CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
New Delhi
E-hearing
PRINCIPAL BENCH – COURT NO.1

Customs Appeal No. 50080 of 2020

[Arising out of Order-in-Original No. 106/MK/POLICY/2019 dated 17.10.2019passed by the Commissioner of Customs (Airport & General), New Delhi]

Pramod Logistics Services **: Appellant**
B-136A, 1st Floor, Jawahar Park
Khanpur, New Delhi-110062

Vs

Commissioner of Customs, **: Respondent**
Airport & General, New Delhi
NCH, IGI Airport, New Delhi

WITH
Customs Appeal No. 50798 of 2025

[Arising out of Order-in-Original No. 47/ZR/POLICY/2024 dated 27.06.2024 passed by the Commissioner of Customs (Airport & General), New Delhi]

Pramod Logistics Services **: Appellant**
1st Floor, Jawahar Park
Khanpur, New Delhi-110062

Vs

Commissioner of Customs, **: Respondent**
Airport & General, New Delhi
NCH, IGI Airport, New Delhi

APPEARANCE:
Mr. Mohd Faraz Anees and Mr. Ajay Kumar, Advocates for the appellant
Mr. M.K. Shukla, Authorised Representative for the Department

CORAM :
HON'BLE DR. RACHNA GUPTA, OFFICIATING PRESIDENT
HON'BLE MS. HEMAMBIKA R. PRIYA, MEMBER (TECHNICAL)

FINAL ORDER No. 51397-51398/2026

C/50080/2020
C/50798/2025

Date of Hearing:09.07.2026

Date of Decision:25.08.2026

HEMAMBIKA R. PRIYA

The present appeals have been filed by M/s Pramod Logistics Services[1] against Order-in-Original No. 106/MK/POLICY/2019 dated 17.10.2019 and Order-in-Original No. 47/ZR/POLICY/2024 dated 27.06.2024 passed by Commissioners of Customs, New Delhi. The present proceedings emanate from Premises Based Audit[2]conducted by the Audit Commissionerate, which was undertaken to verify compliance with the provisions of the Customs Brokers Licensing Regulations, 2018[3] by the appellant Customs Broker.

2. The brief facts of the case are that during the physical verification of the appellant's premises on 27.11.2018, it was found that the declared premises at B-176, Jawahar Park, Khanpur, New Delhi was not occupied by the Customs Broker. The premises was occupied by a third party, who stated that no office of the Customs Broker existed at that address. The Department formed an opinion that this itself established non-existence of the declared office. The said audit further revealed that the Customs Broker had cleared Bills of Entry across multiple ports, including ICD-TKD Loni, Dadri

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1 The appellant
2 PBA
3 CBLR, 2018

Piyala, Palwal, Garhi Harşu, NCH and others, without obtaining mandatory permissions or intimation as required under CBLR, 2018. Irregularities with respect to forged signatures, use of unauthorised persons, sub-letting of licence, concealment of income, payment of customs duty on behalf of importers, and suppression of issuance of DRI Show Cause Notices, were also noticed. It was also alleged that the Customs Broker had falsely claimed physical verification of clients, whereas records showed that he had dealt only with mediators, not the actual importers/exporters. Two DRI Show Cause Notices issued in 2017-18 were also deliberately concealed from the audit authorities. Income declared to Income Tax and Service Tax authorities was grossly disproportionate to the volume of business. The second appeal is filed against the Order-in-original dated 27.06.2024 wherein the appellant was held responsible in the excess availment of RoSL by two exporters viz., M/s Baba Exports and M/s Krystafab Enterprises. Hence, action under CBLR, 2018 was initiated. Vide the impugned orders, the Customs Broker Licence was revoked, security deposit forfeited and penalty of Rs. 50,000/- each was imposed.

3. Learned counsel for the appellant submitted that it was incorrect to suggest that the appellant had never intimated the change of address and as per Regulation 10(0) of CBLR, 2018, the Customs Broker was required to "inform any change of postal

address" to the Deputy Commissioner of Customs. Learned counsel submitted that earlier, the change in address from B-176, Jawahar Park, Khanpur, New Delhi 110062 to B-136a, 1st Floor Jawahar Park, Khanpur, Delhi was intimated to the Policy Section vide letter dated 19.12.2017. This change was not updated by the Department. Thereafter, when the office address was changed to 216-B 2nd Floor, CONCOR Building, this was also intimated to the Department. He contended that this was the reason ICEGATE website showed their current address. The learned counsel further submitted that the appellant had declared this address in all communication, challans and authorizations, therefore, it cannot be said that there was any intention to hide the address.He contended that this was a minor technical lapse for which revocation of licence was a harsh punishment.

3.1 Learned counsel further stated that there were contradictory observations which indicated non –application of mind by the adjudicating authority. Learned counsel stated that the Noida Commissionerate had not initiated any proceedings against the appellant. Learned counsel also stated that initially the Department had alleged that the appellant was operating in many ports without permission. The impugned order had held that the appellant had operated only in ICD Loni without permission. Hence, in the absence of mens rea or any malafide intention, the punishment of revocation of CB License was too harsh.

3.2 Learned counsel further submitted that the appellant was being targeted for filing a complaint with police and vigilance Department. He further contended that the Audit had referred to Mahesh Kaushik's letter dated 08.10.2018 whereby he had informed the policy section that he had been asked to resign and his salaries were due from the appellant. Learned counsel stated that instead of recording his statement under Section 108 of the Customs Act, he was allegedly invited informally and his observations were taken into consideration. As regards the signatures maintained by Policy Section not matching with signatures on Bills of Entry, learned counsel submitted that the policy section had not maintained a upto date list of employees of Appellant's G card holders. He stated that as per Show Cause Notice and Inquiry Report, the Customs Broker had submitted list of his employees where Shri Anil Pandey was shown as G card holder whereas as per list of the policy section, Anil Pandey was not on the list. However, this allegation had been set aside in the impugned order, which established that the Policy Section was not maintaining an upto date list of appellant's employees. Therefore, the allegation that specimen signatures do not match and tantamounts to forgery, is an assumption particularly when it is not disclosed whose signatures were there on the Bills of Entry. Moreover, as per SOP, Bills of Entry are filed online, and signatures

on hard copies are done before customs officers, who could have verified whether the person signing was authorized or not.

3.3 Learned counsel further submitted that the appellant's documents were taken away by the Audit team in an illegal raid, against which complaints were filed. It was a matter of record that appellant had appeared before Audit officers on several dates and provided all the documents as listed under para 10 of impugned order. Learned counsel submitted that the appellant had brought to notice the Final Order No. C/A/53688/2017 dated 29/05/2017 to the Audit Officers. As regards the DRI Show cause notices, learned counsel stated that it has been consistently held by the appellant that the notices were not served on him. The appellant was unable to provide the documents as number of documents were taken away by the Audit team. Merely as the appellant was unable to provide all the documents, the Customs Broker license cannot be revoked.

3.4 Learned counsel further submitted that the allegation of sub-letting license and violation of Regulation 13(3) and 13(4) had been set aside by the impugned order. Therefore, despite reduction in the charges, the punishment had not been reduced. Learned counsel stated that this was not a case of smuggling or evasion of duty, and was of technical lapses for which the Customs Broker License was under suspension since 13.02.2019. Such a long time of revocation, the punishment was sufficient enough. In support of

his submissions, learned counsel relied on the case of **Kunal Travels (Cargo)** versus **Commissioner of Customs (I&G), IGI Airport, New Delhi[4].**

4. Learned Authorized Representative for the Department submitted that the audit had established that the Customs Broker was operating from unauthorised premises, including 216-B, CONCOR Building, Tughlakabad, which was reflected in challans, authorisations and even public domain records. No permission or valid intimation for use of these premises was ever granted by the department. The alleged letters claimed to have been sent by the Customs Broker did not cover these addresses. This clearly amounted to unauthorised operation and concealment of place of business, which was in direct violation of Regulation 10(0).

4.1 Learned Authorized Representative submitted that the Customs Broker was authorised to operate only at ICD Dadri. However, EDW data and records furnished by the Customs Broker himself had established clearance of consignments from numerous other ports without filing Form-C or obtaining approval. Such unauthorised pan-India operation had rendered the statutory control mechanism redundant and was a serious breach of licensing discipline. He further submitted that several Bills of Entry were examined where signatures did not match with any authorised F-Card or G-Card holders. Shri Mahesh Kaushik (G-Card holder)

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4 2017 (354) ELT 447 (DEL)

categorically denied signing Bills of Entry purportedly bearing his signatures and stated that he never handled import clearances for the Customs Broker. The Bills of Entry were found to have been signed by G-Card No. 190/2009, which belonged to another Customs Broker altogether conclusively establishing forgery of signatures and use of unauthorised persons, a misconduct of the highest order under the licensing regime.

4.2 Learned Authorized Representative further contended that on several dates, multiple Bills of Entry were cleared from five to eight different ports on the same day, which was impossible for a single Customs Broker, and demonstrated that the Customs Broker licence was sub-let, allowing unknown persons to misuse the licence for clearance of goods.Sub-letting strikes at the root of Customs control and had consistently been held as sufficient ground for licence revocation. He further contended that despite repeated requisitions, the Customs Broker had failed to provide statutory records such as Form-D, Form-E, complete ST-3 returns, authorisations, ledger accounts, freight payments, advocate payments and expenditure details.Such deliberate non-production amounts to concealment of records, non-cooperation, and obstruction of statutory audit.

4.3 Learned Authorized Representative further submitted that the Customs Broker had falsely claimed physical verification of clients, whereas the records indicated that he had dealt only with

mediators, and not the actual importers/exporters. Two DRI Show Cause Notices issued in 2017-18 were also deliberately concealed from the audit authorities. The income declared to Income Tax and Service Tax Authorities was grossly disproportionate to the volume of business handled, establishing mis-declaration and suppression. He further submitted that the Customs Broker occupies a position of trust under the Customs Act. The appellant's actions show a systemic abuse of that trust. Forgery, unauthorised clearances, sub-letting of licence, and suppression of facts are not procedural lapses but fundamental violations. The Commissioner had rightly exercised the powers under Regulation 14 and 17 of CBLR, 2018 to revoke the licence, forfeit the security deposit and impose penalty, after following due process and granting opportunity of hearing.

5. We have heard the learned counsel for the appellants and the learned AR for the Department. The core issue before us is whether the revocation of the customs broker license was a harsh punishment for the various violations registered under CBLR, 2018.

6. In order to appreciate the arguments of both the Ld Counsel and the Ld AR, we would need to take note of the relevant provisions of the CBLR, 2018.

> "7. Grant of License.— (1) The applicant who has passed the written as well as oral examination shall make a payment of a fee of five thousand rupees within two months of the declaration of the results of the oral examination and inform the payment particulars to the Principal Commissioner or Commissioner of

Customs referred to in sub-regulation (2) of regulation 4 and the said Principal Commissioner or Commissioner shall, on verification of the payment particulars grant license to the applicant within one month of the payment of the said fee:

Provided that where the successful applicant fails to make the payment of the said fee within the stipulated period, the right to be granted a license to an applicant shall be forfeited.

(2) The applicant who has paid the fee referred to in sub-regulation (1) shall be granted a license by the Principal Commissioner or Commissioner of Customs, as below:—

(a) An individual shall be granted the license in Form B1 if that individual has passed the examination referred to in regulation 6. (b) A customs broker's license may be granted to any company, firm or association in Form B2 if at least one director, partner, or an authorised employee, as the case may be, has passed the examination referred to in regulation 6:

Provided that at any given time such director, partner or an authorised employee shall not engage himself for transacting business under these regulations on behalf of more than one such firm or company:

Provided further that where a company or a firm which has been granted a license under this regulation undergoes any change in the directors, or managing director or partner, such change shall forthwith be communicated by such licensee to the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, within one month of such change:

Provided also that where a company or a firm which has been granted a license under this regulation undergoes any change whereby there is a change in the PAN, the licensee shall apply for a fresh license to the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, within sixty days of such change.

(3) The applicant who has been granted license under sub-regulation (2) shall be eligible to work as Customs Broker in all Customs Stations subject to intimation in Form C to the Principal Commissioner or Commissioner of Customs of the Customs Station where he intends to transact business and a copy of this intimation shall also be sent to the Principal Commissioner or Commissioner of Customs who has issued the license in Form B1 or Form B2, as the case may be.

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10. Obligations of Customs Broker.— A Customs Broker shall —

(a) obtain an authorisation from each of the companies, firms or individuals by whom he is for the time being employed as a Customs Broker and produce such authorisation whenever required by the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be;

(b) transact business in the Customs Station either personally or through an authorised employee duly approved by the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be;

(c) not represent a client in any matter to which the Customs Broker, as a former employee of the Central Board of Indirect taxes and Customs gave personal consideration, or as to the facts of which he gained knowledge, while in Government service;

(d) 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;

(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;

(f) not withhold information contained in any order, instruction or public notice relating to clearance of cargo or baggage issued by the Customs authorities, as the case may be, from a client who is entitled to such information;

(g) promptly pay over to the Government, when due, sums received for payment of any duty, tax or other debt or obligations owing to the Government and promptly account to his client for funds received for him from the Government or received from him in excess of Governmental or other charges payable in respect of cargo or baggage on behalf of the client;

(h) not procure or attempt to procure directly or indirectly, information from the Government records or other Government sources of any kind to which access is not granted by the proper officer;

(i) not attempt to influence the conduct of any official of the Customs Station in any matter pending before such official or his subordinates by the use of threat, false accusation, duress or the offer of any special inducement or promise of advantage or by the bestowing of any gift or favour or other thing of value;

(j) not refuse access to, conceal, remove or destroy the whole or any part of any book, paper or other record, relating to his transactions as a Customs Broker which is sought or may be sought by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be;

(k) maintain up to date records such as bill of entry, shipping bill, transhipment application, etc., all correspondence, other papers relating to his business as Customs Broker and accounts including financial transactions in an orderly and itemised manner as may be specified by the Principal Commissioner of Customs or

Commissioner of Customs or the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be;

(l) immediately report the loss of license granted to him to the Principal Commissioner of Customs or Commissioner of Customs, as the case may be;

(m) discharge his duties as a Customs Broker with utmost speed and efficiency and without any delay;

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

(o) inform any change of postal address, telephone number, e-mail etc. to the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, of all Customs Stations including the concerned Deputy Commissioner or Assistant Commissioner of the Commissionerate who has granted the license immediately within two days;

(p) maintain all records and accounts that are required to be maintained under these regulations and preserve for at least five years and all such records and accounts shall be made available at any time for the inspection of officers authorised for this purpose; and

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

13. Engagement or employment of persons.— (1) A person who has qualified the examination referred to in regulation 6 may engage himself in the work relating to the clearance of goods

through customs on behalf of a firm or a company licensed under these regulations.

(2) A Customs broker who has been issued a license under sub-regulation (2) of regulation 7 shall be issued a photo-identity card in Form F by the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be:

Provided that in the case of the license issued under clause (b) of sub-regulation (2) of regulation 7, the photo-identity card in Form F shall be issued to the person or persons who has actually passed the examination referred to in regulation 6.

(3) A Customs Broker may, having regard to the volume of business transacted by him, employ any number of persons other than an F card holder to assist him after verifying their antecedents and identity at the declared address by using reliable, independent, authentic documents, data or information:

Provided that such an employed person shall possess the Aadhaar number issued to him and that the minimum educational qualification of such persons so employed shall be 10+2, or equivalent.

(4) Employment of a person referred to in sub-regulation (3) shall be made only after obtaining the approval of the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, who shall in granting approval, take into consideration the antecedents and any other information pertaining to the character of such person.

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(7) A Customs Broker shall authorise only such employee who has been issued a photo identity card in Form F or Form G as the case may be to sign the declaration on the bills of entry, shipping bills, annexure thereof or any other document generated in connection

with the proceedings under the Act or the rules or regulations made thereunder.

(8) Where the Customs Broker has authorised any person employed by him in accordance with sub-regulation (7) to sign documents relating to his business on his behalf, he shall file with the Deputy Commissioner of Customs or Assistant Commissioner of Customs of each Customs Station, as the case may be, a written authority in this behalf and give prompt notice in writing if such authorisation is modified or withdrawn.

(9) The Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, shall issue a photo-identity card to every person employed by a Customs Broker in Form H in case he has not passed the examination referred to in sub-regulation (4) for a period of five years: Provided that the minimum educational qualification of such a person shall be 10+2. (10) Any person who has been issued a photo identity card under this regulation shall, at all times when he transacts the work at the Customs Station, carry photo identity card with him and produce it for inspection on demand by any officer of the Customs Station. (11) Any change in the persons issued a F card or G card or H card and actually engaged in the work in the Customs Station on behalf of a licensee firm or company shall be communicated forthwith by the firm or the company, as the case may be, to the Deputy Commissioner of Customs or Assistant Commissioner of Customs, and no new person other than 'F', 'G' or 'H' card holders, shall be allowed to work in the Customs Station as a duly authorised employee on behalf of that firm or company.

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(12) The Customs Broker shall exercise such supervision as may be necessary to ensure proper conduct of his employees in the transaction of business and he shall be held responsible for all

acts or omissions of his employees during their employment……."

6.1 A perusal of the Regulation 10(o) clearly reveals that non-intimation of change of address by a Customs Broker under the CBLR is a regulatory contravention attracting penal consequences. The said obligation is clear, specific and time-bound. It has been submitted by the Ld Counsel that the ICEGATE portal reflected the changed address and it has also been submitted that all communications, challans etc reflected their address. It is not denied that the change of address was not intimated and there is a violation of the regulatory compliance. Non-intimation of a change of address by a customs broker under the Customs Brokers Licensing Regulations, 2018 (CBLR) is not an "offence" under the Customs Act, but it is a regulatory contravention attracting penal action. In this context, we note that there is penal regime laid down in Regulation 18 which allows the Principal Commissioner or Commissioner to impose a penalty not exceeding Rs. 50,000/- on a CB who contravenes any provisions of the Regulations. In the instant case, we note that a penalty of Rs. 50, 000/- has already been levied on the appellant, which satisfies this requirement.

6.2 The impugned order has held that the appellant had violated Rule 7(3) by not seeking permission for operating in ICD Loni from the jurisdictional Customs authority. We note that initially the notice had alleged that the appellant had operated from different ICDs but the

violation is upheld only in respect of ICD Loni. In this context, we note that a violation of Regulation 7(3) in practice does not mean breach of primary duty viz., the obligations cast on the CB under Regulation 10 of CBLR 2018. The impugned order has also noted as follows:

> *"26 II. I observe that ICD Loni, Piyala, Palwal, Air cargo, import, export, NCT, Patli, Garhi Harsu are the customs ports falling under the jurisdiction of the Delhi custom zone and the license of CB was issued by the Commissioner of Customs,(Import and General) New Delhi, therefore I find that the CB is not required to obtain permission under Regulation 7(3) of CBLR 2018 from the license issuing Authority. Similarly, ICD Dadri and ICD Loni fall under the jurisdiction of Noida customs Commissionerate, but the CB has obtained permission under Regulation 7(3) of CBLR 2018 to operate in ICD Dadri only. Even CB has not sought permission from the Noida customs commissionerate to operate in ICD Loni, which CB should have obtained before starting its operation in ICD Loni. Therefore, I hold that the CB has violated the provisions of regulation seven bracket three of CBLR 2018 as CB has not obtained permission to operate in ICD Loni.*

6.2.1 We find that failing to seek permission under Regulation 7(3) cannot be equated with violation of Regulation 10 and a failure in due diligence cannot justify a harsh punishment under these regulations. Consequently, we hold that this act can be regarded as compliance failure attracting penalty.

6.3 One of the allegations against the CB is that unauthorised signatures were used to clear the goods. It has been alleged that one

of the Bills of Entry no. 4403622 dated 14/12/2017 cleared at ICD, Tkd was claimed to have been signed by Mahesh Kaushik, which has been denied by him. Further, the said signature on the B/E did not tally with the specimen signature available with the Policy section. Similarly, another B/E no. 7921075 dated 05/09/2018 was signed by G Card holder Sh Ganesh Pal who was working with M/s RKV Logistics (P) Ltd. Similar allegations have been made in respect of other Bills of Entry. In this context, we note that Regulation 13 requires the CB to employ only persons after obtaining approval of the concerned Deputy Commissioner. In the instant case, it is on record that the documents filed by the CB contained signatures of people whose signatures did not tally with those available with the Policy section. It is also a fact that the document had the signature of the G card holder of another CB. These have not been any contrary arguments from the appellant to deny the said allegations. Rule 13 of the CBLR, 2018 is not a due diligence clause, but is the core conduct and supervision provision that makes a CB responsible for how their business and employees operate in relation to customs functions. We note that the Tribunal has consistently differentiated procedural lapses *vis a vis* substantive breaches which affect the customs revenue/integrity such as misdeclaration, collusion etc. We note that in the Tribunal in Husain Kasam Mukadam & Sons vs Pr. Commissioner of Customs, Mumbai[5] held that as no substantive violation was proved, hence the revocation

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5 [2023 (12) TMI 194-CESTAT MUMBAI]

of CB license was set aside and the penalty was upheld. Similarly, in the instant case, we note that though there were procedural lapses by the CB, there was no serious breach of the Customs Act, and hence revocation of license would be a harsh punishment for the alleged procedural infractions.

6.4 The impugned order has alleged that the CB had sublet his CB license and have relied on the fact that as there was only one G card holder, but the CB had filed several documents in different ports on the same day. Revenue has held that it was not possible for one person to clear goods at different ports, hence the CB License was sublet. Mere allegation cannot be sustained, when the Revenue has not led any evidence to substantiate the allegation. The impugned order has listed out several Bills of entry which were cleared at eight different ports, which was not possible. It is on record that ICEGATE (Indian Customs Electronic Gateway) is a national platform for electronic filing and processing of all Customs related services, including filing of Bills of Entry/Shipping Bills, Customs duty payment, tracking the documents etc. Hence, the physical presence of CB is not required for any of the processing of the documents. Merely the fact that several consignments were cleared at different ports cannot be evidence for subletting of license. The Department has to lead more concrete evidence to substantiate such serious allegations, which is not done in the instant case. Hence, we are unable to accept this contention of the Department.

7. There are other allegations related to non cooperation by the appellant during the investigations. It has also been alleged that the CB did not inform the audit regarding 2 show cause notices issued by DRI. Further, it has been alleged that the CB did business through mediators and did not meet the actual importer/exporter. In this context, we note that the allegation relating to doing business through mediators is a settled issue. The CB is not expected to physically verify the premises of his client. We draw support from the decision of Coordinate Bench of this Tribunal in **M/s APS Freight & Travels Private Limited** versus **Commissioner of Customs (General), New Delhi**[6]. The non-cooperation of the CB during investigations agencies is a lapse inviting penal consequences. Further, as regards the DRI show cause notices, we note that the learned counsel has submitted that it has been consistently held that they did not receive the said show cause notices. We note that the Revenue has not led any evidence to the contrary. Hence, we hold that these violations are not established.

8. We now take up the issues related to the second appeal wherein it has been alleged that the appellant had violated Rule 7(3) & 7(4) by not submitting Form C of CBLR, 2018 and also violation of Regulation 10 as the CB was involved in excess availment of ROSL by exporters viz. M/s Baba Exports and M/s Krystafab Enterprises. The impugned order has held that the Customs Broker had violated several provision

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6 2016 (344) ELT 602 (Tri.-Del.)

of Regulation 10 and hence has imposed a penalty of Rs. 50,000/- since the CB license stood revoked vide order dated 17.10.2019.

9. We note that the impugned order has held that the CB did not cooperate with the ICD, TKD and hence had violated provisions of Regulation 10 (d) (e) and (q). In this context, we note that the relevant Regulations are as given below:-

> "10 (d) 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;
>
> 10 (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;
>
> 10 (f) not withhold information contained in any order, instruction or public notice relating to clearance of cargo or baggage issued by the Customs authorities, as the case may be, from a client who is entitled to such information;"

10. In this context we note that as regards Reg. 10(d), we find that Delhi High Court in Kunal Impex has held that Regulation 10(d) of CBLR 2018 does not impose a responsibility on the Customs Broker to report offences committed by the importer after clearance. The CB's duty is confined to compliance issues surfacing in the documents it handles at the point of entry/departure — it doesn't extend to post-clearance conduct in a bonded warehouse. This judgment is the

leading authority for resisting 10(d) charges premised on downstream misconduct the CB had no visibility into.

11. As regards Regulation 10(f) , we note that **Merchant & Sons vs. Pr. Commissioner of Customs (General) (Appeal No. 87668/2025, CESTAT Mumbai),** the Tribunal set aside the Customs Broker Licence revocation premised on overvaluation for duty drawback, holding that the licensing authority had not independently examined the allegations before passing the order in adjudication of the inquiry proceedings. In the instant case, we find that the Commissioner has mechanically adopted the Inquiry Officer's report without independent application of mind. Noting a composite charging pattern by invoking 10(d)/10(e)/10(n)/10(q) together, the Delhi High Court in (W.P.(C) 15808/2022) in the case of **Naman Gupta** versus **Commissioner of Customs (Airport)** vide order dated 30.01.2024 dealt with a composite charge under 10(d), 10(m), 10(n), 10(q) and held that the Commissioner erred in accepting the inquiry officer's findings of contravention where exporters became untraceable after Let Export Orders had already been issued, holding that liability cannot be fastened once the CB's statutory function stood discharged at LEO stage. In the instant case, we note that the exporters had availed excess ROSL. We note that impugned order has also noted that the Customs Broker cannot be held liable for the mistakes of the exporter. In view of the Delhi High Court judgement mentioned supra,

we hold that the appellant cannot be held responsible for lapses on behalf of the exporter.

12. In view of the above discussions, we hold as follows:-

In respect of Appeal No. C/50080/2020-Cus;

(i) We set-aside the revocation of CB license and forfeiture of security deposit.

(ii) We uphold the penalty of Rs. 50,000/- imposed on the CB for procedural violations under CBLR, 2018.

In respect of Appeal No. C/50798/2025-Cus, We reduce the penalty to Rs. 5,000/-.

13. The appeals are allowed to the extent indicated above and impugned orders stand modified accordingly.

(Order pronounced in the open Court on 25.08.2026)

(DR. RACHNA GUPTA)
OFFICIATING PRESIDENT

(HEMAMBIKA R. PRIYA)
MEMBER (TECHNICAL)

G.Y.