2026:DHC:8120-DB

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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

% Date of decision: 21.09.2026

\# **CNR No. DLHC010615972025**

\+ CUSAA 120/2025 & CM APPL. 53151/2025

M/S R. K. LOGISTICS .....Appellant

Through: Mr. Ravi Shekhar Jha, Mr. Raj Datt, Mr. Chandan& Mr. Mohit Kumar, Advs.

versus

COMMISSIONER OF CUSTOMS .....Respondent

Through: Ms. Monica Benjamin, SSC with Ms. Laiba Arif & Ms. Prerika Narang, Advs.

CORAM:
HON'BLE MR. JUSTICE AVNEESH JHINGAN
HON'BLE MS. JUSTICE SHAIL JAIN

AVNEESH JHINGAN, J.(ORAL)

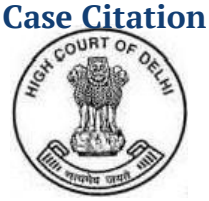
1. This appeal is filed under Section 130 of the Customs Act, 1962 (for short 'the Act') against the final order no. 59920/2024 dated 23.12.2024 passed by the Customs, Excise & Service Tax Appellate Tribunal (for brevity 'the tribunal') in customs appeal no. 51092/2020.

2. The brief facts are that the appellant is a proprietorship concern. On 13.11.2014, the proprietor applied for Customs Broker licence (hereinafter 'the licence') under the Customs Brokers Licensing Regulations, 2013 (for brevity '2013 Regulations'). The application form was annexed as Annexure P-5 to the appeal before the tribunal, qualifications mentioned in form are the

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MBA degree from Sikkim Manipal University (for short 'SMU') and the graduation degree from Chaudhary Charan Singh University, Meerut (for short 'CCSU'). While applying for licence graduation degree was not enclosed with the application, instead a notarized affidavit was filed stating that the appellant was a graduate from CCSU. The appellant cleared the written and oral examination and was granted the licence on 02.11.2016. A complaint was received on 08.08.2019 in the office of the Commissioner of Customs, ACC (Import) alleging irregularities in the BA degree of the appellant from CCSU. On 09.08.2019, the appellant was directed to furnish an attested copy of the graduation certificate and it was forwarded to CCSU for verification. On 05.10.2019, a verification report was submitted by CCSU stating that the details of BA degree and marksheet of the appellant were not as per the university enrolment and confidential records and that "it seems otherwise".

2.1 On 11.10.2019, the licence of the appellant was suspended. Pursuant to the show cause notice (for short 'SCN') issued, the appellant availed the opportunity for personal hearing and in the representation filed requested for re-verification of the degree. The suspension was confirmed on 25.10.2019. The BA degree and marksheet were sent by the respondent to CCSU for re-verification. The Vigilance Officer of CCSU in response to the second verification reiterated the earlier verification report dated 05.10.2019. The respondent issued SCN dated 27.12.2019 proposing revocation of the licence, forfeiture of security and levy of penalty. The Assistant Commissioner of the department was appointed as the Inquiry Officer (for short 'IO'). The appellant responded to the SCN on 21.01.2020, personally appeared before





the IO and sought time to produce a duplicate copy of the degree from CCSU. The written submissions dated 22.02.2020 were filed before the IO. The report by IO was submitted on 27.03.2020. It was observed that despite being given an opportunity the appellant failed to prove the genuineness of the graduate degree and there was infringement of regulations 5(h)(i) & (ii) of the 2018 Regulations.

2.2 The respondent issued notices dated 12.05.2020 and 06.06.2020, the appellant attended the personal hearing on 17.06.2020 and filed written submissions rebutting the inquiry report.

2.3 On 01.07.2020, an order under regulations 14 and 17(7) of the 2018 Regulations was passed revoking the licence and forfeiting the security. A penalty of Rs.50,000/- was also imposed under regulation 18(1) of the 2018 Regulations. The tribunal dismissed the appeal on 23.12.2024 and upheld the order dated 01.07.2020. Hence, the present appeal.

3. The following substantial questions of law have been proposed by the appellant:

> "I. Whether the Hon'ble Tribunal failed to appreciate that the Customs Broker Licensing Regulations, 2013/2018 contain no provision authorising re-verification of academic qualifications after grant of licence, and that the Respondent's reliance on post-licence "reverification" is without jurisdiction and contrary to the scheme of the Regulations?
>
> II. Whether the Hon'ble Tribunal erred in law by upholding the revocation of the appellant's Customs Broker Licence despite the undisputed fact that the Respondent had, at the time of grant of licence in 2016, already verified and satisfied itself regarding the appellant's academic qualifications as mandated under Regulation5 of the Customs Broker

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Licensing Regulations, 2013?

III. Whether the Respondent could invoke the provisions of the CBLR, 2013/2018 against the Appellant for alleged discrepancies at the stage when he was merely an applicant and not yet a Customs Broker, despite the fact that the Respondent themselves had verified and accepted his qualifications before issuing the licence?

IV. Whether the Hon'ble Tribunal failed to appreciate that once the statutory authority had conclusively verified and accepted the appellant's eligibility and academic qualifications before granting the Customs Broker Licence, it was impermissible in law to re-open or re-verify the same at a subsequent stage on the basis of an anonymous and unverified complaint?

V. Whether the reliance placed by the Respondent and upheld by the Tribunal on an ambiguous, incomplete and inconclusive report of CCS University dated 05.10.2019, which neither declared the appellant's degree fake nor fabricated, amounts to a perverse finding unsupported by cogent evidence in the eyes of law?

VI. Whether the Hon'ble Tribunal erred in law in not considering that the appellant's Graduation Degree had already been independently verified and accepted by multiple reputed institutions, including Sikkim Manipal University (for MBA), IMT Ghaziabad (for PG Diploma), and NMIMS (for HR Diploma), thereby conclusively establishing the validity of the said qualification?

VII. Whether the Hon'ble Tribunal committed an error of law in not appreciating that the proceedings initiated on the basis of an anonymous e-mail complaint, which was neither diarised, nor authenticated, nor traceable to any complainant, are wholly vitiated and non est in the eyes of law?

VIII. Whether the Respondent, in exercise of powers under Regulation18 of the Customs Broker Licensing Regulations, 2013/2018, can legally impose penalty more than once where the maximum penalty prescribed under the Regulations is

₹50,000/-, and whether they can pass repeated order of forfeiture of the security deposit when the statutory framework permits forfeiture of security only up to a maximum of ₹5,00,000/-?

IX. Whether Section 132 of the Customs Act, 1962, which is confined to false declarations and documents in respect of import/export shipments and clearance of goods, can be legally invoked in proceedings relating to verification of educational qualifications submitted by an applicant for grant of Customs Broker Licence, when no shipment, goods, or customs clearance process is involved?

X. Whether the Hon'ble Tribunal erred in law in upholding the imposition of penalty and forfeiture of security deposit under Regulation 18 of CBLR, 2018, despite there being no finding of fraud, suppression, or deliberate misrepresentation on the part of the appellant?

XI. Whether the impugned order of revocation, forfeiture and penalty are liable to be set aside as being arbitrary, disproportionate, and violative of the principles of natural justice under Articles 14 and19(1)(g) of the Constitution of India?

XII. Whether the impugned order is sustainable in absence of proper cross-examination of university authorities or any opportunity to rebut the adverse material?

XIII. Whether principles of natural justice were violated in the inquiry and revocation proceedings?

XIV. Whether the Tribunal could have applied 2018 Regulations retrospectively when the application and grant of license were governed by the 2013 Regulations?"

4. Learned counsel for the appellant submits that the appellant in 2010 was granted a BBA degree from Chhatrapati Shahu Ji Maharaj University, Kanpur (for short 'CSJMU') and this was not considered by the tribunal and the respondent. The contention is that the appellant was not granted an

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opportunity to cross-examine the officials of CCSU. The grievance is that the penalty could not have been invoked after revocation of the licence.

5. Learned counsel for the respondent defends the impugned order and contends that the appellant by submitting a forged affidavit with regard to his graduation obtained the licence in violation of Regulation 5(h) of the 2018 Regulations.

5.1 The submission is that under regulation 5(h) of the 2018 Regulations, the appellant should be a graduate from a recognised University and has to possess the qualification specified in clause 5(h)(ii). The levy of penalty is defended to be in accordance with regulation 18 of the 2018 Regulations and was independent of the revocation of the licence.

6. Heard learned counsel for the parties at length and perused the record with their able assistance.

7. Before proceeding further, it would be apposite to quote the relevant portions of regulations 5, 14, 17 and 18 of the 2018 Regulations:

> "**5. Conditions to be fulfilled by the applicants**
>
> (1).....
>
> (h) an individual applicant or in case the applicant is a firm, its partner or in the case of a company, its director or an authorised employee who may handle the Customs work shall-
>
> (i) be a graduate from a recognized University; and
>
> (ii) possess a professional degree such as Masters or equivalent degree in Accounting, Finance or Management, CA/CS/MBA/LLM/ACMA/FCMA or Diploma in Customs Clearance work from any Institutes or University recognised by the Government or is having at least two years' experience in transacting Customs Broker work as G-Card holder.

14. Revocation of licence 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, 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.

17. Procedure for revoking licence 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 defense 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.

(3) The Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, shall, in the course of inquiry, consider such documentary evidence and take such oral evidence as may be relevant or material to the inquiry in regard to the grounds forming the basis of the proceedings, and he may also put any question to any person tendering evidence for or against the Customs Broker, for the purpose of ascertaining the correct position.

(4) The Customs Broker shall be entitled to cross-examine the persons examined in support of the grounds forming the basis of the proceedings, and where the Deputy Commissioner of Customs or Assistant Commissioner of Customs declines permission to examine any person on the grounds that his evidence is not relevant or material, he shall record his reasons in writing for so doing.

(5) At the conclusion of the inquiry, the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, shall prepare a report of the inquiry and after recording his findings thereon submit the report within a period of ninety days from the date of issue of a notice under sub-regulation (1).

(6) The Principal Commissioner or Commissioner of Customs shall furnish to the Customs Broker a copy of the report of the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, and shall require the Customs Broker to submit, within the specified period not being less than thirty days, any representation that he may wish to make against the said report.

(7) The Principal Commissioner or Commissioner of Customs shall, after considering the report of the inquiry and the representation thereon, if any, made by the Customs Broker, pass such orders as he deems fit either revoking the suspension of the license or revoking the license of the Customs Broker within ninety days from the date of submission of the report by the Deputy Commissioner of

Customs or Assistant Commissioner of Customs, under sub-regulation (5):

PROVIDED that no order for revoking the license shall be passed unless an opportunity is given to the Customs Broker to be heard in person by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be.

18. 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.

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(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."

8. It is an admitted fact that the appellant while applying for the licence had not attached the graduation degree but filed an affidavit to the effect that he was a graduate from CCSU. The MBA degree from SMU was annexed with the application. After receipt of the complaint the graduation degree was sent for verification and on the request of the appellant was again sent for re-verification. The verification report of the University stated that the details of the BA degree and the marksheet were not as per the University enrolment and confidential records and that "it seems otherwise".

9. Under regulation 5(h) of the 2018 Regulations, the appellant to be eligible to apply for the licence had to possess a graduation degree from a recognized university and also a professional degree as specified in clause 5(h)(ii). The graduation degree was furnished pursuant to the direction of the

respondent and on verification was found not to be issued by CCSU. The order dated 01.07.2020 and the order of the tribunal record a concurrent factual finding that the graduation degree furnished by the appellant was forged. The contention regarding the BBA degree granted in 2010 from CSJMU was not raised before the IO, in the revocation proceedings or before the tribunal. The appeal before this court is on substantial questions of law and questions of fact cannot be gone into.

10. The opportunity to cross-examine the officials of CCSU was neither raised before the IO nor in the revocation proceedings before the Commissioner of Customs (Airport & General), New Delhi and was not pressed before the tribunal as is evident from the impugned order. It is not the pleaded case in the appeal that this issue was pressed before the tribunal but was not dealt with. Be that as it may, cross-examination is not an unfettered and absolute right. Reference in this regard be made to the following judgments:

10.1 The Supreme Court in ***Kanungo and Co. v. Collector of Customs***, (1973) 2 SCC 438 held as under:

> "12. We may first deal with the question of breach of natural justice. On the material on record, in our opinion, there has been no such breach. In the show-cause notice issued on August 21, 1961, all the material on which the Customs Authorities have relied was set out and it was then for the appellant to give a suitable explanation. The complaint of the appellant now is that all the persons from whom enquiries were alleged to have been made by the authorities should have been produced to enable it to cross-examine them. In our opinion, the principles of natural justice do not require that in matters like this the persons who have given information should be examined in the presence of the

appellant or should be allowed to be cross-examined by them on the statements made before the Customs Authorities....."

10.2 The Division Bench of this court in ***Vallabh Textiles v. Additional Commissioner Central Tax GST, Delhi East & Ors.,*** 2025 SCC OnLine Del 2435 held as under:

"15. While cross-examination can be granted in certain proceedings, if it is deemed appropriate, the right to cross-examine cannot be an unfettered right. This has been so held recently by this court in *Sushil Aggarwal v. Principal Commissioner of Customs.*[2] The relevant portion of the decision reads as under (page 262 in 151 GSTR):

"15. Accordingly, this court is of the opinion that in order to ensure that there is compliance of section 138(B) of the Act, though the same cannot be claimed as an unfettered right in all cases, in the facts of the present case, both Mr. Sushil Aggarwal and Mr. Aidasani are afforded an opportunity to cross-examine Mr. Bhalla… ."

(emphasis supplied)

11. Regulation 14 of the 2018 Regulations empowers the Principal Commissioner or Commissioner of Customs to revoke the licence and forfeit part or whole of the security for failure to comply with the provisions of the Regulations. In the present case, the finding of non-compliance with the educational requirements under regulation 5(h)(i) and (ii) has been upheld. The forfeiture of the security of Rs.5,00,000/- was within the scope of regulation 14 and was rightly upheld by the tribunal.

12. The contention that the penalty could not have been invoked after revocation of the licence lacks merit. Regulation 18 of the 2018 Regulations provides for imposition of penalty not exceeding Rs.50,000/- on a Customs

Broker having contravened the provision of the regulations or failed to comply with the provision thereof. Regulation 18(3) of the 2018 Regulations stipulates that the imposition of penalty or any action taken under the regulation 18 shall be without prejudice to the action that may be taken against the Customs Broker under the provisions of the Act or any other law for the time being in force. The imposition of penalty under regulation 18 is not contingent upon revocation of the licence. The tribunal rightly upheld the imposition of penalty.

13. No substantial question of law is involved in the appeal. The appeal is dismissed and the order dated 23.12.2024 of the tribunal whereby the order dated 01.07.2020 was confirmed is upheld.

14. Pending application stands disposed of.

AVNEESH JHINGAN, J

SHAIL JAIN, J

SEPTEMBER 21, 2026
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Reportable: **Yes**

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