submitted the documents nor presented himself for recording of statement. The Summons dated 10.03.2023 returned with the remark 'Unclaimed'. Further, during the course of the investigation and scrutiny of bank KYC, it was found that the address of the exporter on Importer Exporter Code (IEC) and Bank KYC was same and the summonses to that address already returned with the remark 'Unclaimed'. On scrutiny of the bank statement, it was found that account was closed.

b. During inquiry proceedings, the CB could not provide any evidence suggesting that he has fulfilled the requirement of the Regulation 10(n) of the CBLR, 2018. Since the CB failed to join the investigation and subsequently locate and present the exporter/IEC holder for recording of his statement during the course investigation, it is categorically established that the CB did not fulfil his responsibility as per Regulation 10(n) of the CBLR, 2018. Accordingly, I hold the allegation of violation of Regulation 10(n) of the CBLR, 2018 as "proved".

8.4 Regulation 10(q):

a. During the course of the investigation, the Customs Broker, M/s. Eagle Shipping Agency, did not appear before the investigation initiated by the SIIB to elaborate upon their role in the alleged non-realisation of export proceeds. The Customs Broker, M/s.

Eagle Shipping Agency failed to appear against the summons or co-operate with the investigations.

b. During inquiry proceedings undertaken under CBLR, the CB was provided ample opportunities to attend the inquiry proceedings and produce evidence in support of his defence. However, neither the CB nor his authorised representative joined the inquiry proceedings. Thus, the violation of the Regulation 10(q) is apparent. Accordingly, I hold the allegation of violation of Regulation 10(q) of the CBLR, 2018 as "proved".

8.5 Summary of the Findings:

The IO concluded her findings as under:

Sr. No.	Violation of Regulation	Conclusion
1.	Regulation 10(d) of CBLR, 2018	Proved
2.	Regulation 10(e) of CBLR, 2018	Proved
3.	Regulation 10(n) of CBLR, 2018	Proved
4.	Regulation 10(q) of CBLR, 2018	Proved

9. The Inquiry Report dated 29.07.2026 was accepted by the Pr. Commissioner of Customs (General). Under the provisions of Regulation 17(6) of the CBLR, 2018, a copy of the Inquiry Report dated 29.07.2026 was shared with the CB and further, to uphold the principle of natural justice an opportunity of personal hearing (PH) opportunities were granted to the CB on 09.09.2026, 16.09.2026 and 29.09.2026. However, the CB did not appear on any of the dates. It is also observed that the CB did not appear during the investigation, inquiry and adjudication proceedings and failed to present their case before any of the authorities despite being granted ample opportunities.

DISCUSSIONS AND FINDINGS: -

10. I have gone through the facts and records of the case; the Offence Report received in the form of Supplementary SCN No. 142/ADC/ADJ(X)/2022-23 dated 26.11.2025 issued by the Joint Commissioner of Customs, ACC(Export), Mumbai - III; SCN No. 142/ADC/ADJ(X)/2022-23 dated 30.03.2024 issued by the Additional Commissioner of Customs, ACC(Export), Mumbai – III; Show Cause Notice No. 05/2026-27 dated 08.04.2026 issued under Regulation 17(1) of the CBLR, 2018 and Inquiry Report dated 29.07.2026. I find that the CB was granted multiple opportunities for Personal Hearing as elaborated in the foregoing paras but it failed to appear and also did not make any written submission. Therefore, I am constrained to proceed with the adjudication of the case ex-parte, on the basis of facts and evidences available on record.

10.1 Briefly stating, an investigation conducted by the Special Intelligence and Investigation Branch (Export), Air Cargo Complex, Mumbai–III revealed that the exporter,

M/s Heeba Enterprises Pvt. Ltd., failed to realise export proceeds against 108 shipping bills filed between 2016 and 2018, involving a total FOB value of Rs. 15,47,16,142/-, while improperly availing duty drawback of Rs. 63,49,427/- and RoSCTL benefits of Rs. 22,48,812/-. While an initial Show Cause Notice (SCN No. 142/ADC/ADJ(X)/2022-23 dated 30.03.2024) was issued under Section 124 read with Section 75 of the Customs Act, 1962, to the exporter and seven Customs Brokers as co-noticees, it failed to adequately incorporate specific penal actions against certain brokers. Consequently, a Supplementary SCN dated 26.11.2025 was issued to cover three additional Customs Brokers, including M/s. Eagle Shipping Agency (CB License No. 11/994), who had processed 10 shipping bills with an FOB value of Rs. 71,16,054/-, drawback of Rs. 5,55,055/-, and RoSCTL of Rs. 2,34,959/-. Treating the Supplementary SCN as an Offence Report, serious omissions were observed on the part of the CB M/s. Eagle Shipping Agency resulting in prima facie contraventions of Regulations 10(d), 10(e), 10(n), and 10(q) of the CBLR, 2018. Consequently, the CB license was suspended vide Order dated 12.03.2026 which was further continued vide Order dated 08.04.2026. Further, an SCN dated 08.04.2026 under Regulation 17(1) of the CBLR, 2018 was issued to the CB for alleged contraventions of Regulations 10(d), 10(e), 10(n), and 10(q).

11. I find that 04 articles of charges have been framed against the CB i.e. violation of Regulations 10(d), 10(e), 10(n) and 10(q) of the CBLR 2018 and have been held as 'Proved' by the Inquiry Officer. It is observed that the action against the CB was initiated on the basis of offence report received in the form of Supplementary SCN No. 142/ADC/ADJ(X)/2022-23 dated 26.11.2025 and accordingly Show Cause Notice No. 05/2026-27 dated 08.04.2026 was issued to the CB M/s. Eagle Shipping Agency (CB License No. 11/994). I find that the proceedings ought to have been initiated under the CBLR, 2013. I have perused the provisions of both the Regulations and find that Regulations 11(d) and 11(e) of CBLR, 2013 are identical to Regulations 10(d) and 10(e) of CBLR, 2018 respectively. Further, the Regulation 11(n) of CBLR, 2013 is similar to Regulation 10(n) of CBLR, 2018. However, the Regulation 10(q) of CBLR, 2018 is not available in the CBLR, 2013. Therefore, I am constrained to drop the charge of violation of Regulation 10(q) of CBLR, 2018 levelled against the CB. However, I will proceed further on violation of charges available in CBLR, 2013 and CBLR, 2018. I find that the Hon'ble Supreme Court in case of *Collector of Central Excise, Calcutta v. Pradyumna Steel Ltd.* [1996 (82) E.L.T. 441 (S.C.)] and *P.K. Palanisamy v. N. Arumugham & Anr.* [SLP(Civil) No. 2308 of 2009] observed that the mere mention of an incorrect provision or non-mention of a provision does not invalidate an order or proceeding if the statutory authority possesses the requisite jurisdiction to initiate the action and no prejudice is caused to the Noticee. In the present case the CB has failed to contest or submit any objection regarding mention of Regulations under CBLR, 2018 instead of CBLR, 2013 and has thus

failed to establish any material prejudice caused to them by the reference to CBLR, 2018 instead of CBLR, 2013. Therefore, mere invocation of corresponding provisions of CBLR, 2018 instead of CBLR, 2013 does not vitiate the proceedings. Now, I proceed to discuss the articles of charges of violation of Regulations 11(d), 11(e) and 11(n) of CBLR, 2013 (now Regulations 10(d), 10(e) and 10(n) of CBLR, 2018), sequentially.

11.1 Violation of Regulation 11(d) of the CBLR, 2013 (now Regulation 10(d) of the CBLR, 2018):

- a) I have gone through the fact and records of the case in detail. I observe that the investigation initiated by the Special Intelligence and Investigation Branch (SIIB) ACC, Mumbai-III against the exporter M/s. Heeba Enterprises Pvt. Ltd. (IEC - 0316963721) established that export proceeds in respect of 108 shipping bills filed between 2016 and 2018, involving a total FOB value of Rs. 15,47,16,142/-, were not realized within the statutory timeline mandated under the Foreign Exchange Management Act (FEMA), 1999 and the regulations framed thereunder. Specifically, the ICES 1.5 system data confirmed that the CB M/s. Eagle Shipping Agency had processed and filed 10 shipping bills on behalf of the exporter, involving a total FOB value of Rs. 71,16,054/-, under which drawback amounting to Rs. 5,55,055/- and RoSCTL amounting to Rs. 2,34,959/- were claimed and availed.
- b) I observe that under the statutory framework governing export incentives including Section 75 of the Customs Act, 1962, and Rules 17 and 18 of the Customs and Central Excise Duties Drawback Rules, 2017, the entitlement to duty drawback and export rebates is contingent upon the realization of export sale proceeds. As a licensed professional handling export declaration, the CB is duty-bound not only to advise their client regarding the mandatory statutory requirement of realizing export proceeds and submitting Bank Realization Certificates (BRCs), but also to promptly alert the Assistant/Deputy Commissioner of Customs upon non-compliance. In this case, neither did the CB produce any evidence to show that they ever tendered such advice to M/s. Heeba Enterprises Pvt. Ltd., nor did they ever bring the non-realization of export proceeds or failure to submit BRCs to the notice of the Customs authorities. The non-compliance was brought to light solely through an independent investigation by SIIB. This complete failure to discharge statutory advisory functions and report non-compliance demonstrates a clear violation of the mandate under Regulation 11(d). Therefore, I concur with the findings of the Inquiry Officer and hold that the charge of contravention of Regulation 11(d) of the CBLR, 2013 (now Regulation 10(d) of the CBLR, 2018) stands conclusively proved.

11.2 Violation of Regulation 11(e) of the CBLR, 2013 (now Regulation 10(e) of the CBLR, 2018):

- a) I observe that the obligation under Regulation 11(e) requires proactive diligence. A Customs Broker cannot function as a mere document submitting intermediary. By filing 10 shipping bills involving substantial export incentive claims of Rs. 5,55,055/- (Drawback) and Rs. 2,34,959/- (RoSCTL), the CB was obligated to exercise due care regarding the veracity of the export declarations, particularly with respect to statutory conditions governing export value realization and incentive entitlement. The CB failed to exercise due diligence to ensure that their client was sensitized with the legal mandate governing export realizations, and instead facilitated the clearance of cargo under incentive schemes where proceeds were never realized, resulting in fraudulent disbursement of export incentives. By abdicating their responsibility to ascertain the correctness of regulatory information imparted to the exporter, and by failing to come forward with any contemporaneous records to substantiate their diligence, the CB acted with reckless disregard resulting in a significant loss to the exchequer. In view of the foregoing findings, I am inclined to concur with the IO's report. Consequently, I uphold charge of violation of Regulation 11(e) of the CBLR, 2013 (now Regulation 10(e) of the CBLR, 2018) levelled against the CB.

11.3 Violation of Regulation 11(n) of the CBLR, 2013 (now Regulation 10(n) of the CBLR, 2018):

- a) I find that the investigation revealed that summonses issued to the exporter M/s. Heeba Enterprises Pvt. Ltd. at their registered address returned with the postal remark "Unclaimed", and the exporter was found non-existent at the declared premises. Scrutiny of the exporter's bank account further revealed that the account was closed. Unlike other co-noticee Customs Brokers who joined the SIIB investigation, tendered statements under Section 108 of the Customs Act, 1962, and placed KYC documents on record, M/s. Eagle Shipping Agency failed to produce a single document to demonstrate that they had verified the identity and actual functioning of the exporter M/s. Heeba Enterprises Pvt. Ltd. at the declared address at the time of undertaking clearance work. I observe that the CB completely failed to locate or produce the exporter before the investigating authorities. This proves beyond doubt that the CB handled export documentation in a casual manner without carrying out independent KYC and address verification as mandated under Regulation 11(n). Accordingly, I am of the firm opinion that the CB has violated Regulation 11(n) of CBLR, 2013 (now Regulation 10(n) of the CBLR, 2018).

12. As discussed above, I conclude that the CB M/s. Eagle Shipping Agency is guilty of violating Regulations 11(d), 11(e) and 11(n) of the CBLR, 2013 (now Regulations 10(d), 10(e) and 10(n) of the CBLR, 2018). In view of the gravity of the findings detailed above, it is evident that the CB has not merely committed a procedural lapse but has displayed a profound and systemic disregard for the statutory responsibilities mandated under CBLR, 2013 (now CBLR, 2018). By their acts of omissions and commissions, the CB directly facilitated a massive revenue loss to the exchequer, undermining the very integrity of the customs clearance framework. By processing 10 shipping bills for an untraceable exporter without independent verification, failing to report non-realization of export proceeds, evading summonses, and remaining completely absent from the declared business premises, the CB facilitated the fraudulent exports. The records also establish that the CB is a habitual offender whose license had been suspended and revoked in an earlier proceeding. The repeated misconduct and total disregard for regulatory discipline prove that M/s. Eagle Shipping Agency is incorrigible and completely unfit to hold a Customs Broker license or transact business at any Customs station. The CB's actions demonstrate absolute lack of course correction and hence the case does not merit leniency. I find that a Customs Broker occupies a very important position in the Custom House and is supposed to safeguard the interests of both the importers/exporters and the Customs Department. A lot of trust is kept in CB by the Government Agencies; however, by their acts of omissions and commissions, the CB M/s. Eagle Shipping Agency has violated Regulations 11(d), 11(e) and 11(n) of the CBLR, 2013 (now Regulations 10(d), 10(e) and 10(n) of the 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 has rendered itself liable for penal action under the CBLR, 2013 (now CBLR, 2018). Under the factual matrix of the case, I am inclined to revoke the CB license, forfeit the security deposit and impose a penalty on the CB M/s. Eagle Shipping Agency (CB License No. 11/994) under the CBLR, 2013 (now CBLR, 2018). Further, while deciding the matter, I rely on the following case laws:

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

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

intent would be sufficient to invite upon the CHA the punishment listed in the Regulations”.

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

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

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

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

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

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

13. I further observe that the CB remained elusive and non-cooperative throughout the investigation as well as the inquiry proceedings. The CB’s non-appearance delayed the proceedings at every step. Further, with respect to the timelines prescribed under Regulation 17 of the CBLR, 2018, relying on the following caselaws, I observe that the timelines under CHALR/CBLR are directory in nature and not mandatory:

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

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

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

“42. Therefore, if the tests laid down in Dattatreya Moreshwar, which have so far held the field, are applied, it would be clear (i) that the time limit prescribed in Regulation 20 (7) is for the performance of a public duty and not for the exercise of

a private right; (ii) that the consequences of failure to comply with the requirement are not spelt out in Regulation 20(7) (iii) that no prejudicial consequences flow to the aggrieved parties due to the non-adherence to the time limit; and (iii) that the object of the Regulations, the nature of the power and the language employed do not give scope to conclude that the time limit prescribed is mandatory. Hence, we hold that the time limit prescribed in Regulation 20 (7) is not mandatory but only directory.”

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

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

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

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

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

“Para 4.2:- As regards the third issue regarding non-adherence to the time-limit prescribed in CHALR, there is some merit in the argument. But nevertheless, it has to be borne in mind that time-limit prescribed in the law though required to be

followed by the enforcement officers, at times could not be adhered to for administrative reasons. That by itself does not make the impugned order bad in law”.

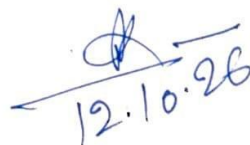
14. In view of the foregoing findings and relying on the cited judicial precedents, I hold that the CB M/s. Eagle Shipping Agency (CB License No. 11/994) is guilty of violating Regulations 11(d), 11(e) and 11(n) of the CBLR, 2013 (now Regulations 10(d), 10(e) and 10(n) of the CBLR, 2018). I find that the penalty of revocation of licence, forfeiture of the entire security deposit and imposition of penalty is warranted. I therefore pass the following order:

ORDER

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

- (i) I, hereby order for revocation of the CB License held by M/s. Eagle Shipping Agency (CB License No. 11/994) under Regulation 18 of the CBLR, 2013 (now Regulation 14 of the CBLR, 2018).
- (ii) I, hereby order for forfeiture of the entire amount of the security deposit furnished by the CB M/s. Eagle Shipping Agency (CB License No. 11/994) under Regulation 18 of the CBLR, 2013 (now Regulation 14 of the CBLR, 2018).
- (iii) I, hereby impose a penalty of Rs. 50,000/- (Rupees Fifty Thousand Only) on the CB M/s. Eagle Shipping Agency (CB License No. 11/994) under Regulation 22 of the CBLR, 2013 (now Regulation 18(1) of the CBLR, 2018).
- (iv) I hereby order that the CB immediately surrender the original License as well as all the F, G & H cards issued thereunder.

This order is passed without prejudice to any other action which may be taken or purported to be taken against the Customs Broker and their employees under the Customs Act, 1962, or any other act for the time being in force in the Union of India.


12.10.26

(AJAY KUMAR PANDEY)
Pr. Commissioner of Customs (Gen.)
NCH, Mumbai-I

To,

M/s. Eagle Shipping Agency
(CB License No. 11/994)

E-104, Om Gokul Nagari CHS Ltd.,
90 feet road, Thakur Complex,
Kandivali (E), Mumbai – 400101.

Copy to:

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