

**CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL,
MUMBAI**

REGIONAL BENCH - COURT NO. 5

Customs Appeal No. 87295 of 2025

(Arising out of Order-in-Original CAO No. 24/2025-26/CAC/PCC(G)/RC/Adj-CBS dated 05.06.2025 passed by Principal Commissioner of Customs (General), New Custom House, Mumbai.)

Shiv Kumar Gupta

.....Appellant

(CB License No. 11/700)

Flat No. 6, First Floor, Bagwe Bhavan

Jayprakash Road No.1,

Goregaon (East), Mumbai-400 063.

VERSUS

**Principal Commissioner of Customs (General),
Mumbai**

.....Respondent

New Custom House, Ballard Estate,
Mumbai-400 001.

APPEARANCE:

Shri Rudresh Kumar Tomar a/w Shri Gaurav Sarfare, Advocates for the Appellant

Shri L. B. D'Coasta, Authorized Representative for the Respondent

CORAM:

HON'BLE MR. AJAY SHARMA, MEMBER (JUDICIAL)

HON'BLE MR. M.M. PARTHIBAN, MEMBER (TECHNICAL)

FINAL ORDER NO. A/85768/2026

Date of hearing: 30.04.2026

Date of decision: 23.06.2026

PER : M.M. PARTHIBAN

This appeal has been filed by M/s Shiv Kumar (Ramachandra) Gupta, Mumbai (herein after, referred to as 'the appellant'), holders of Customs Broker License No. 11/700 assailing Order-in-Original CAO No. 24/2025-26/CAC/PCC(G)/RC/Adj-CBS dated 05.06.2025 (herein after, referred to as 'the impugned order') passed by the learned Principal Commissioner of Customs (General), New Custom House, Ballard Estate, Mumbai-I.

2.1. Briefly stated, the facts of the case are that the appellant herein is a Customs Broker (CB) holding a regular CB license issued by the Mumbai Customs under erstwhile Regulation 10 of Customs House Agents Licensing Regulations, 1984 (CHALR) and now Regulation 7(2) of Customs Brokers Licensing Regulations (CBLR), 2018.

2.2 During an investigation conducted by Directorate of Revenue Intelligence, Mumbai Zonal Unit (DRI MZU), on improper availment of export benefits by overvaluation of export goods on the basis of fake/ bogus export documents relating to export consignments of M/s Paras Industries, Mumbai; M/s Lorgan Lifestyle Limited, Pune, it was found that the appellant CB had handled such exports besides another 19 CBs. Further, enquiry was held with the Consulate General of India, Dubai, UAE on overvaluation of export goods. In a reply letter dated 08.03.2018, it was reported by the said Consulate General that from scrutiny of the documents provided by Federal Customs Authority, Dubai, it appeared that the goods have been cleared with unit values much lower than what was declared to customs authorities in India at the time of export. On the basis DRI, Mumbai had sent an offence report in the form of Show Cause Notice (SCN) No.28/ADC/ADJ(X)/2023-24 ACC dated 01.08.2024. Hence, the department had initiated investigation against such exports done by M/s Paras Industries, Mumbai. Accordingly, detailed investigation was conducted, and it was found that there were a number of export consignments cleared under 187 Shipping Bills (S/Bs) during the period 01.01.2012 to 31.12.2016 by the said exporter, in which they had availed total drawback benefits amounting to Rs.187 lakhs. Therefore, statements were recorded from the persons concerned with these exports namely Shri Pragnesh Suresh Jariwala, Director of M/s Paras Industries and Shri Shiv Kumar Gupta, Proprietor of the appellant CB. Scrutiny of the shipping bill details revealed that in respect of the exporter M/s Paras Industries, the appellant CB had cleared 36 S/Bs, however he had not done proper verification of KYC details; unable to produce authorisation letter given by the said exporter for acting as CB, declaration required to be given by merchant exporters in terms of Circular No.16/2009-Customs dated 25.05.2009, and other requisite documents relating to packing, storage of export consignments.

2.3 On the above basis, the jurisdictional Principal Commissioner of Customs (General), Mumbai-I had concluded that there is a prima facie case against the appellants for having contravened Regulations 10(d), 10(e) and 10(n) of CBLR, 2018. On the above basis, they had initiated show cause proceedings by issue of notice No. 46/2024-25 dated 10.10.2024 for initiating inquiry proceedings under Regulation 17 *ibid*, against violations of CBLR as above.

2.4 Upon completion of the inquiry, a report dated 24.01.2025 was submitted by the Inquiry Authority concluding that all charges framed against the appellants for violation of Regulations 10(d), 10(e) and 10(n) of CBLR, 2018 have been held as 'Proved'. The Principal Commissioner of Customs (General), Mumbai, as the licensing authority had conducted the adjudication of the case on each of the allegations of violations of the CBLR, 2018, by offering a personal hearing to the appellants and by taking into account the written and oral submission made by them on 25.03.2025. In impugned order dated 05.06.2025, learned Principal Commissioner of Customs (General) had revoked the CB License of the appellant, forfeited entire amount of security deposit, besides imposition of penalty on the appellants under Regulations 17(7), 14 and 18 *ibid*. Feeling aggrieved with the impugned order, the appellant has preferred this appeal before the Tribunal.

3.1 Learned Counsel for the appellants contends that all the allegations of violation of Regulations 10(d), 10(e) and 10(n) of CBLR, 2018 in their case have been countered by them. The main argument advanced by the Learned Advocate against the impugned order dated 25.03.2025, is that in respect of S/Bs filed during 2011-2016, the department had initiated action against the appellant after long delay of nearly 10 years, which have been held by Courts as not maintainable. He further stated that as per CBLR, 2018, any CB is required to maintain the records and accounts relating to imports/exports for a period of 5 years and therefore they were unable to produce relevant documents in respect of the above case involving exports of 10 years back transactions to prove their non-involvement in the alleged overvaluation.

3.2 Further, learned Counsel stated that the appellant CB did not have any prior knowledge about the fact that the exporter is going to mis-declare or overvalue the goods; they had filed the declaration for export for the S/B as per the documents received through the exporter. He further stated that for the acts of misdeeds done by the exporter, the appellants CB cannot be held liable. Thus, he claimed that the appellant did not contravene any of the Regulations *ibid*. Further, he stated that action for revocation of license taken after more than 10 years after the S/Bs have been filed during 2011-2016 and it is not legally sustainable in view of the various decisions taken by the Hon'ble High Courts of Bombay, Delhi.

3.3 In support of their stand, the learned Advocate had relied upon the following decisions of the Tribunal and the judgement of the Hon'ble High Court of Delhi, in the respective cases mentioned below:

(i) *Raghav International through Proprietor Vishal Bharat Bhushan Jain & Others Vs Union of India & Anr.* - 2023 (384) E.L.T. 653 (Guj.) upheld by Hon'ble Supreme Court - 2025 (391) E.L.T. 53 (S.C.)

(ii) *Phalak Logistics Private Limited Vs. Principal Commissioner of Customs (General). Mumbai* - 2025 (5) TMI 2017- CESTAT Mumbai

(iii) *Leo Cargo Services through its Director Sanjeev Maggu Vs. Commissioner of Customs, Airport and General, New Custom House, New Delhi* - 2022 (382) E.L.T. 30 (Del.)

3.4 In view of the above reasons, learned Advocate pleaded that the case of violation by the appellants for overvaluation of export goods for cancellation of their CB license is not sustainable.

4. Learned Authorised Representative (AR) reiterated the findings made by the Principal Commissioner of Customs (General) in the impugned order and submitted that all the violations under Regulation 10 *ibid*, has been examined in detail by the Principal Commissioner. Thus, learned AR had justified the action taken by the Principal Commissioner of Customs (General) in revocation of the appellant's CB license and for imposition of penalty, forfeiture of security deposit in the impugned order.

5. We have heard both sides and perused the case records.

6.1 The issue involved herein is to decide whether the appellant Customs Broker has fulfilled all his obligations as required under CBLR, 2018 or not. The specific sub-regulations which were alleged to have been violated by the appellants are Regulations 10(d), 10(e) and 10(n) of CBLR, 2018, and hence there are certain distinct charges framed against the appellants. We find that the Regulation 10 *ibid*, provides for the obligations that a Customs Broker is expected to fulfill during their transaction with Customs in connection with import and export of goods. These regulations are extracted and given below as follows:

"Regulation 10. Obligations of Customs Broker: -

A Customs Broker shall -

...

(d) advise his client to comply with the provisions of the Act and in case of non-compliance, shall bring the matter to the notice of the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be;

(e) 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;

...

(n) verify antecedent, correctness of Importer Exporter Code (IEC) number, identity of his client and functioning of his client at the declared address by using reliable, independent, authentic documents, data or information;"

6.2 We find that the Principal Commissioner of Customs had come to the conclusion that the appellants CB had violated the above stated sub-regulations (d), (e) and (n) of Regulation 10 *ibid* on the following grounds:

(i) the exporter had overvalued the goods using fake invoices supplied by Shri Suhel Ansari so as to claim undue export incentives. As the case was detected only by the investigation carried out by the DRI, MZU, and it was found by them that the CB had actively connived with exporters in claiming undue drawback the CB cannot shy away from the responsibilities cast upon them under the Regulation 10(d) of the CBLR, 2018.

(ii) the CB has an important role with respect to the filing of documents and clearance of the goods. However, in the instant case, he had acted in negligent way and blindly relied upon the documents provided by exporter.

(iii) the CB failed miserably to produce any evidence that they had obtained declaration in the prescribed format in respect of merchant exporters purchasing goods from traders as required under Circular No. 16/2009-Customs;

(iv) the appellant CB failed to produce authorisation letter from exporter, KYC documents about exporter client and requisite documents relating to packing, storage of export.

7. Firstly, on the facts of the case, we find that the appellants CB having filed various S/Bs in respect of the export undertaken by M/s Paras Industries, Mumbai, separate show cause proceedings was initiated by DRI for imposition of penalty on their role as customs broker for imposition of penalty under the Customs Act, 1962. Further, in adjudication of the SCN dated 01.08.2024 in the above proceedings,

which was considered as the offence report in the present case, separate penalty of Rs.5,00,000/- under Section 114(i) *ibid*; Rs.8,00,000/- under Section 114(iii) *ibid* and Rs.8,00,000/- under Section 114AA *ibid* was imposed on the appellant CB. Therefore, the impugned order imposing penalty on the appellant CB based on the findings of DRI, for their role as CB again as detailed in paragraphs 35 to 37 of the impugned order, are not proper and cannot stand legal scrutiny, and therefore on this ground alone it is liable to be set aside. Furthermore, the learned Advocate for the appellants had also produced requisite documents such as authority letter of the exporter M/s Paras Industries, Mumbai dated 04.10.2014 appointing the appellants as their customer broker for handling the export clearances; IEC issued by the DGFT; PAN: KYC form duly filled in with photograph of authorised signatory and their address; letter dated 23.04.2015 of the exporter addressed to the Deputy Commissioner of Customs, Air Cargo Complex, Mumbai submitting the Bank Realization Certificate (BRC), CA Certificate, Bank certificates etc. evidencing cancellation of Alert removed from the customs system by the Assistant Commissioner, Drawback in File No. S/8-Misc/DBK(XOS) after entering the BRC details up to 31.12.2024. Therefore, the allegation against the appellants for failure to failure to comply with declarations and bring any non-compliance to the notice of department; failure to exercise due diligence and for non-submission of KYC documents under Regulations 10(d), 10(e) and 10(n) *ibid* are contrary to the facts on record.

8.1 Further, in another proceedings that was initiated earlier under CBLR, 2018 in the case of exports done by M/s Vaishnavi Exports and Imports Co. & M/s Janman Lifestyles Private Limited, the learned Principal Commissioner of Customs vide Order-in-Original No.91/CAC/PCC(G)/SJ0CBS-Adj dated 02.04.2024, the CB license of the appellant had already been revoked and the entire security deposit have been forfeited along with imposition of penalty of Rs.50,000/-. In the appeal filed against the said order dated 02.04.2024, where there was delay in completing the adjudication proceedings in terms of Regulation 18 *ibid*, the Tribunal vide Final Order No.85927/2025 dated 13.05.2025 had observed as under:

"8. In addition to the circumstances of failure to suggest that delays were occasioned by dereliction on the part of the customs broker, there is no explanation whatsoever in the impugned order that delay was either from unavoidable circumstances or beyond human control. That is irresponsible discharge of responsibility fastened on the

licensing authority in the Regulations and certainly not in accordance with the leeway afforded by the decision of the Hon'ble High Court of Bombay in re Unison Clearing Pvt Ltd.

9. As a consequence of above facts, the timelines in the Customs Broker Licensing Regulations, 2018 being mandatory, the impugned order is liable to be set aside. Accordingly, the impugned order is set aside to allow the appeal."

8.2 Again in the present case, for the SCN issued on 10.10.2024, the inquiry report was submitted only on 24.01.2025, a delay of 16 days beyond the prescribed period 90 days from the date of issue of SCN; and further impugned order was passed on 05.06.2025, after delay of 42 days beyond the prescribed period 90 days from the receipt of Inquiry Report. Therefore, on the ground of delay in non-compliance with the procedure prescribed for conduct of regular inquiry under Regulation 17 *ibid* alone, the order of the licensing authority having been set aside for the same appellant CB in earlier case vide Final Order dated 13.05.2025, we are of the view that a different stand cannot be taken and therefore on the ground of delay also, the impugned order is liable to be set aside.

9.1 We find that the case of appellants CB in the present appeal arise from the same set of facts, as was dealt by the Co-ordinate Bench of the Tribunal in the case of *John K Mathew Vs. Principal Commissioner of Customs (General), Mumbai* - Customs Appeal No.87232 of 2023 decided vide Final Order No. 85750/2024 dated 05.08.2024. The issue of overvaluation of export goods based on the evidence of the report from Consulate General of India, Dubai etc., are exactly similar to the case already decided by this Tribunal in the above case. In the above referred order, the Tribunal has held that the appellants CB cannot be fastened with the act of omission and commission in relation to a provision in the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995 that intended empowering the Central Government to device a schedule of rates of drawback in view of engaging in computation of drawback on each incident of export. It was also held by this Tribunal, in that case, stating it clearly that the benefit, even if 'undue', derived by the exporter is not of such *gravitas* as to merit revocation of license to practice a profession and, more specifically, when the licensing authority itself appears to have discountenanced proper conjecture of the provision of law that supposedly made the impugned goods offending. Accordingly, the Tribunal had set aside the Order of the Principal Commissioner in suspending the appellant's CB license.

9.2 The relevant paragraphs in the said order are extracted and given below:

"6. We find that, insofar as the charges are concerned, the impugned order has put together unrelated facts and rendered findings that, consequently, are illogical and untenable. It is seen that the charge of not having advised the client to comply with Customs Act, 1962 and rules and regulations thereof is not founded on any allegation that advice sought had not been rendered and nor is there an allegation that 'customs broker' is expected to explain the entirety of the law to the client; either the allegation is vague or the obligation is vague with neither contingency furthering the case against the appellant. It is, probably, owing to this conceptual commotion that the licencing authority has proceeded to uphold the charge on the supposition that exporter could not have executed overvalued exports without collusion from the appellant. That bridging of supposition with breach of obligation is too far-fetched to accept. The easiest of misdeclaration to undertake is overvaluation of export goods for the requirement to repatriate export proceeds confers advantage of presumption of correctness of contracted value combined with incomparability of local prices; it would appear that unnecessary premium has been placed on the need of a fellow conspirator for such overvaluation to succeed. The conclusion in the impugned order has nothing to do with obligation and is also not founded on any fact on record. The charge of having breached regulation 10(d) of Customs Broker Licencing Regulations, 2018 has been inappropriately held to be proved.

7. Likewise, it is seen that allegation of breach of obligation to exercise due diligence in ascertainment of correctness of any information furnished to the client is not founded on any information sought for by the client and not from any accusation of the client that appellant had misinformed them. Instead we find a sweeping presumption that it was owing solely to having failed to ascertain correctness of information that client was emboldened to set out in this act of overvaluation. The licencing authority also appears to have misconstrued the nature of the obligation which is not about dissemination of incorrect information but of failure to ascertain correctness of information which must, necessarily, be built upon information given, either of own volition or on request of client, that was not only not incorrect but communicated without taking steps to ascertain correctness thereof. The notice, inquiry report and impugned order are markedly lacking in such determination. Even as saving grace, there is no factual narration of any information that led to alleged overvaluation. Thus it is that regulation 10(e) of Customs Broker Licencing Regulations, 2018 has been incorrectly held as proved.

8. The alleged breach of obligation to forbear from withholding information contained in any order, instruction or public notice from a client who is entitled to receive them has been established with the finding that details of local procurement said to be prescribed in circular no. 16/2009-Cus dated 25th May 2009 was in breach; however, this fact had not been set out in the notice issued to appellant. There is also no reference to the said circular in the report of the inquiry officer. It would, thus, appear that the inspiration which prompted the licencing authority to refer to this mandate was not tested by offering opportunity at any

stage to explain irrelevance of its contents to 'free shipping bills' filed for exports by the appellant or to explain that it had indeed been provided. This is tantamount to introduction of evidence after conclusion of all proceedings in which appellant had participated and is, this, untenable basis for upholding the charge of having breached regulation 10(f) of Customs Broker Licencing Regulations, 2018.

9. The allegation that the appellant had failed to maintain records and accounts has been upheld on the findings that appellant had not responded to summons and had failed to furnish details called for. The contention of appellant right from the beginning had been that no summons had even been issued to them in connection with investigation into the exports of M/s World Wide Export and, at no stage, did the inquiry officer or the licencing authority ever counter this response with any record to the contrary. Indeed, as we have noted supra, it is moot if the suspension would have been revoked in such circumstances. In any case, this obligation does not pertain to response to summons or join in investigations. Moreover, as the appellant has pointed out, the regulation is studiously silent on the period for which the records are required to be preserved and the claim of the appellant that records were trashed has not been countered with any instruction requiring preservation beyond reasonable period. Furthermore, we do not find reference to any stipulation by the officer designated for the purpose in the said regulation which should have been the foundation of this allegation and it was merely the inability of the exporter to furnish detailed records that has been attributed to flawed performance of obligation by the appellant. It would appear that the intent of the obligation has been incorrectly appreciated by the licencing authority; the allegation of having breached regulation 10(k) of Customs Broker Licencing Regulations, 2018 does not sustain.

10. It has been alleged that the appellant had failed to carry out mandated antecedent checks and verification of the client and the finding of it having been proved is founded on a statement of the exporter that such verification had not been carried out. It was incumbent on the investigation to have confronted the appellant with this accusation but no attempt was made so to do. It is also surprising that after such elapse of time, the exporter was able to recall lack of physical verification even as he was unable to recollect details of purchase channel. Not only does such selective remembrance lack verifiability but also relegates its acceptability to the periphery. In the context of limited benefits derived, and none at all in the consignments handled by the appellant, by the exporter and lack of any evidence of such negligence in the part of the appellant, we are unable to accept the conclusion of not having been diligent in antecedent verification. As we have already premised, it was much too late, and the stakes were much too little, for conducting any worthwhile investigation. To erect such a charge on such fragile foundations is sure recipe for it to fail to find favour. Thus, there is no basis for alleged contravention of regulation 10(n) of Customs Broker Licencing Regulations, 2018, as found in the impugned order, to be affirmed by us.

11. The charges of breach of regulation 10 of Customs Broker Licencing Regulations, 2018 do not sustain. There is no case that the goods had not been exported or evidence even that the impugned goods had not

been manufactured out of duty paid inputs. The drawback involved in all the exports during the said period by M/s World Wide Export is not of such high order as to warrant penalties and detriments that were heaped upon them in the impugned order and those handled by the appellant were not under any claim at all. In these circumstances, we find ourselves unable to uphold the impugned order which is set aside to allow the appeal."

9.3 Therefore, in the present appeal before us too, the findings of the learned Principal Commissioner in respect of charges against Regulations 10(d), 10(e) and 10(n) of CBLR, 2018 do not sustain, on the same analogy adopted by the Tribunal in the case referred above on similar exports.

10.1 We further find that Co-ordinate Bench of the Tribunal in the case of *Trinity International Forwarders Vs. Commissioner of Customs (Preventive), Jaipur* - (2024) 17 Centax 314 (Tri.-Del) have held customs broker has no locus standi in respect of transaction value of export goods, which is being negotiated by overseas buyer and Indian exporter. Therefore, it was held that the CB in that case is not violated the provisions of CBLR. The relevant paragraphs of the said order are extracted and given below:

"7. *We have considered the submissions by both sides on this issue. The case of the Revenue is that the exporter over- invoiced exports to claim ineligible drawback. Drawback is a mechanism of reimbursing to the exporter, the taxes and duties which would have been paid or borne by the exporter on the finished goods as well as on the raw materials. Instead of calculating these taxes and duties each case, based on the average incidence of the taxes and duties on each type of goods, a drawback schedule is notified by the Government which indicates the drawback for each type of goods usually as a percentage of the Free on Board² value. For some goods, the rate could be on per piece basis and on some goods, the duty could be as a percentage of FOB with a value cap and in such cases even if the FOB value is higher, drawback will be paid only on that amount. The appellant had filed the Shipping Bills as per the documents provided to it by the exporter. According to the Revenue, by filing Shipping Bills with over-invoiced export values, the appellant violated Regulation 11(d). To consider this assertion of the Revenue, we examine the significance of the value in the export documents and who can determine it and if the appellant had any right to determine the value of the goods being exported.*

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9. *The value of the imported goods in the Bill of Entry is determined as per Section 14 of the Act read with Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 . The value of export goods in the Shipping Bill is determined as per Section 14 read with Customs Valuation (Determination of Value of Export Goods) Rules, 2007. Section 14 states that for the purpose of Customs Tariff Act, 1975 (under which the rates of import and export duties are*

prescribed) or any other law for the time being in force, the value shall be the transaction value, i.e., the value actually paid or payable for import of the goods at the place of importation or export of the goods at the place of exportation subject to some conditions and Rules. In respect of imports, Rule 12 of the Import Valuation Rules authorizes the proper officer to reject the transaction value under certain circumstances and redetermine it based on the value of contemporaneous imports of identical goods (Rule 4), value of contemporaneous imports of similar goods (Rule 5), value arrived at through deductive method (Rule 7), etc. In cases of exports, the proper officer can, under certain circumstances, reject the transaction value under Rule 8 of the Export Valuation Rules and redetermine the value by comparison (Rule 4), through computation (Rule 5) or through a residual method (Rule 6).

10. It needs to be noted that when the officer rejects the transaction value and determines the value of the imported goods or export goods under the Rules, he re-determines the value to calculate duty under the Customs Act. He does not and he cannot change the transaction value (be it under FOB, CIF or C&F) which is the consideration paid or payable for the goods as between the importer and exporter. The officer is a stranger to the contract between the importer and exporter and has no locus standi to change the transaction value.

11. Thus, while the transaction value is decided between the exporter and importer, value for determining the duty under the Customs Act is a part of assessment. The power to assess including determining the value lies with the importer/exporter (self-assessment) or with the proper officer (re-assessment). The Customs Broker has neither any authority nor any responsibility to assess the value of the imported goods or export goods.

12. In all the Shipping Bills, exports were allowed by the Customs in the normal course. It is only the subsequent intelligence and investigations by the DRI which revealed the alleged over valuation of exports. The Customs Broker is neither authorized under the Act nor is obligated under the CBLR to re-determine the value of any goods. Transaction value (be it FOB, CIF or C&F) is a matter of negotiation between the overseas buyer and the Indian exporter. It is the consideration which is paid or payable to the Indian exporter by the overseas buyer. The Customs Broker is a stranger to this contract and has no locus standi with respect to the transaction value. Any value determined under the Customs Act is a part of assessment which is the prerogative of the importer/exporter (self-assessment) or the proper officer (re-assessment). The Customs Broker has neither any authority nor any power to determine or re-determine the value for customs purposes either. The Customs Broker also has no authority to inspect or examine the goods and so the possibility of the Customs Broker suspecting that the goods may have been over valued also does not arise."

10.2 We also find that the Hon'ble High Court of Delhi has held in the case of *Kunal Travels (Cargo) Vs. Principal Commissioner of Customs (I&G), IGI Airport, New Delhi* reported in 2017 (354) E.L.T. 447 (Del.),

have held that the appellants CB is not an officer of Customs who would have an expertise to identify mis-declaration of goods. The relevant portion of the said judgement is extracted below:

"The CHA is not an inspector to weigh the genuineness of the transaction. It is a processing agent of documents with respect to clearance of goods through customs house and in that process only such authorized personnel of the CHA can enter the customs house area..... It would be far too onerous to expect the CHA to inquire into and verify the genuineness of the IE Code given to it by a client for each import/export transaction. When such code is mentioned, there is a presumption that an appropriate background check in this regard i.e. KYC etc. would have been done by the customs authorities."

10.3 From the above, we also find that the above orders of the Tribunal and higher judicial forum are in support of our considered views in this case.

11. In view of the foregoing discussions, we do not find any merits in the impugned order 05.06.2025 passed by the learned Principal Commissioner of Customs (General), Mumbai in revocation of the CB license of the appellants; for forfeiture of security deposit and for imposition of penalty, inasmuch as there is no violation of regulations 10(d), 10(e) and 10(n) of CBLR, 2018, and the findings in the impugned order is contrary to the facts on record.

12. Therefore, by setting aside the impugned order, we allow the appeal in favour of the appellant.

(Order pronounced in the open court on 23.06.2026)

(AJAY SHARMA)
MEMBER (JUDICIAL)

(M.M. PARTHIBAN)
MEMBER (TECHNICAL)

Sinha