



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

संचिका सं./F. No.- GEN/CB/493/2024-CBS

आदेश दिनांक/Date of Order: 09.02.2026

CAO No. 142/2025-26/CAC/CC(G)/SJS/Adj-CBS जारी दिनांक/Date of issue: 19.02.2026

संख्या:

DIN:-

द्वारा जारी : श्रद्धा जोशी शर्मा
आयुक्त, सीमाशुल्क (सामान्य)
मुंबई -400 001

Issued By : Shraddha Joshi Sharma
Commissioner of Customs (Gen.)
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 129 की धाराA(1B)(i) के संबंधमें सीमाशुल्क, केंद्रीय उत्पाद शुल्क एवं सेवाकर अपील अधिकरण में स्वीकार्य है, जहाँ शुल्क या शुल्क एवं जुर्माना विवादित हों, या जुर्माना, जहाँ सिर्फ जुर्माना ही विवादित हो। यह अपील इस आदेश के संप्रेषण की तारीख के तीन महीने के अंदर दायर की जाएगी। यह अपील सीमाशुल्क, केंद्रीय उत्पाद शुल्क एवं सेवाकर अपील अधिकरण नियमावली (कार्यविधि), 1982, के प्रावधानों के अंतर्गत, यथोत्खंडपीठ में स्वीकार्य है।

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

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

It is informed that the jurisdiction of the Adjudicating Authority stands alienated with the conclusion of the present adjudication order and the Adjudicating Authority attains the status of 'functus officio' as held by Hon'ble CESTAT, Mumbai in its decision in the case of M/s Knowledge Infrastructure Systems Pvt. Ltd. &

Others vs ADG, DRI, Mumbai vide Order No. A/86617-86619/2018 dated 31.05.2018.

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

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

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

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

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

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

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

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

Brief Facts of the Case:

M/s. **Macro Customs Consultants LLP** (11/2302, PAN No. ABHFM7932P), having address registered at Flat No. – B/1102, Kankia Rainforest, Bhavani Nagar Road, Andheri (East), Mumbai - 400059 (hereinafter referred to as "the Customs Broker" or "the CB") is holder of Customs Broker License No. 11/2302 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. ADC/SS/118/2024-25/ADJ(X)/ACC dated 16.12.2024 was received from the Office of the Additional Commissioner of Customs ACC (Export), Mumbai-400099, regarding illegal export of Live Blood Clam and submission of incorrect or false Q-certificates issued at Kolkata in respect of goods procured from Mumbai by the Exporter M/s L.G. Enterprise (IEC No. – 0205021867) through their CB M/s PBC Logistics Pvt. Ltd. and M/s Macro Customs Consultants LLP (11/2302).
3. A complaint against the exporter had been received through e-mail dated 20.12.2021, from Asiatic Marine Exports, Mumbai regarding illegal export of Live Blood Clam going on from Mumbai International Airport. It was alleged that the Exporter did not have any processing facility in Mumbai and also not having any legal tie-up with any authorized live fish handling centre in Mumbai. The exporter purchased live blood clam from local fisherman, suppliers and packed everything un-hygienically without processing. Since, there is a daily flight from Kolkata to Bangkok, there was no purpose in sending the shipment from Kolkata to Mumbai to Bangkok. Material needs to be caught one day before export for good report otherwise Blood Clams cannot get material value. Transportation from Kolkata to Mumbai is only possible if the Exporter creates fake transportation bills from transporter.
4. In accordance with the complaint, the Exporter submitted Copy of Shipping Bill, Invoice cum Packing List, Quality certificate, Airway Bill and MPEDA (Marine Products Export

Development Authority) certificate. These documents were analysed by the Export Shed, ACC and following observations were made:

a. The Live Fish handling centre of the exporter was at 234/146/154, 60/1 Sarat Bose Lane, Sarat Colony, Kolkata, West Bengal and also the MPEDA certificate No. WB1/MT/441/18 dated 22.06.2018 stating approval no. 1333 was issued at Kolkata. Quality Certificate No. 054882 dated 14.12.2021 against Invoice No. LG/033/21-22 dated 10.12.2021 and S/B No. 6744136 dated 15.12.2021 and Quality Certificate No. 54884 dated 16.12.2021 against Invoice No. LG/035/21-22 dated 16.12.2021 and S/B No. 6802839 dated 17.12.2021 were issued at Kolkata. The exporter neither produced any evidence for any other processing facility in Mumbai nor any legal tie-up with any authorized Live Fish Handling Centre in Mumbai.

b. The Exporter did not submit any proof of transportation of goods from Kolkata to Mumbai. To verify the authenticity of the allegations, the copies of Gate Passes were analysed and it was found that some of the vehicles were repeating every 2 days, which was not possible for a vehicle from Kolkata to Mumbai.

c. It was observed that the exporter did not submit any proof of transport of goods from Kolkata to Mumbai. To verify the authenticity of the allegations, the copy of Gate Passes received from the CB as tabulated were analysed:

Sr. No.	Shipping Bill No.	Vehicle No.
1	6744136 dated 15.12.2021	MH03-DV-1741
2	6802839 dated 17.12.2021	MH13-CJ-0060
		MH03-CP-6077
		MH03-DV-1741
3	6858229 dated 19.12.2021	MH03-DV-1741
		MH14-HU-1154

MH03-CP-6077

From the above table, it was found that some of the vehicles were repeating every 2 days, which was not possible for a vehicle, which was carrying goods from Kolkata to Mumbai.

5. During course of investigation, summons dated 11.05.2022 was issued to the exporter to appear for getting their voluntarily statement recorded under Section 108 of the Customs Act, 1962. In response to the said summons, a letter dated 26.05.2022 from the exporter was received, wherein the exporter stated that:

a. There are no transport invoices since the goods were sent from Kolkata to Mumbai through vehicles carrying load of agriculture produce.

b. She had met with an accident and prayed for exoneration of her personal appearance. Subsequently, the exporter had been issued summons on 28.08.2022, 15.09.2022, 26.10.2022 and 31.12.2022 for making their appearance in order to get their statement recorded under Section 108 of the Customs Act, 1962. However, neither the exporter nor any of its authorized representatives appeared for getting statement recorded.

6. Statement of Shri Brijesh Pandey, Partner of the CB firm M/s Macro Customs Consultants LLP was recorded on 16.09.2022 under Section 108 of the Customs Act, 1962 wherein he, *inter-alia* stated that:

- i. He is a Partner at CB firm since 2018 and the said CB firm is in existence since the last 5 years.
- ii. They had cleared only 02 shipments for the exporter bearing S/B No. 6802839 dated 17.12.2021 and 6858229 dated 19.12.2021 till date.
- iii. The exporter used to provide documents like invoices and packing list by hand or by mail(Chetan@macrologistics.co.in from just4arupghosh@gmail.com). After receiving documents, they used to make checklist and send it to the exporter by hand or by mail for approval.

One of his colleagues had carried out the address verification of the exporter given in the IEC copy and found it to be correct.

- iv. They had verified the classification and description of the goods and filed the same as per the exporter invoice.
 - v. The goods covered under the said Shipping Bill went directly to Export Shed, ACC for export clearance and they did not provide transport facility to the exporter. The vehicle owner or transporter is not known to them and had no connection with their company.
 - vi. They did not find any discrepancy in the valuation of the goods.
 - vii. Goods covered under the said 2 S/B appeared to be normal and appropriate for export.
7. It was evident that the Q Certificate submitted by the exporter had been issued at Kolkata and the goods had been exported from Mumbai. The exporter had not submitted/provided any transport related documents pertaining to goods exported from Mumbai and packed in Kolkata. Apparently, exporter submitted incorrect or false Q-Certificate issued at Kolkata in respect of goods procured from Mumbai. Q-Certificate might have been issued without verification of quality and proper packaging of the goods.
8. It was evident from the data available in ICES 1.5 system under the category – List of Shipping Bills and FOB realization, the full foreign remittance had not been realized against the said S/B even after the expiry of the prescribed time-limit.
9. In view of the discussion above, it appeared that the Customs Broker had a role in the attempted export of Live Blood Clam, wherein Q-certificates issued at Kolkata were submitted despite the goods being procured from Mumbai, raising concerns regarding their authenticity and accuracy.

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(e) of CBLR, 2018

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

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 8;
- (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.

Relevant paras of MPEDA Rules 1972:

MPEDA - The Marine Products Export Development Authority was constituted in 1972 under the Marine Products Export Development Authority Act 1972 (No.13 of 1972). The role envisaged for the MPEDA under the statute is comprehensive, covering fisheries of all kind, increasing exports, specifying standards, processing, marketing, extension and training in various aspects of the industry.

The following types of entities are registered by MPEDA;

1. Processing Plants
 2. Marine Product Exporters
 3. Fishing vessels
 4. Storage Premises
 5. Conveyance
 6. Pre-processing Centres
 7. Live Fish Handling Centre
 8. Chilled Fish Handling Centre
 9. Dried Fish Handling Centre
 10. Independent Cold Storages
- Following FAQs have been collected for reference from MPEDA website.

Processing Plant :

Processing plant is a building / premises constructed as per the standards laid down by the EIC/ MPEDA and approved by the Assessment Panel of Experts (APE), wherein a freezing unit or any other processing machinery is installed for processing marine products in any form.

Conditions for Certificate of Registration of processing plant

1. This certificate of registration is granted subject to the provisions of the Marine Products Export Development Authority Rules, 1972.
2. Any change in the lay-out design or capacity or other matters should be got approved by the Authority.
3. The sanitary and hygienic requirements should conform to the regulations issued in this behalf of the Export Inspection Agency and the Authority from time to time.
4. The owner should use only approved chemicals for preservation, processing and storage of marine products.
5. The owner shall also comply with such other instructions as may, from time to time, be issued by the Authority.

6. The exporters / processing plant will procure raw material only from approved peeling sheds / pre-processing centres registered by MPEDA.

7. Raw material of exotic shrimp species processed in the processing plant / pre-processing centre /handling centre shall be from a farm registered with Coastal Aquaculture Authority / State/Department of Fisheries and the plant / centre shall maintain all documents to ensure 100% traceability.

• Registration as an exporter (both merchant and manufacturer exporter) is granted under section 9(2)(h) of Marine Products Export Development Authority (MPEDA) Act 1972 read with rules 40-42 of MPEDA Rules.

Rule 40 (1) "No person shall, after the expiration of two months from the date of coming into force of this rule, export any marine products unless he has been registered as an exporter with the Authority. The applicant will be allowed to export during the period of one month pending issue of the Certificate of Registration. Provided that this Rule shall not apply to the export of marine products; -

1. by or on behalf of the Central Government or the Authority or any person authorized by the Central Government or the Authority to export marine products;
2. by means of gift parcel or sending of samples (maximum Rs. 10,000/-);
3. as personal effects of passengers (maximum Rs. 5000/-);
4. for any non-commercial purposes (maximum Rs. 25,000/-; and
5. for any exhibition abroad (maximum Rs. 1,00,000/-),

Conditions under which Certificate of Registration as an exporter is issued under Rule 42(3), where the application for registration is not refused, the Certificate of Registration is issued in Form X subject to the following conditions: -

1. Certificate of registration is granted subject to the provisions of the Marine Products Export Development Authority Rules 1972, as amended from time to time.
2. The holder will abide by the Guidelines dated 23.07.2004 of MPEDA for issue of Certificate of Registration as an Exporter, as amended from time to time.
3. Only the item(s) permitted to be exported vide SI.No.4 of the certificate will be exported.

4. The exporter shall ensure that the quality of the marine products exported by him conform to the specifications recognized by the Central Government under Section 6 of the Export (Quality Control and Inspection) Act 1963 (21 of 1963) and Rules, Regulations and instructions there under, as amended from time to time.
5. The exporter shall conform to the Rules, Regulations and instructions issued by the Export Inspection Council of India, Export Inspection Agency and the Authority from time to time in respect of packing, quality control, pre-shipment inspection and all other matters.
6. The sanitary and other hygienic requirements relating to preservation, processing and storage of marine products should also conform to the regulations issued by the Export Inspection Council, Export Inspection Agency and Authority from time to time.
7. The exporter shall process, handle, pack or store the items allowed for export as above only in premises registered with MPEDA and approved by the EIA.
8. The certificate of registration issued to an exporter will be valid for a period of 3 years unless other specified.
9. The certificate is liable to be cancelled for any act of omission or commission by the holder or by any person utilizing the surplus capacity of a processing plant or live fish or dried fish or chilled fish handling facility owned/operated by the holder, either in respect of quality issues or for trade related issues, including cheating, whether or not the complaint can be attributed to the processing unit or handling facility.
10. The registration shall cease to have validity if the holder becomes no longer entitled to such registration under the provisions of the Guidelines dated 23.07.2004 of MPEDA for issuing Certificate of Registration as an Exporter, as amended from time to time.
11. The exporter shall indicate in every invoice and shipping bill the name and the MPEDA registration number of the processing plant or handling facility where the marine product being exported has been processed/handled.

12. The exporter shall comply with such other instructions as may, from time to time, be issued by the Government of India, the Authority, the Export

13. The exporters / processing plant will procure raw material only from approved peeling sheds / pre-processing centres registered by MPEDA.

Registration of exporters and processing entities is one of the statutory functions of MPEDA under Section 9(2)(b) and 9(2)(h) respectively of the MPEDA Act 1972. Production/Processing entities are registered under section 11 (1) of the MPEDA Act, 1972 read with rules 33 -34 of the MPEDA Rules, 1972.

As per Rule 42 of Marine Products Export Development Authority Rules, 1972 Certificate of Registration is granted:

Grant of a Certificate of Registration: -

(1) On receipt of an application for the grant of a certificate of registration, the Secretary or other officer may, after making such inquiry as he deems necessary, either grant or by order refuse such registration.

(2) Where the application for registration is refused, the reasons for such refusal shall be recorded in writing and a copy of the same along with the order of refusal shall be furnished to the applicant, and the fees paid by the applicant shall be refunded to him.

(3) Where the application for registration is not refused, the Secretary or other officer shall grant the applicant a certificate of registration in Form X which shall be subject to such conditions as are mentioned in the certificate thereof.

10. Role of the Customs Broker:

10.1 From the statement recorded under Section 108 of Customs Act, 1962 of the Customs Broker, it appeared that the Customs Broker M/s Macro Customs Consultants LLP did not ask for mandatory proof of an approved processing facility or authorized tie-up in Mumbai as per the MPEDA guidelines, vide which the exporter was required to process marine products in an approved facility to ensure health and safety standards, nor did they question

the logistical impossibility of the transport documents provided along with the Q-Certificates issued at Kolkata for goods exported from Mumbai.

10.2 From the statement recorded under Section 108 of Customs Act, 1962, it appeared that the Customs Broker M/s Macro Customs Consultants LLP did not advise their client to comply with the provisions of the MPEDA Rules, 1972 and Export of Live Fish Rules, 2002, the Customs Act, 1962, other allied Acts and the rules and regulations thereof especially and have not exercised due diligence to ascertain the correctness of any information which he imparted to the client with reference to any work related to clearance of cargo and contravened the provisions of Regulations 10(d) and 10(e) of the CBLR, 2018. By their acts of omission and commission the CB M/s Macro Customs Consultants LLP, appeared to have rendered the impugned goods liable for confiscation under Section 113(d) and Section 113(i) of Customs Act, 1962, and the Customs Brokers (CB) M/s Macro Customs Consultants LLP liable for penal action under Section 114(i) and/or Section 114(iii) and/or 114AA of the Custom Act, 1962.

10.3 It appeared from the offence report that the CB did not exercise due diligence in respect of following MPEDA and Export Inspection Council norms and regulations. It appeared that CB failed to perform their obligations under Regulations 10(d) and 10(e) of the Customs Brokers Licensing Regulations (CBLR), 2018.

10.4 On conclusion of the investigation, the CB was made noticee in the relevant Show Cause Notice leading to the Order-In-Original dated 16.12.2024 issued under the Customs Act, 1962, calling them to show cause as to why penalty should not be imposed on M/s Macro Customs Consultants LLP for the various acts of omission and commission under Section 114(i) and/or Section 114(iii) and/or 114AA of the Customs Act, 1962, read with Regulation 10(d) and 10(e) of the Customs Brokers Licensing Regulations, 2018.

In view of the above facts and findings of the investigation, it appeared that the Customs Broker M/s Macro Customs Consultants LLP had failed to comply with the following regulations of the Customs Brokers Licensing Regulations, 2018: -

10.5 Regulation 10(d) of CBLR, 2018:

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

- a) From the statement of Shri Brijesh Pandey recorded on 16.09.2022, it emerged that Shipping Bill Nos. 6802839 dated 17.12.2021 and 6858229 dated 19.12.2021 were filed based on the documents provided by the exporter. However, as per the Offence Report in the form of Order-In-Original No. ADC/SS/118/2024-25/ADJ(X)/ACC dated 16.12.2024 it was noted that the exporter did not possess an approved processing facility or any authorized tie-up in Mumbai, which is a mandatory requirement under the MPEDA guidelines for marine product exports. Furthermore, the Quality Certificates were issued from Kolkata, whereas the goods were exported from Mumbai, indicating a clear mismatch between the place of certification and the place of export. In this regard, it was incumbent upon the Customs Broker to advise the exporter to comply with the applicable provisions of the Customs Act, 1962, MPEDA guidelines, and other relevant allied Acts and Rules. The CB was also duty-bound to bring such evident discrepancies—particularly the mismatch in the place of Quality Certification and the actual port of export—to the notice of the jurisdictional Deputy Commissioner or Assistant Commissioner of Customs. Failure to do so reflects a lack of due diligence on part of the CB in fulfilling the responsibilities entrusted under Regulation 10(d) of the CBLR, 2018.
- b) In the instant case, the CB appeared to have failed to advise his client to comply with the above-mentioned rules and regulations framed under the provisions of the Customs Act, 1962, and other Allied Acts. Moreover, the CB also failed to bring the matter of non-compliance to the notice of the Deputy/Assistant Commissioner of Customs. Hence, it appeared that the CB failed to perform their obligation under Regulation 10(d) of CBLR, 2018.

10.6 Regulation 10(e) of CBLR, 2018:

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

- a) From the statement of Shri Brijesh Pandey recorded on 16.09.2022, it appeared that the Customs Broker proceeded with the clearance of goods based solely on the documents and vehicle details shared by the exporter over telephone or email, without independently verifying the authenticity or correctness of the information. It was also noted that the Quality Certificates were issued from Kolkata while the goods were exported from Mumbai, indicating a clear mismatch. Such a discrepancy should have been reasonably noticed by the CB during the process. As per Regulation 10(e) of the CBLR, 2018, it is the responsibility of the Customs Broker to exercise due diligence in ascertaining the correctness of any information submitted to Customs. In this case, the CB appeared to have failed in exercising the level of diligence expected under the said regulation, particularly in identifying and reporting the mismatch in documentation and procedural non-compliance by the exporter.

From the findings of the investigation, it appeared that the Customs Broker M/s. Macro Customs Consultants LLP did not advise their client to comply with the provisions of the Customs Act, MPEDA guidelines, Export of Live Fish Rules, other allied Acts and the rules and regulations thereof especially regarding the mandatory processing facility requirements. It also appeared that the CB failed to sensitize the exporter to comply with the above-mentioned rules and regulations framed under the provisions of Custom Act, 1962 and thus, failed to exercise due diligence in respect of the said cargo (Live Blood Clam) to be cleared, particularly in identifying the mismatch between the place of certification and the actual port of export. Hence, it appeared that the CB failed to perform their obligation under Regulation 10(d) and Regulation 10(e) of CBLR, 2018.

In view of the offence report received in the form of Order-In-Original No. ADC/SS/118/2024-25/ADJ(X)/ACC dated 16.12.2024 issued by the Additional Commissioner of Customs ACC (Export), Mumbai, action under the CBLR, 2018 was initiated against the CB M/s. Macro Customs Consultants LLP (CB License No. 11/2302). Further, in view of the Board's Instruction No. 24/2023 dated 18.07.2023, the case was not considered appropriate for immediate suspension of the CB license under Regulation 16 of the CBLR, 2018. However, action under Regulation 17 of CBLR, 2018 was initiated against the CB M/s. Macro Customs Consultants LLP and accordingly, based on the Offence Report, the following articles of charge were framed against the CB:

(i) **Article of Charge-I:** Violation of Regulation 10(d) of the CBLR, 2018.

(ii) **Article of Charge-II:** Violation of Regulation 10(e) of the CBLR, 2018.

In light of the above, a Show Cause Notice (SCN) No. 15/2025-26 dated 01.07.2025 was issued to the CB M/s. Macro Customs Consultants LLP (CB License No. 11/2302) under the provisions of Regulation 17(1) of the CBLR, 2018 wherein, the CB was called upon to show cause, as to why:

- a. The Customs Broker License bearing no. 11/2302 issued to them should not be revoked under regulation 14 read with regulation 17 of the CBLR, 2018;
- b. Security deposited should not be forfeited under regulation 14 read with regulation 17 of the CBLR, 2018;
- c. Penalty should not be imposed upon them under Regulation 18 read with Regulation 17 of the CBLR, 2018.

Shri Harish Kumar Parmar, Assistant Commissioner of Customs, was appointed as Inquiry Officer (IO) to conduct the inquiry proceedings against the CB M/s. Macro Customs Consultants LLP under Regulation 17 of the CBLR, 2018.

INQUIRY REPORT: -

11. The Inquiry Officer (here in after referred to as the 'IO') concluded the inquiry proceedings and submitted the Inquiry Report dated 28.10.2025, wherein all the charges levelled against the CB for violation of Regulations 10(d) and 10(e) of the CBLR, 2018 were held as "**Not Proved**".

FINDINGS OF THE INQUIRY OFFICER:

12. The IO submitted that he had gone through the Show Cause Notice No. 15/2025-26 dated 01.07.2025 vide F. No. GEN/CB/493/2024-CBS along with the relied upon documents. The IO had gone through the records of the Personal Hearings and the defence submissions made during the personal hearings. The IO submitted that he had also gone through the statements of all the persons taken during the investigation, as well as the alleged Articles of Charges and legal provisions reflected in the CBLR, 2018.

12.1 General Observations: The IO found that the charged CB had filed the two Shipping Bills (No. 6802839 dated 17.12.2021 and No. 6858229 dated 19.12.2021) as per the Invoice/Packing List, Airway Bill, MPEDA Certificate, Quality of Health & Inspection Certificate (Q-Certificate), and other documents submitted by the exporter M/s. L.G. Enterprises.

12.2 Observations on Shipping Bill No. 6802839 dated 17.12.2021: The IO found that the said Shipping Bill was filed by the charged CB on behalf of the exporter for clearance of 4200 Kgs of 'Live Blood Clam' having a FOB value of 6300 USD against MAWB No. 94045426791 and Invoice No. LG/035/21-22 dated 16.12.2021. The IO found that the CB had produced a gate pass copy for vehicle No. MH03-CP-6077 and submitted the MAWB, Invoice, MPEDA Certificate, and the Q-Certificate issued by the Export Inspection Council of India (certifying that the consignment was processed in an establishment with valid approval). The IO submitted that although the CB had not produced gate passes for the remaining two vehicles (MH13-CJ-0060 and MH03-DV-1741), it was evident from the Shipping Bill that the proper officer examined the impugned goods on 17.12.2021 at 10:26

a.m., noticed no discrepancies, and granted Let Export Order (LEO) at 10:39 a.m. The IO concluded that proper scrutiny of all documents, classification, and valuation was done by the proper officer.

12.3 Observations on Shipping Bill No. 6858229 dated 19.12.2021: The IO found that the CB had filed the said Shipping Bill on behalf of the exporter for clearance of 4200 Kgs of 'Live Blood Clam' having a FOB value of 5460 USD against MAWB No. 94045426802 and Invoice No. LG/036/21-22 dated 16.12.2021. The CB submitted Tax Invoices for vehicles MH03-DV-1741, MH14-HU-1154, and MH03-CP-6077, along with the requisite MAWB, Invoice, Q-Certificate, and MPEDA Certificate. The IO submitted that the goods were examined by the proper officer on 19.12.2021 without any discrepancy, and LEO was granted, evidencing proper Customs scrutiny.

12.4 Observations on Compliance and Export Incentives: The IO observed from the Export Shed's noting dated 27.12.2021 that the two essential certificates required for the export of Live Blood Clam were the MPEDA certificate and the Q-certificate. The IO found that the CB had submitted both necessary certificates as per the law. The IO noted that the Export Shed's notes did not suggest any restriction that the 'place of certification' and the 'place of export' must be the same. Furthermore, based on data retrieved from the ICES 1.5 system, the IO found that the FOB value in foreign currency had been successfully realized for both Shipping Bills.

12.5 Article of Charge-I: Violation of Regulation 10(d) of CBLR, 2018: The IO evaluated the allegation that the exporter did not possess an approved processing facility in Mumbai and that the Q-Certificates were issued from Kolkata. The IO found that the MPEDA and Q-Certificates were issued by the competent authorities at Kolkata, indicating that the goods were processed at an approved Kolkata plant. The IO noted that the proper officers who examined the goods and granted LEO in Mumbai never raised any objection regarding the procurement source or place of certification.

Crucially, the IO found that the investigating agency (SIIB Export) neither communicated with the agencies that issued the certificates nor inquired about their authenticity. The IO held that without conducting such an inquiry, it could not be alleged that the Q-Certificates were incorrect or false, and allegations based merely on suspicion hold no validity in law.

The IO relied upon various judicial pronouncements, including *M/s. L.M.S. Transport Co. Vs. Commissioner of Customs*, *Akanksha Enterprises Vs. Commissioner of Customs*, *R.S. Kandalkar & Co.*, *Parvath Shipping Agency*, *Bajaj Enterprises*, and *M.D. Shipping Agency*, to observe that a CB files documents based on material given by the client in good faith and is not expected to verify the authenticity of the value or the contents of the consignments prior to Customs examination. The IO found that the need to advise a client arises only if the CB is aware of an intent to misdeclare, for which there was no evidence. Accordingly, the IO held the charge alleging violation of Regulation 10(d) as "**Not Proved**".

12.6 Article of Charge-II: Violation of Regulation 10(e) of CBLR, 2018: The IO noted that the imputation for Regulation 10(e) was largely a repetition of the grounds for Regulation 10(d). The IO reiterated that there is no restriction under MPEDA Rules or any other Allied Acts mandating that the place of processing and the place of export must be the same. The IO observed that the 'Certificate of Registration as an Exporter' and the 'Certificate of Registration of Premise to Handle Live Fish' issued to the exporter did not mention any restricted 'Place of Export'.

The IO relied upon the decision of the Hon'ble Delhi High Court in *Kunal Travels (Cargo) Vs. CC (I&G)*, which held that the CHA is not an inspector to weigh the genuineness of the transaction and is not expected to do a background check of the exporter's IE Code, as the grant of an IE Code presupposes verification by the DGFT. Relying further on decisions in *G.N.D. Cargo Movers, Shipping & Clearing Agents Pvt. Ltd.*, and *Dex Logistics P. Ltd.*, the IO found that there was no evidence to establish that the CB handled the clearance with any *mala fide* motive, connivance, or abnormal

pecuniary gain. Finding nothing on record to show a failure of due diligence regarding the MPEDA and Q-Certificates, the IO held the charge alleging violation of Regulation 10(e) as "Not Proved".

13. SUMMARY OF THE FINDINGS:

The IO submitted that he had concluded the Inquiry and the summary of the findings is as under:

1.	Violation of Regulation 10(d) of CBLR, 2018	Not Proved
2.	Violation of Regulation 10(e) of CBLR, 2018	Not Proved

13.1 Under the provisions of Regulation 17(6) of the CBLR, 2018, a copy of the Inquiry Report dated 28.10.2025 and Disagreement Memo dated 18.12.2025 was shared with the CB and further, to uphold the Principle of Natural Justice, an opportunity of personal hearing was granted to the CB on 20.01.2026.

RECORDS OF PERSONAL HEARING: -

14. An opportunity of Personal Hearing was granted to the CB on 20.01.2026 at 12:30 PM, and the same was intimated vide the Disagreement Memo dated 18.12. 2025. Shri Prashant Kubal(Consultant), Shri Sanjay V. Gavande(Employee) and Shri Praveen S. Bagre have attended the personal hearing on the scheduled date. In response, the CB submitted a written reply dated 19.01.2026 and reiterated their defence. Accordingly, the written submission of the CB was taken on record.

WRITTEN SUBMISSION OF THE CB: -

15. The CB made a written submission dated 19.01.2026 during the PH, the main contentions and defence of which are summarised below:

15.1 Firstly, the CB submitted that the Inquiry Officer, after a thorough evaluation, rightly concluded the charges as "Not Proved" in the Inquiry Report dated 28.10.2025. They stated that the Disagreement Memo dated 18.12.2025 is devoid of merits, seeks to impose the exporter's burden upon the CB, and traverses beyond the scope of the SCN.

15.2 Further, the CB submitted that they filed two Shipping Bills (No. 6802839 dt. 17.12.2021 and 6858229 dt. 19.12.2021) for export of 'Live Blood Clam' on behalf of M/s. L.G. Enterprises. The CB submitted that they filed the documents based on the Invoice/Packing List, Airway Bill, MPEDA Certificate, and Quality of Health & Inspection Certificate (Q-Certificate) provided by the exporter. The goods were examined by the proper officer and Let Export Order (LEO) was granted without noticing any discrepancy.

15.3 The CB submitted that the Q-Certificates and MPEDA Certificates are issued by apex government bodies, specifically the Export Inspection Council of India and the Marine Products Export Development Authority. Therefore, the CB cannot doubt their authenticity. Further, the CB stated that there are no restrictions under the MPEDA Rules, 1972 or Export Inspection Agency rules mandating that the place of certification and the place of export must be the same.

15.4 The CB further stated that the SCN was issued without proper investigation. The investigating agency, SIIB (Export), ACC, Mumbai, neither communicated with the agencies in Kolkata who issued the Q-Certificate and MPEDA Certificate nor inquired with them regarding the authenticity of the certificates. Therefore, the allegations levelled are based merely on assumption and presumption.

15.5 The CB mentioned that it is pertinent to note their role is limited to the filing of documents as received from the exporter, and they cannot be expected to assume the role of an investigating agency to probe the exporter. They also highlighted that the full foreign remittance (FOB) has been realised in respect of both the Shipping Bills.

15.6 With respect to charge of violation of Regulation 10(d):

The CB submitted that they had no reason to suspect any violation, as all essential certificates required for the export were submitted and proper advice was given. The need to advise a client would arise only if the CB was aware of any intent to mis-declare by the exporter. Since there is no evidence that the CB was aware of the modus operandi or had any prior knowledge, the charge does not sustain. In this regard, they placed reliance upon

the cases of *Bajaj Enterprises v. Commissioner of Customs (General), Mumbai* and *M.D. Shipping Agency*.

15.7 With respect to the charge of violation of Regulation 10(e):

The CB submitted that they had not imparted any incorrect information to the exporter with regard to the clearance. The documents prepared by the CB were based on instructions and documents received from the client. Furnishing of wrong or incorrect information cannot be attributed to the CB if it was innocently filed in the belief that the client furnished verifiable documents. The CB relied on the decisions in *Kunal Travels (Cargo)* and *Dex Logistics P. Ltd.*, emphasizing that there was no mala-fide intention or abnormal pecuniary gain.

15.8 The CB submitted that the punishment should be commensurate and proportionate to the offence committed. Stating that revocation of the license would be too harsh, they requested that a lenient view be taken in the matter.

DISCUSSIONS AND FINDINGS: -

16. I have gone through the facts and records of the case; the offence report received in the form of Order-In-Original No. ADC/SS/118/2024-25/ADJ(X)/ACC dated 16.12.2024 issued by the Additional Commissioner of Customs ACC (Export), Mumbai; Show Cause Notice No. 15/2025-26 dated 01.07.2025 issued under Regulation 17(1) of the CBLR, 2018; Inquiry Report dated 28.10.2025; Disagreement Memo dated 18.12.2025, and the CB's written submission dated 19.01.2026. I find that the Customs Broker M/s. Macro Customs Consultants LLP was granted an opportunity for a Personal Hearing as elaborated in the foregoing paras, which they attended and subsequently made written submissions. I, therefore, proceed with the adjudication on the basis of available facts, the defense submissions, and evidences on record.

17. Briefly stating, the case involved an investigation into the illegal export of highly perishable marine products by M/s L.G. Enterprise through their Customs Broker, M/s Macro Customs Consultants LLP (CB License No. - 11/2302). The exporter M/s L.G.

Enterprise filed Shipping Bill Nos. 6802839 dated 17.12.2021 and 6858229 dated 19.12.2021 for the export of "Live Blood Clam". Upon investigation based on a complaint, it was determined that the exporter did not possess any approved processing facility or authorized legal tie-up in Mumbai, which is a mandatory requirement under the MPEDA guidelines. The exporter submitted Quality Certificates (Q-certificates) and MPEDA certificates issued at Kolkata for goods that were actually procured and packed locally in Mumbai. Furthermore, analysis of the transport gate passes revealed a logistically impossible movement of vehicles, indicating the creation of fake transportation bills. During statement recording, the partner of M/s Macro Customs Consultants LLP admitted they filed the documents received via email/hand but claimed they had no connection with the transporter or vehicle owner. However, the SCN alleges the CB failed to advise their client to comply with the Allied Acts regarding the glaring mismatch between the place of certification and the actual port of export, and failed to exercise due diligence to verify the correctness of the logistical information regarding the cargo. Consequently, the CB is charged with violating Regulations 10(d) and 10(e) of the CBLR, 2018.

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

18.1 Violation of Regulation 10(d) of the CBLR, 2018:

(a) I find that the charge of violation of Regulation 10(d) of the CBLR, 2018 has been levelled against the CB on the grounds that, from the statement of Shri Brijesh Pandey, Partner of Customs Broker M/s. Macro Customs Consultants LLP recorded under Section 108 of the Customs Act, 1962, it appeared that the Customs Broker M/s Macro Customs Consultants LLP did not ask for the mandatory processing facility or authorized tie-up in Mumbai as per MPEDA guidelines, which is required for the export of marine products. The exporter submitted Quality Certificates and MPEDA certificates issued at Kolkata, whereas the goods were exported from Mumbai, indicating a clear mismatch between the place of certification and the place of export. In the instant case, the CB appeared to have

failed to advise his client to comply with the above-mentioned rules and regulations framed under the provisions of the Customs Act, 1962 and Allied Acts. Moreover, the CB also failed to bring the matter of non-compliance to the notice of the Deputy/Assistant Commissioner of Customs and hence, it appeared that the CB failed to perform their obligation under regulation 10(d) of CBLR, 2018.

(b) I find that the Inquiry Officer, in this regard, has observed that, the defence submission of the CB stated that the exporter had already submitted the necessary MPEDA and Q-Certificates as per the laid down procedure. The CB further submitted that the CB had no reasons to advise the client as there were no specific policy restrictions laying down that the place of certification and the place of export should be the same. The IO found that the CB had filed the Shipping Bill Nos. 6802839 and 6858229 on 17.12.2021 and 19.12.2021 as per the documents submitted by the exporter. The IO observed that the necessary MPEDA and Q-Certificates as per the Law had been submitted along with the Shipping Bills and that proper officers had examined the goods and granted Let Export Order without raising any objections. Thus, it was apparent to the IO that proper advice was given by the CB to the exporter M/s. L.G. Enterprise.

The IO observed that Shri Brijesh Pandey, Partner of M/s. Macro Customs Consultants LLP in his statement recorded on 16.09.2022, under Section 108 of the Customs Act, 1962 stated that they had verified the classification and description of the goods and filed the same as per the exporter invoice. The IO found that the need to advise a client would arise only if the charged CB were aware of any intent to alleged mis-use of drawback scheme or export incentive scheme by the exporter. The IO also found from the records that the investigating agency had neither communicated with the agencies that had issued the Q-Certificate and MPEDA certificate nor inquired with them regarding their authenticity. The IO found that it was the responsibility of the investigating agency to verify the documents, which they failed to do. Thus, the IO found that there was no evidence that the CB failed to advise the exporter or brought any known non-compliance

to the notice of the Customs Authorities. Accordingly, the IO held the Article of Charge alleging violation of Regulation 10(d) of the CBLR, 2018 as Not Proved.

(c) The CB in this regard submitted that the exporter had submitted necessary MPEDA and Q-Certificates as per the laid down procedure and therefore, there was no question of advising the client to comply with further provisions as there are no restrictions under MPEDA Rules, 1972 that the place of certificate and place of export should be same. The CB submitted that the exporter possessed an approved processing facility, as the MPEDA certificate was issued by Kolkata authorities. The CB further submitted that they had no reasons to advise the client as they were not aware of any intent to misdeclare and therefore, the charge under regulation 10(d) of CBLR, 2018 does not sustain and merits to be withdrawn. The CB submitted that they placed reliance upon the case of Bajaj Enterprises Vs. Commissioner of Customs (General), Mumbai reported in 2017 (347) E.L.T. 675 (Tri. - Mumbai).

(d) Regulation 10(d) mandates that a Customs Broker shall advise his client to comply with the provisions of the Act and allied Acts, and in case of non-compliance, shall bring the matter to the notice of the Deputy/Assistant Commissioner of Customs. Having gone through the facts and records of the case, I find that the investigation revealed that the CB filed Shipping Bill Nos. 6802839 dated 17.12.2021 and 6858229 dated 19.12.2021 for export of "Live Blood Clam". This item is a highly perishable marine product requiring strict adherence to MPEDA guidelines and Export of Live Fish Rules to ensure health and safety standards. I find that the CB's partner admitted in his statement dated 16.09.2022 that they proceeded with the clearance based solely on the documents provided by the exporter via email. Consequently, they failed to advise the exporter, M/s. L.G. Enterprise, regarding the requirement of a mandatory approved processing facility in Mumbai and the glaring mismatch between the place of certification (Kolkata) and the actual port of export (Mumbai). I note the CB's defence presented at the inquiry stage that there is no explicit rule stating the place of certification and export must be the same. However, I disagree with the IO's findings. The obligation to advise compliance is a proactive duty that must be

performed prior to the clearance process. The CB's passive reliance on documents containing evident geographical and logistical contradictions does not absolve them of their statutory duty. Accordingly, I am of the firm opinion that the CB's actions were negligent in advising the exporter with respect to the necessary compliance requirements before filing a Shipping Bill for highly perishable marine products. Accordingly, I uphold the charge of violation of Regulation 10(d) of the CBLR, 2018.

18.2 Violation of Regulation 10(e) of the CBLR, 2018:

(a) I find that the charge of violation of Regulation 10(e) of the CBLR, 2018 has been levelled against the CB on the grounds that, from the findings of the investigation, it appeared that the Customs Broker M/s Macro Customs Consultants LLP proceeded with the clearance of goods based solely on the documents and vehicle details shared by the exporter, without independently verifying the authenticity or correctness of the information. It also appeared that the CB failed to notice the glaring mismatch between the place of Quality Certification and the actual port of export and thus, failed to exercise due diligence in respect of the said cargo to be cleared. Hence, it appeared that the CB failed to perform their obligation under Regulation 10(e) of CBLR, 2018.

(b) I find that the Inquiry Officer, in this regard, has observed that, as per the statement of Shri Brijesh Pandey, Partner of M/s. Macro Customs Consultants LLP, recorded on 16.09.2022, the CB had verified the classification as per the invoice and filed the Shipping Bills based on the documents provided. The IO found that the proper officers had examined the goods and granted Let Export Order without any objection regarding the place of certification. The IO further observed that it was the responsibility of the investigating agency to verify the authenticity of the MPEDA and Q-Certificates, and relying on judicial pronouncements, held that the CB is not an inspector to weigh the genuineness of the transaction. Thus, the IO found that there was no evidence to show the CB failed to exercise due diligence. Accordingly, the IO submitted that the CB acted in good faith while filing the Shipping Bills for the subject export consignments and accordingly, Article of Charge alleging violation of Regulation 10(e) of the CBLR, 2018 was Not Proved.

(c) The CB in this regard submitted that the exporter had submitted valid MPEDA and Q-Certificates issued by proper Government Authorities. Further, the CB stated that in their statement recorded under Section 108 of the Customs Act, 1962, they had stated that the exporter had submitted the necessary export documents on the basis of which they filed the Shipping Bills after due diligence. That being so there was no violation Regulation 10(e) of CBLR, 2018. The CB submitted that all the relevant documents were given by the exporter and after due verification of IEC address and classification the Shipping Bills were filed. Therefore, the CB stated that the charge under Regulation 10(e) does not survive and merits to be withdrawn.

(d) I have meticulously perused the Offence report, the IO's findings, and the available facts and evidences on record. On perusal of the same I observe that the IO has held this charge as not proved. I find that the CB argued during the Inquiry that they exercised due diligence by relying on the certificates issued by apex government bodies. I find this argument untenable. A Customs Broker is expected to be diligent in their filing process, peruse the documents submitted by the client and apply their mind so as to spot deficiencies and anomalies at the initial stage itself. The CB's failure to identify the contradiction of highly perishable "Live Blood Clam" being certified in Kolkata but exported from Mumbai, coupled with physically impossible vehicle transport timelines (vehicles repeating a 2000 km journey every 48 hours), demonstrates a lack of due diligence mandated under Regulation 10(e). By failing to verify the logistical feasibility of the cargo's movement and subsequently processing the clearance with suspect transport details, the CB failed to exercise the degree of diligence required during the clearance process. Consequently, I find that the IO has erred in holding the charge as not proved. In light of the facts on records and the associated findings, I disagree with the IO's findings and hold the CB guilty of violation of Regulation 10(e) of the CBLR, 2018.

19. I find that a Customs Broker occupies a very important position in the Custom House and is supposed to safeguard the interests of both the importers/exporters and the Customs Department. A lot of trust is kept in CB by the Government Agencies; however,

by their acts of omission and commission, the Customs Broker M/s. Macro Customs Consultants LLP (CB License No. 11/2302) has violated Regulations 10(d) and 10(e) of the CBLR, 2018. I find that for the violation of obligations provided under the CBLR, 2018 and for their acts of omission and commission, the Customs Broker M/s. Macro Customs Consultants LLP has rendered itself liable for penal action under the CBLR, 2018. Hence, while deciding the matter, I rely on the following caselaws:

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

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

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

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

20. As discussed above, I conclude that the CB M/s. Macro Customs Consultants LLP (CB License No. 11/2302) is guilty of violating Regulations 10(d) and 10(e) of the CBLR, 2018. In view of the detailed discussion and analysis above, it is established that the CB, M/s. Macro Customs Consultants LLP has failed to discharge the professional and statutory obligations mandated under the Customs Brokers Licensing Regulations, 2018. The evidence on record confirms that the Customs Broker did not advise the exporter regarding the mandatory processing facility compliance for "Live Blood Clam" prior to filing the Shipping Bills. Furthermore, by blindly relying on the client's emailed documents and failing to independently verify the glaring logistical impossibility of the transport details which were clearly manipulated, the Customs Broker failed to exercise the requisite due diligence. Though the Customs Broker attended the personal hearing, their submissions fail to justify their blatant disregard for the evident contradictions in the cargo's movement, compelling me to firmly disagree with the findings of the Inquiry Officer.

Further, the investigating agency found that the Customs Broker had handled only two shipments of "Live Blood Clam" for M/s. L.G. Enterprise till date. Thus, the irregular clearances in the instant case do not seem to be a systemic fraud engineered by the CB, but an error committed due to a severe lapse in judgement. Accordingly, I find no active connivance angle but an act of diminished diligence and negligence on the part of the CB during the clearance process. Further, I find that the Customs Broker's involvement was strictly limited to the processing of these two specific consignments without any evidence of abnormal pecuniary gain or direct financial benefit from the exporter's misdeeds. Considering the limited scope of the CB's association with the exporter, I find the extreme action of revocation of the Customs Broker's License unwarranted. Hence, under the factual matrix of the case and applying the principle of proportionate punishment I am not inclined to revoke the License and forfeit the security deposit of the CB, as the punishment of revocation of the license and forfeiture of the security deposit 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 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 caselaws:

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".

21. I find that the Inquiry Report against the SCN dated 01.07.2025 in the present case was received on 30.10.2025. The IO attributed the delay in submitting the Inquiry Report to the significant workload since he was allotted multiple sensitive charges involving time bound compliances. Further, upon receipt of the Inquiry Report, the Adjudicating Authority carefully examined the findings, leading to the issuance of a Disagreement Memo and the subsequent Personal Hearing. These necessary procedural and administrative steps to ensure the principles of natural justice delayed the Adjudication proceedings significantly. 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 (Born.), observed that:

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

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

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

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

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

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

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

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

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

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

22. Having gone through the facts of the case and evidences on record, it is noted that the role of the CB, though marked by negligence and lack of professional caution, appears to be one of omission and failure to adhere to prescribed standards rather than a thought after modus operandi to effect illegal exports. This distinction is of material importance while determining the proportionality of punishment under the licensing regulations. The objective of action under the CBLR is not punitive alone but also corrective and deterrent, aimed at ensuring that Customs Brokers adhere to the high standards of diligence and responsibility expected of them as licensed intermediaries. In the present case, the regulatory lapses established on record justify the imposition of a monetary penalty under Regulation 18 of the CBLR, 2018, so as to underscore the seriousness of the obligations violated and to deter recurrence of such lapses in future. However, having regard to the absence of proven abetment, the nature of the violations, and the fact that revocation of licence would have severe and disproportionate consequences on the livelihood of the CB and its employees, the extreme penalty of revocation or forfeiture of the security deposit is not warranted.

23. In view of the above judgements and the "Doctrine of Proportionality" which propagates the idea that a punishment for an offence should be proportional to the gravity of the offence, I am not inclined to revoke the license or forfeit the security deposit of the CB. However, for their acts of omission and commission, the Customs Broker M/s. Macro Customs Consultants LLP (CB License No. 11/2302) is held liable and guilty for violating

the provisions of the CBLR, 2018, as mentioned above. I hold that the CB has failed to discharge their duties cast upon them with respect to Regulations 10(d) & 10(e) of the CBLR, 2018 and the interest of justice would be met by imposition of a penalty under Regulation 18 of the CBLR, 2018. Accordingly, I pass the following order:

ORDER

24. I, 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 impose a penalty of Rs. 50,000/- (Rupees Fifty Thousand only) on the Customs Broker M/s. Macro Customs Consultants LLP (CB License No. 11/2302) under Regulation 18(1) of the CBLR, 2018.

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.


(Shraddha Joshi Sharma)
Commissioner of Customs (Gen.)
NCH, Mumbai-I

To,

M/s. Macro Customs Consultants LLP (CB License No. 11/2302)
Flat No. – B/1102, Kankia Rainforest,
Bhavani Nagar Road, Andheri (East),
Mumbai - 400059.

Copy to:

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

The purpose of this letter is to inform you that the CB has been...
discharge this matter and...
CB, 2018 and the...
regulation of the CB, 2018...

LETTER

1. I am writing to you regarding the...
under regulation 17 of the CB, 2018...

2. I have a number of...
Customer Data...
regulation 17 of the CB, 2018...

The data is...
participated in...
the data is...


(Signature of...)
Name: ...

17-10-2018
17-10-2018

- 1. The CB, 2018...
- 2. ACC...
- 3. ACC...
- 4. ACC...
- 5. ACC...
- 6. ACC...
- 7. ACC...