IN THE CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL, CHENNAI

Customs Appeal No. 42216 of 2016

(Arising out of Order in Original No. 48550/2016 dated 22.7.2016 passed by the Commissioner of Customs, Chennai – VI, Chennai)

Commissioner of Customs **Appellant**
Chennai VIII Commissionerate
Customs House, 60, Rajaji Salai,
Chennai – 600 001.

Vs.

A.W. Travel & Logistics Services Ltd. **Respondent**
No. 96, Thambu Chetty Street
II Floor, Chennai.

APPEARANCE:

Shri Sanjay Kakkar, Authorized Representative for the Appellant
None for the Respondent

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Hon'ble Shri P. Dinesha, Member (Judicial)
Hon'ble Shri M. Ajit Kumar, Member (Technical)

FINAL ORDER NO. 40940/2026

Date of Hearing: 09.03.2026
Date of Decision: 20.08.2026

Per M. Ajit Kumar,

This appeal is filed by the department against Order in Original No. 48550/2016 dated 22.7.2016 passed by the Commissioner of Customs, Chennai – VI, Chennai for revocation of the license granted to the respondent.

2. The case arose from an investigation by the DRI, Chennai Zonal Unit, into the import of PVC flex banners of Chinese origin through Malaysia. It was found that the respondent, a licensed Customs Broker holding Licence No. R-235/CHA, had facilitated the clearance of such goods through Chennai Seaport for various importers, including M/s.

Krishna Tarpaulin Industries Pvt. Ltd. and others. During a search of the respondent's premises, documents relating to these clearances were seized under mahazar dated 03.07.2013. On completion of investigation, it was alleged that the respondent had not obtained authorisations from the actual IEC holders and had thereby facilitated the misuse of IECs by unauthorised persons, in violation of the obligations under the CBLR, 2013. After adjudication, the Commissioner upheld the charges under Regulations 11(d), 11(n), 17(9) and 8(1) of the CBLR, 2013 and imposed a penalty of Rs 50,000/- on the respondent. The present appeal by the Department seeks remand of the matter for revocation of the Customs Broker licence**.**

3. The Ld. Authorized Representative Shri Sanjay Kakkar appeared for the appellant-department and none appeared for the respondent.

Submissions made by the Appellant-Revenue

3.1 Shri Sanjay Kakkar Ld. Authorized Representative, submitted on behalf of revenue, that the Respondent was not aware about the actual IEC holder; Did not obtain the authorization letter purportedly signed by the IEC holder, nor had it verified; Facilitated persons other than the IEC holder to clear the goods using the IEC's. Interacted with persons who was not the IEC holder. They further neither furnished any submissions against the inquiry report nor availed the opportunity of personal hearing. This shows that they accepted the offence and do not have any evidence to prove otherwise. In such a circumstance imposing a penalty of Rs. 50,000/- on the respondent is not commensurate with the offence committed. Hence, he prayed that the matter may be remanded for the revocation of the Customs Broker licence and forfeiture of security deposit.

3.2 No one appeared for the respondent despite ample opportunities given. We hence proceed to decide the appeal.

Analysis and Findings

4. We have carefully considered the grounds of appeal and the submissions on record. **The proceedings under the CBLR are disciplinary in character and are intended to ensure compliance with the statutory obligations governing Customs Brokers.** The Original Authority, having examined the material on record, is competent to assess the evidence and determine the appropriate consequence of any established breach. Unless such exercise of discretion is shown to be arbitrary, perverse or contrary to law, the appellate forum would not substitute its own view merely because another view is possible.

5. The Hon'ble Supreme Court in **Shri Parma Nanda Vs State of Haryana** [1989 (2) SCC 177] has held that interference in disciplinary matters is confined to the well-recognised limits of judicial review and is not appellate in nature. It was observed that the Tribunal cannot interfere with the findings of the Inquiry Officer or the competent authority unless such findings are arbitrary or utterly perverse. Similarly, in **State Bank of India Vs Samarendra Kishore Endow** [1994 (1) SLR 516], the Hon'ble Supreme Court reiterated that the choice of punishment falls within the discretion of the disciplinary authority and that the reviewing forum is not expected to reappraise the merits as an appellate authority. The principle of restraint in interfering with administrative decisions has also been reiterated in **Caretel Infotech Ltd. Vs Hindustan Petroleum Corpn. Ltd.** [(2019) 14 SCC 81].

5. In the present case, the Commissioner has considered the material available on record, upheld the charges under the relevant provisions of the CBLR, 2013 and imposed a penalty of ₹50,000/-. The Department seeks, in appeal, a remand for revocation of the Customs Broker's licence. **However, revocation is a serious consequence and cannot be regarded as an automatic or inevitable consequence of every infraction of the Regulations. The statutory scheme contemplates an appropriate exercise of discretion having regard to the nature and gravity of the established misconduct and the circumstances of the case. Thus, once the Original Authority, who is a person of sufficient seniority and experience, has considered the material on record and has exercised discretion in a reasoned manner within the statutory scheme, such findings deserve due deference.**

6. We also bear in mind that the consequence of revocation of a Customs Broker's licence is severe, as it directly affects the continuation of the business and livelihood of the licensee and its employees. The exercise of disciplinary jurisdiction must, therefore, remain proportionate to the established breach. Further, as held by the Hon'ble Supreme Court in **State of Kerala Vs M.K. Mathew** [(1978) 42 STC 348 / AIR 1978 SC 1571], suspicion, however strong, cannot take the place of legal proof.

7. In the facts and circumstances of the present case, we find no material to hold that the discretion exercised by the Commissioner in imposing the penalty, rather than directing the revocation of the licence, is arbitrary, perverse or contrary to the statutory scheme. The Department has not made out sufficient grounds warranting interference with the impugned order or for remanding the matter for the purpose of revocation of the licence.

Conclusion

8. The impugned order is, therefore, sustained and the appeal filed by Revenue is rejected**.** The appeal stands disposed of accordingly.

(Order pronounced in open court on 20.08.2026)

(**M. AJIT KUMAR**)
Member (Technical)

(**P. DINESHA**)
Member (Judicial)

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