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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 25-09-2026

CORAM

THE HON'BLE MR.JUSTICE HEMANT CHANDANGOUDAR

W.P No. 21646 of 2024

And

WMP.Nos. 23627 and 23628 of 2024

M/s.Aala Shipping Services Pvt Ltd
No.4, 1st Floor, Gopal Street,
Rajaji Salai, Chennai-600 001.
Rep By Its Director P.Arunkumar

..Petitioner(s)

Vs

The Principal Commissioner Of Customs (General)
O/o.Principal Commissioner Of Customs (General)
60, Rajaji Salai, Customs House, Chennai-01.

..Respondent(s)

Prayer : Writ Petition is filed under Article 226 of Constitution of India, praying for issuance of certiorari, calling for the records of the respondent, pertaining to order of suspension issued under Regulation 16 (1) of Customs Broker Licensing Regulations, 2018 in F.No.R-572/ 2021 - CBS (Case File) dated 24.05.2022, thereby suspending the License No.R-572/ 2021- CBS of the Petitioner Company, M/s. Aala Shipping Services Pvt. Ltd. (PAN. No.AASCA7163P) with immediate effect and to quash the same, in so far as, the said impugned order had been passed without jurisdiction and authority of law and in utter violation to the principles of natural justice, and in gross violation to the fundamental rights guaranteed to the petitioner herein under the Constitution.

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For Petitioner: Mr. S. Baskaran
For Respondent: Mr.K.S.Ramaswamy, SSC

W.P No. 21649 of 2024

And

WMP.Nos. 23630 and 23631 of 2024

M/s.Aala Shipping Services Pvt Ltd
No.4, 1st Floor, Gopal Street,
Rajaji Salai, Chennai-600 001.
Rep By Its Director P.Arunkumar

..Petitioner(s)

Vs

The Principal Commissioner Of Customs (General)
O/o.Principal Commissioner Of Customs (General)
60, Rajaji Salai, Customs House, Chennai-01.

..Respondent(s)

Prayer : Writ Petition is filed under Article 226 of Constitution of India, praying for issuance of certiorari, calling for the records of the respondent, pertaining to Order of Suspension issued under Regulation 16(1) of Customs Broker Licensing Regulations, 2018 in F.No.R-572/2021-CBS (case File) dated 24.05.2022, thereby suspending the License No.R-572/2021-CBS of the petitioner company, M/s. Aala Shipping Services Pvt. Ltd., (PAN No.AASCA7163P) with immediate effect and to quash the same, in so far as, the said impugned order had been passed without jurisdiction and authority of law and in utter violation to the principles of natural justice, and in gross violation to the fundamental rights guaranteed to the petitioner herein under the Constitution and to pass such other orders.

For Petitioner: Mr. S. Baskaran
For Respondent: Mr.K.S.Ramaswamy, SSC

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W.P No. 29810 of 2025

And

WMP.Nos. 33434 and 33436 of 2025

M/s.Dev Cargo Logistics
No.38, 3rd Floor, Krishnan Koil Street,
Mannady, Chennai-600001
Rep by its authorised signatory Mr.R.Sridhar

..Petitioner(s)

Vs

The Principal Commissioner Of Customs (General)
O/o.Principal Commissioner Of Customs (General)
60, Rajaji Salai, Customs House, Chennai-01.

..Respondent(s)

Prayer : Writ Petition is filed under Article 226 of Constitution of India, praying for issuance of certiorari, calling for the records of the respondent herein, pertaining to Order No.28/2025 dated 29.07.2025 in F.No.GEN/CB/ACTN/39/2025, thereby suspending the CB License No.R-217/2012-CHA (PAN No.AAIFD4587D) of the petitioner company, M/s. Dev Cargo Logistics, across all customs stations, with immediate effect in terms of Regulation 16(1) of the Customs Broker Licensing Regulation, 2018 and to quash the same, in so far as, the said impugned order had been passed without jurisdiction and authority of law and in utter violation to the principles of natural justice, and in gross violation to the fundamental rights guaranteed to the petitioner herein under the Constitution and to pass such other orders

For Petitioner: Mr. S. Baskaran
For Respondent: M/s. Pooja Jain Jr.SPC

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W.P No. 15347 of 2026

And

WMP.Nos. 16558 and 16560 of 2025

S.Swaminathan

..Petitioner(s)

Vs

The Principal Commissioner Of Customs (General)
O/o.Principal Commissioner Of Customs (General)
60, Rajaji Salai, Customs House, Chennai-01.

..Respondent(s)

Prayer : Writ Petition is filed under Article 226 of Constitution of India, praying for issuance of certiorari, calling for the records pertaining to the impugned No. 09/2026 dated 10.04.2026 in F.No. GEN/CB/ACTN/40/2026-CBS and quash the same.

For Petitioner: Mr. Hari Radhakrishnan
For Respondent: Mr.H. Sidharth, Standing Counsel

W.P No. 19979 of 2026

And

WMP.No. 21334 of 2026

M/s.Hi Tech Shipping Agency
Represented by its Partner,
Shri P. Hari,
2nd Floor Portiion 2F. No.3,
Venkat Lingam Street,
Clive Battery Parrys, Chennai-600001.

..Petitioner(s)

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Vs

The Principal Commissioner Of Customs (General)
O/o. Principal Commissioner Of Customs
(General)
60, Rajaji Salai, Customs House, Chennai-01.

..Respondent(s)

Prayer : Writ Petition is filed under Article 226 of Constitution of India, praying for issuance of certiorari, calling for the records pertaining to the impugned No. 05/2026 dated 08.05.2026 in F.No. GEN/CB/ACTN/44/2026-CBS passed by the respondent herein and quash the same.

For Petitioner: Mr. Hari Radhakrishnan
For Respondent: Mr.H. Sidharth, Standing Counsel

W.P No. 15619 of 2026

And

WMP.Nos. 16828 and 16829 of 2026

M/s. Balachandiran Clearing and Shipping
Agencies
Rep by its Authorised Signatory N.Vasudevan
Old No.93/2, New No. 193,
Linghi Chetty Street, 11th Floor,
Chennai-600001.

..Petitioner(s)

Vs

The Principal Commissioner Of Customs (General)
O/o. Principal Commissioner Of Customs
(General)
60, Rajaji Salai, Customs House, Chennai-01.

..Respondent(s)

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Prayer : Writ Petition is filed under Article 226 of Constitution of India, praying for issuance of certiorari, calling for the records pertaining to the impugned No. 04/2026 dated 30.03.2026 in F.No. GEN/CB/ACTN/10/2026-CBS passed by the respondent herein and quash the same.

For Petitioner: Mr. Hari Radhakrishnan
For Respondent: Mr. J. Vasu, Jr. Panel Counsel

W.P No. 10213 of 2026

And

WMP.Nos. 11050 and 11054 of 2026

Syed Khalid Ahmed,
Proprietor of M/s. Al-Kabir Impex Services,
First Floor, F1, Meerashamaricca Tower,
No.8/4, Irusappan Street,
Periyamet, Chennai-600003.

..Petitioner(s)

Vs

The Principal Commissioner Of Customs (General)
O/o. Principal Commissioner Of Customs
(General)
60, Rajaji Salai, Customs House, Chennai-01.

..Respondent(s)

Prayer : Writ Petition is filed under Article 226 of Constitution of India, praying for issuance of certiorari, calling for the records pertaining to the impugned No. 02/2026 dated 19.02.2026 in F.No. GEN/CB/ACTN/14/2026-CBS passed by the respondent herein and quash the same.

For Petitioner: Mr. Hari Radhakrishnan
For Respondent: Mrs. Pooja Jain, Jr. Panel Counsel

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W.P No. 48242 of 2025

And

WMP.Nos. 53899 and 53901of 2025

M/s. Umesh Logistics India Pvt Ltd.,
Rep by its Director N.Rajkumar,
No.5B/16A, Selseeni Colony,
6th Street, Thoothukudi -628008

..Petitioner(s)

Vs

The Principal Commissioner Of Customs (General)
O/o. Principal Commissioner Of Customs
(General)
60, Rajaji Salai, Customs House, Chennai-01.

..Respondent(s)

Prayer : Writ Petition is filed under Article 226 of Constitution of India, praying for issuance of certiorari, calling for the records pertaining to the impugned No. 18/2025 dated 31.10.2025 passed by the respondent herein and quash the same.

For Petitioner: Mr. Hari Radhakrishnan
For Respondent: Mr. Rajendran Raghavan, Spl. Panel Counsel

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W.P No. 30925 of 2025

And

WMP.Nos. 34630 and 34631 of 2025

M/s.Newport Shipping & Logistics
No.114/61, 2nd Floor, Moore Street,
Chennai-600001
Rep by its Deputy General Manager
And Authorised Signatory M.Prakash

..Petitioner(s)

Vs

The Principal Commissioner Of Customs (General)
O/o. Principal Commissioner Of Customs
(General)
60, Rajaji Salai, Customs House, Chennai-01.

..Respondent(s)

Prayer : Writ Petition is filed under Article 226 of Constitution of India, praying for issuance Writ of Certiorari, calling for the records of the respondent herein, pertaining to Order No.26/2025 dated 15.07.2025 in F.No.GEN/CB/ACTN/14/2025, thereby suspending the CB License No.R-157/2011-CHA (PAN No.ADUPR0178D) of the petitioner concern, M/s. Newport Shipping & Logistics, across all customs stations with immediate effect, in terms of Regulation 16(1) of the Customs Broker Licensing Regulation, 2018 and to quash the same, in so far as, the said impugned order had been passed without jurisdiction and authority of law and in utter violation to the principles of natural justice, and in gross violation to the fundamental rights guaranteed to the petitioner herein under the Constitution and to pass such other order

For Petitioner: Mr.S.Baskaran
For Respondent: Mr.J. Harikrishna, Jr. Panel Counsel

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W.P No. 30927 of 2025

And

WMP.Nos. 34634 and 34638 of 2025

M/s.Newport Shipping & Logistics
No.114/61, 2nd Floor, Moore Street,
Chennai-600001
Rep by its Deputy General Manager
And Authorised Signatory M.Prakash

..Petitioner(s)

Vs

The Principal Commissioner Of Customs (General)
O/o. Principal Commissioner Of Customs
(General)
60, Rajaji Salai, Customs House, Chennai-01.

..Respondent(s)

Prayer : Writ Petition is filed under Article 226 of Constitution of India, praying for issuance Writ of Certiorari, calling for the records of the respondent herein, pertaining to Order No.13/2025 dated 11.08.2025 in F.No.GEN/CB/ACTN/14-A/2025, thereby ordering for the continuous of the suspension of the CB License No.R-157/2011-CHA (PAN No.ADUPR0178D) of the petitioner concern, M/s. Newport Shipping & Logistics, in terms of Regulation 16(2) of the Customs Broker Licensing Regulation, 2018 and to quash the same, in so far as, the said impugned order had been passed without jurisdiction and authority of law and in utter violation to the principles of natural justice, and in gross violation to the fundamental rights guaranteed to the petitioner herein under the Constitution and to pass such other orders.

For Petitioner: Mr.S.Baskaran
For Respondent: Mr.J. Harikrishna, Jr. Panel Counsel

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W.P No. 30092 of 2025

And

WMP.Nos. 33734 and 33737 of 2025

M/s. Sealine Forwarders (P) Ltd.,
New No.12, Old No. 21
Second Line Beach, Chennai-600001.
Rep by its G-Card Holder and
Authorised Signatory K.Parthasarathy

..Petitioner(s)

Vs

The Principal Commissioner Of Customs (General)
O/o. Principal Commissioner Of Customs
(General)
60, Rajaji Salai, Customs House, Chennai-01.

..Respondent(s)

Prayer : Writ Petition is filed under Article 226 of Constitution of India, praying for issuance Writ of Certiorari, calling for the records of the respondent herein, pertaining to Order No.31/2025 dated 05.08.2025 in F.No.GEN/CB/ACTN/38/2025-CBS, thereby suspending the CB License No.R-378/CHA (PAN No.AABCS5114R) of the petitioner company, M/s.Sealine Forwarders (P) Ltd., across all customs stations, with immediate effect in terms of Regulation 16(1) of the Customs Broker Licensing Regulation, 2018 and to quash the same, in so far as, the said impugned order had been passed without jurisdiction and authority of law and in utter violation to the principles of natural justice, and in gross violation to the fundamental rights guaranteed to the petitioner herein under the Constitution and to pass such other orders.

For Petitioner: Mr.S.Baskaran
For Respondent: Mr.J. Harikrishna, Jr. Panel Counsel

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W.P No. 2294 of 2026

And

WMP.Nos. 2542 and 2544 of 2026

M/s.BSKV Logistics Services
Old No. 217, New No. 84
Zeenath Mansion, Second Floor,
Angappa Naicken Street,
Parrys, Chennai-600001.
Rep by its Proprietor R.Balasubramaniyan

..Petitioner(s)

Vs

The Principal Commissioner Of Customs (General)
O/o. Principal Commissioner Of Customs
(General)
60, Rajaji Salai, Customs House, Chennai-01.

..Respondent(s)

Prayer : Writ Petition is filed under Article 226 of Constitution of India, praying for issuance Writ of Certiorari, calling for the records of the respondent herein, pertaining to impugned Order No.04/2026 dated 19.01.2026 in F.No.GEN/CB/ACTN/98/2025-CBS, thereby suspending the CB License No.R-614/2022-CBS (PAN No. AQOPB2181K) of the petitioner company, M/s. BSKV Logistics Services, with immediate effect, in terms of Regulation 16(1) of the Customs Broker Licensing Regulation, 2018 and to quash the same, in so far as, the said impugned order had been passed without jurisdiction and authority of law and in violation of the various regulations of CBLR and also the circular issued by the Board and also in utter violation to the principles of natural justice, and in gross violation to the fundamental rights guaranteed to the petitioner herein under the Constitution and to pass such other orders.

For Petitioner: Mr.S.Baskaran
For Respondent: Mr.M.Santhanaraman, Sr.Standing Counsel

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COMMON ORDER

The present batch of writ petitions challenges the orders passed by the respective Commissioners of Customs under Regulation 16(1) and, in some cases, Regulation 16(2) of the Customs Brokers Licensing Regulations, 2018 (hereinafter referred to as "the CBLR, 2018"), whereby the licences of the petitioners, who are Customs Brokers, have been suspended or the suspension has been continued.

2. Since the principal issue in all these writ petitions concerns the power of immediate suspension under Regulation 16 of the CBLR, 2018, the writ petitions were heard together and are disposed of by this common order.

Submissions of the petitioners:

3. Learned counsel appearing for the petitioners submitted that Regulation 16 confers an exceptional power on the Commissioner of Customs to suspend the licence of a Customs Broker only in an appropriate case where immediate action is necessary. According to the learned counsel, the power cannot be exercised mechanically merely because an offence report has been received from an investigating authority.

4. Reliance was placed on Circular No.9/2010-Customs dated 08.04.2010, particularly paragraphs 7.1 and 7.2. It was submitted that the Circular prescribes timelines for cases in which immediate suspension is considered necessary.

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According to the petitioners, the investigating authority is required to furnish its report within the prescribed period and the licensing authority is required to act promptly thereafter.

5. Learned counsel submitted that, in several of the cases, the alleged incident had occurred months or even years before the suspension order was passed. Such delay, according to the petitioners, itself indicates that there was no genuine or immediate necessity to suspend the licence.

6. Reliance was placed on the decisions in (1)***Babaji Shivram Clearing & Carriers Pvt. Ltd. v. Union of India, 2011 (269) E.L.T. 222 (Bom.); (2). Jeena & Co. v. Collector of Customs, 1987 (28) E.L.T. 223 (Cal.); (3).East West Freight Carriers (P) Ltd. v. Collector of Customs, 1995 (77) E.L.T. 79 (Mad.); (4). M/s. VVD Shipping Services Pvt. Ltd. v. Commissioner of Customs, W.P.(MD) No.21372 of 2018, dated 08.11.2018; and (5). Krishna Shipping and Allied Services v. Commissioner of Customs, Kandla, (2024) 19 Centax 321 (Tri.-Ahmd.).***

7. It was further submitted that the orders of suspension do not disclose the circumstances which made immediate suspension necessary. Mere reference to the seriousness or gravity of the allegations, according to the petitioners, is not sufficient to satisfy the requirements of Regulation 16(1).

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Submissions of the respondents:

8. Per contra, the learned Standing Counsel appearing for the Customs authorities submitted that the expression "immediate action" cannot be understood to mean that suspension must necessarily follow immediately after the commission or detection of the alleged offence.

9. It was submitted that a Customs investigation may involve several consignments and persons and may require searches, recording of statements, verification of documents and examination of the role of the Customs Broker and other persons. Until sufficient material is collected, the licensing authority may not have adequate material to form the prima facie satisfaction required for exercising the power under Regulation 16(1).

10. According to the respondents, where an offence report is submitted by another Customs formation or an investigating authority, the relevant date for considering the requirement of immediate action is the date on which the competent licensing authority receives the offence report and the material relied upon therein. If the Commissioner acts promptly thereafter, the requirement of immediate action is satisfied.

11. It was further submitted that the cases under consideration involve serious allegations relating to smuggling of gold, cigarettes and narcotic substances, attempted export of prohibited meat, misdeclaration, undervaluation,

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use of dummy IECs and other violations. According to the respondents, permitting such Customs Brokers to continue their operations during the investigation may prejudice the interests of revenue and the proper administration of Customs law.

Discussion:

12. Before considering the individual cases, it is necessary to examine the relevant statutory provisions and the legal principles governing the exercise of the power of suspension.

13. Section 146 of the Customs Act, 1962 provides for licensing of Customs Brokers and empowers the Board to make regulations prescribing, among other things, the circumstances in which a licence may be suspended or revoked.

14. The power of immediate suspension has remained substantially similar under the Customs House Agents Licensing Regulations, 2004 (CHALR, 2004), the Customs Brokers Licensing Regulations, 2013 (CBLR, 2013) and the Customs Brokers Licensing Regulations, 2018 (CBLR, 2018).

15. Under Regulation 20(2) of the CHALR, 2004, notwithstanding anything contained in sub-regulation (1), the Commissioner could, in appropriate cases where immediate action was necessary, suspend the licence of a Custom House Agent where an enquiry against such agent was pending or contemplated.

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In essence, sub-regulation (1) provided the substantive grounds for suspension or revocation, while sub-regulation (2) enabled immediate preventive suspension pending or in contemplation of an enquiry, where immediate action was necessary.

16. The CHALR, 2004 were replaced by the CBLR, 2013. Regulation 19(1) of the CBLR, 2013 provided:

> "Notwithstanding anything contained in regulation 18, the Commissioner of Customs may, in appropriate cases where immediate action is necessary, suspend the licence of a Customs Broker where an enquiry against such agent is pending or contemplated."

Regulation 19(2) further provided that where a licence was suspended under sub-regulation (1), the Commissioner of Customs was required, within fifteen days from the date of suspension, to give an opportunity of hearing to the Customs Broker and thereafter pass an order either revoking the suspension or continuing it.

17. The CBLR, 2013 were thereafter replaced by the CBLR, 2018. Regulation 16(1) of the CBLR, 2018 reads as follows:

> *"Notwithstanding anything contained in regulation 14, the Principal Commissioner or Commissioner of Customs may, in appropriate cases where immediate action is necessary, suspend the licence of a Customs Broker where an enquiry against such Customs Broker is pending or contemplated."*

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18. The provision contains three essential requirements:

(i) there must be an appropriate case;

(ii) immediate action must be necessary; and

(iii) an enquiry against the Customs Broker must be pending or contemplated.

19. Regulation 16(2) provides a safeguard to the Customs Broker whose licence is suspended under Regulation 16(1). The Customs Broker is required to be given an opportunity of hearing within fifteen days from the date of suspension and the question of continuation of the suspension has thereafter to be considered.

20. A comparison of the CHALR, 2004, the CBLR, 2013 and the CBLR, 2018 therefore shows that the power of immediate suspension has remained substantially the same. Throughout the three Regulations, immediate suspension is an exceptional and preventive power. The mere pendency or contemplation of an enquiry does not, by itself, justify suspension. The Department must also establish that immediate action is necessary.

21. The power under Regulation 16(1) is therefore an exceptional power and is not an ordinary disciplinary power. It is intended to deal with situations where allowing the Customs Broker to continue its operations during the pendency of the enquiry may prejudice the interests of revenue or the proper administration of the Customs law.

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22. The scheme of Regulation 16 thus seeks to balance two competing interests. The Department must have the power to prevent further misuse of a Customs Broker's licence where immediate intervention is genuinely necessary. At the same time, suspension directly affects the Customs Broker's right to carry on its licensed business. The exceptional power under Regulation 16 must, therefore, be exercised with due care, on the basis of relevant material and after proper application of mind.

23. The expression "*immediate*" does not necessarily mean "instantaneous". However, it requires the licensing authority to act with reasonable promptness once sufficient material is available to form the requisite satisfaction.

24. In this context, two distinct periods have to be considered:

(i) the period taken by the investigating authority to collect the material and prepare the offence report; and

(ii) the period taken by the licensing authority, after receipt of the offence report and relevant material, to decide whether immediate suspension is necessary.

25. The first period cannot, by itself, invalidate the suspension. The second period is directly relevant to the question whether the requirement of immediate action under Regulation 16(1) has been satisfied.

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26. If the competent authority receives the offence report and the material necessary for taking action, but thereafter remains inactive for a substantial and unexplained period, such delay may indicate that there was no genuine necessity for immediate suspension.

27. The question of delay cannot, however, be decided by applying a rigid formula. The Court must examine the chronology of events, the nature of the investigation, when the relevant material became available to the licensing authority, and the time taken thereafter to pass the suspension order.

28. Circular No.9/2010-Customs dated 08.04.2010 was issued when the CHALR, 2004 were in force. Paragraphs 7.1 and 7.2 of the Circular prescribed an overall time frame for completion of proceedings and stipulated timelines at different stages. In cases where immediate suspension was considered necessary, the Circular contemplated that the investigating authority should furnish its report to the licensing authority within thirty days of detection of the offence and that the licensing authority should take necessary action for immediate suspension within fifteen days of receipt of the report.

29. The Circular, therefore, provides guidance to the authorities in exercising the power of immediate suspension. However, Regulation 16 of the CBLR, 2018 itself does not prescribe a fixed period of limitation within which a suspension order must necessarily be passed.

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30. The timelines prescribed in the Circular must ordinarily be respected. However, a reasonable deviation from those timelines cannot, in every case, result in automatic invalidation of the suspension. It must be examined whether the delay, in the facts of the particular case, is such as to demonstrate the absence of the statutory requirement of immediate action.

31. The subsequent Instruction No.24/2023-Customs dated 18.07.2023 requires the Commissioner of Customs to record reasons as to why the case is considered to be an appropriate case in which immediate action by way of suspension is necessary.

32. Thus, the requirement of recording reasons assumes significance because Regulation 16(1) does not permit suspension merely because an enquiry is pending or contemplated. The competent authority must apply its mind to the material available and record its satisfaction that the particular case warrants immediate preventive action.

33. The validity of an order of suspension under Regulation 16(1) must, therefore, be examined with reference to the statutory requirements, the material available before the licensing authority, the chronology of events, the time taken after receipt of the relevant material, and the reasons recorded for concluding that immediate action was necessary.

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34. In ***East West Freight Carriers (P) Ltd. v. Collector of Customs, Madras, 1995 (77) E.L.T. 79 (Mad.)***, this Court held that the power to suspend a licence could be exercised only where immediate action was necessary. The suspension order in that case was interfered with as the Commissioner had not applied his mind to the question whether immediate action was necessary.

35. In ***Commissioner of Customs v. National Shipping Agency, 2008 (226) E.L.T. 46 (Bom.)***, the Bombay High Court held that the power of suspension was an emergent power to be exercised where immediate suspension was necessary. The Court took note of the considerable delay between the alleged violation and the suspension order.

36. In ***Babaji Shivram Clearing and Carrier Pvt. Ltd. v. Union of India, 2011 (269) E.L.T. 222 (Bom.)***, the Bombay High Court similarly considered the delay between the date on which the Customs authorities became aware of the alleged misconduct and the date of suspension and held that the circumstances did not justify immediate suspension.

37. In ***Schankar Clearing and Forwarding v. C.C. (Import & General), 2012 (283) E.L.T. 349 (Del.)***, the Delhi High Court considered the requirement of immediate action under the applicable Regulations and examined the time taken by the authority after receipt of the report from the investigating authority.

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38. In ***Jeena and Company v. Collector of Customs, 1987 (28) E.L.T. 223 (Cal.),*** the Calcutta High Court held that the extraordinary power of suspension could be exercised where the Commissioner was satisfied that serious consequences were likely to follow if the licence was not immediately suspended.

39. In ***M/s. VVD Shipping Services Pvt. Ltd. v. Commissioner of Customs, W.P.(MD) No.21372 of 2018, dated 08.11.2018***, this Court considered Regulation 16 of the CBLR, 2018 and interfered with the suspension having regard to the substantial delay between the relevant incident and the suspension order.

40. In ***Krishna Shipping and Allied Services v. Commissioner of Customs, Kandla, (2024) 19 Centax 321 (Tri.-Ahmd.),*** the Tribunal considered the timelines prescribed by Circular No.9/2010-Customs and held that the Circular continued to guide the exercise of the power of suspension.

41. On the other hand, in ***Orient Clearing & Forwarding Agency v. Union of India, 2000 SCC OnLine Cal 731***, the Calcutta High Court held that the expression “immediate” does not necessarily mean that the action must follow instantaneously and that the authority could take action during the pendency of an enquiry when the circumstances so warranted.

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42. Similarly, in ***Sabin Logistics Pvt. Ltd. v. Commissioner of Customs, W.P.No.9395 of 2018, dated 09.07.2018***, this Court found no infirmity where the suspension order was passed shortly after receipt of the offence report.

43. In ***M/s. Blessing Cargo Care Pvt. Ltd. v. Commissioner of Customs, W.P.No.27359 of 2017, dated 08.12.2017***, this Court held that the expression "*immediate*" has to be understood in the context of the statutory scheme. On the facts of that case, the period taken by the authorities to complete the investigation did not amount to such delay as would take the case outside the scope of immediate suspension.

44. The Supreme Court, in ***Raza Buland Sugar Co. Ltd. v. Municipal Board, Rampur, 1964 SCC OnLine SC 119***, has held that the use of the word "shall" does not by itself make a provision mandatory. The intention of the provision, its object and the consequences of non-compliance have to be considered.

45. In the present case, however, the Circular prescribes timelines for exercising the power under Regulation 16(1). The power to suspend a Customs Broker's licence with immediate effect is an exceptional power and is intended to be exercised promptly. The timelines prescribed by the Department are meant to ensure that this power is not exercised after an undue delay.

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46. Therefore, the Circular is binding on the Department. While a reasonable deviation may be permissible in exceptional circumstances, any substantial delay must be satisfactorily explained. An unexplained departure from the prescribed timeline would defeat the requirement of immediate action under Regulation 16(1).

47. The mere replacement of the CHALR, 2004 by the CBLR, 2018 does not, by itself, render Circular No.9/2010 inoperative. Unless the Circular has been withdrawn, superseded, or is inconsistent with the CBLR, 2018, it continues to bind the departmental authorities. Admittedly, the Circular is not inconsistent with Regulation 16 of the CBLR, 2018, which is in pari materia with Regulation 20 of the CHALR, 2004 dealing with suspension of licences.

48. However, the Circular cannot override Regulation 16(1). The timelines are, at the least, relevant in determining whether the statutory requirement that **"***immediate action is necessary***"** was actually satisfied. An unexplained delay beyond the timelines prescribed in the Circular may therefore cast serious doubt on the necessity for immediate suspension.

49. The above decisions and the Circular lay down the following principles:

i. Immediate suspension is an exceptional power. It can be exercised only when immediate action is necessary. The authority must apply its mind to this requirement.

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ii. Immediate does not mean instantaneous. Some time may be taken for investigation or verification. However, the action must be taken within a reasonable time.

iii. Delay has to be examined on the facts of each case. The Court must consider the nature of the offence, the complexity of the investigation, when the relevant material became available, and the time taken thereafter to pass the suspension order.

iv. The timelines in the Circular are relevant and binding on the Department. They indicate the time within which the Department is expected to complete the investigation and take action.

v. Some reasonable delay may be justified. Particularly in a complex investigation, but any substantial delay must be properly explained.

vi. The change from CHALR, 2004 to CBLR, 2018 does not by itself make the Circular inapplicable. It continues to apply unless it has been withdrawn, superseded, or is inconsistent with the CBLR, 2018.

vii. The ultimate question is whether immediate suspension was necessary when the order was passed. If the delay is substantial and unexplained, it may show that the requirement of immediate action under Regulation 16(1) was not satisfied.

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50. In the present batch of cases, this Court is not called upon to examine the correctness of the allegations against the petitioners or to decide whether the petitioners committed the alleged violations. This Court is also not required to decide whether the cases warrant suspension of the licences on merits. Those questions are left open for consideration by the competent authority in accordance with law.

51. The limited question for consideration is whether the power of immediate suspension under Regulation 16(1) was exercised within a reasonable time.

52. With this principle in mind, the individual writ petitions are considered below.

52.1 W.P.No.10213 of 2026 – Syed Khalid Ahmed, Proprietor of M/s. Al-Kabir Impex Services.

In this case, the Customs Broker is alleged to have violated Regulation 10 of the CBLR, 2018. One of the allegations is that the Customs Broker's operational facilities and credentials were used in connection with the import of high-value cosmetics despite restrictions and regulatory requirements. There are also allegations regarding failure to cooperate with the investigation and failure to supervise persons involved in the Customs Broker's operations.

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The alleged misdeclaration of goods was detected on 09.08.2025 and 12.08.2025. The offence report was dated 12.12.2025 and was received by the licensing authority on 15.12.2025. The order of suspension under Regulation 16(1) was passed on 02.02.2026 and the order continuing the suspension under Regulation 16(2) was passed on 19.02.2026.

Circular No.9/2010-Customs provides that, where immediate suspension is warranted, the investigating authority shall furnish its report to the licensing authority within thirty days from detection of the offence. The licensing authority shall thereafter take immediate steps for suspension within fifteen days from the date of receipt of the offence report.

In the present case, the investigation was completed on 12.12.2025, nearly 120 days after detection of the alleged offence. The suspension order was passed 45 days after receipt of the offence report.

The impugned order states that, having regard to the grave nature of the violations, operational negligence and the potential for recurrence, continuation of the Customs Broker's licence would be detrimental to the interests of revenue. Therefore, as the impugned order suspending the petitioner's licence under Regulation 16(1) of the CBLR, 2018 was passed beyond the 15-day period prescribed under the Circular, which is binding on the Department, the order cannot be sustained. Accordingly, the impugned order is set aside.

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52.2. W.P.Nos.21646 and 21649 of 2024 – M/s. Aala Shipping Services Pvt. Ltd.

In these cases, the goods were seized on 22.10.2021. The date of the offence report and the date of its receipt by the licensing authority are not stated. However, the order of suspension under Regulation 16(1) was passed on 24.05.2022 and the order under Regulation 16(2) was passed on 15.06.2022. Thus, the suspension order was passed more than 250 days after the date of the offence.

The allegations relate to an import-cum-consignment declared to contain circular saws, dust and vacuum cleaners, in which 4,001 foreign-origin gold pieces valued at approximately Rs.1.97 crore were allegedly found.

The Department relies upon the statement of Mr. P. Arukumar, Director of the Customs Broker, recorded under Section 108 of the Customs Act on 23.10.2021. According to the statement, he was aware of the gold consignment and agreed to undertake its clearance for a higher consideration. The Department also relies upon subsequent statements and bank records.

It is further stated that substantial amounts were credited by the importers to the Customs Broker’s account, which, according to the authority, could not be satisfactorily explained.

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In the initial suspension order, it is stated that continuation of the Customs Broker's operations would be detrimental to revenue.

Therefore, as the impugned order suspending the petitioner's licence under Regulation 16(1) of the CBLR, 2018 was passed beyond the 15-day period prescribed under the Circular, which is binding on the Department, and after 250 days from the date of detection of the offence, the order cannot be sustained. Accordingly, the impugned order is set aside.

52.3. W.P.No.30927 of 2025 – M/s. Newport Shipping & Logistics.

The allegations concern the attempted export of meat declared as boneless buffalo meat which, on subsequent scientific examination, was allegedly found to be meat of *Bos indicus* (bull/ox), the export of which was prohibited.

The authority has relied upon the alleged failure of the Customs Broker to exercise due diligence with regard to the documents, the location of the abattoir and the movement of the goods from Hyderabad instead of the declared place of origin.

Except for stating that the Customs Broker failed to exercise due diligence in ascertaining the correctness of the information furnished by the client, as required under Regulation 10(e) of the CBLR, 2018, and allegedly concealed such information from Customs and played a role in aiding and abetting the

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exporter in the attempted illegal export of prohibited meat, no reasons have been assigned for continuation of the suspension under Regulation 16(2).

The Bill of Entry is dated 09.09.2024. The subject consignment was intercepted and samples were drawn on 14.09.2024. The test report is dated 23.09.2024. The offence report is dated 30.05.2025 and was received by the licensing authority on 24.06.2025. The order of suspension under Regulation 16(1) was passed on 15.07.2025 and the order continuing the suspension under Regulation 16(2) was passed on 11.08.2025.

Thus, the order of suspension under Regulation 16(1) was passed nearly 275 days after the date of the offence and after 20 days from the date of receipt of the offence report, while the order continuing the suspension was passed nearly 309 days after the date of the offence.Therefore, as the impugned order suspending the petitioner's licence under Regulation 16(1) of the CBLR, 2018 was passed beyond the 15-day period prescribed under the Circular, which is binding on the Department, and after 275 days from the date of detection of the offence, the order cannot be sustained.

The contention of the respondent that the enquiry for revocation of the licence under Regulation 17 was already pending and that the suspension under Regulation 16(1) was therefore passed during the pendency of such enquiry, and hence there was no delay, cannot be accepted. The power under Regulation 16(1)

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is an exceptional power intended to meet cases where immediate action is necessary.

In the present case, the suspension order was passed 275 days after the alleged offence and 20 days after receipt of the offence report. During this period, the Customs Broker was already facing an enquiry for revocation under Regulation 17. The respondent has not explained what changed during these 20 days after receipt of the offence report so as to make immediate suspension necessary. When the regular enquiry under Regulation 17 was already in progress, and no fresh or intervening circumstance requiring immediate suspension has been shown, the mere pendency of that enquiry cannot, by itself, justify resort to Regulation 16(1). The very purpose of the requirement of immediate action would be defeated if the power of suspension could be exercised after such a considerable delay without explaining the necessity for immediate action. Accordingly, the impugned order is set aside.

52.4. W.P.No.30092 of 2025 – M/s. Sealine Forwarders (P) Ltd.

The allegations against the Customs Broker relate to misdeclaration of the quantity and classification of goods and filing of documents in respect of goods allegedly lacking mandatory BIS, LMPC and WPC certifications.

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There is also an allegation that the importer could not be found at the declared address and that the Customs Broker failed to independently verify the identity and functioning of the importer as required under Regulation 10(n).

In this case, the goods were seized under a seizure mahazar dated 16.03.2024. The date of the offence report is not stated. The offence report was received by the licensing authority on 09.07.2025 and the suspension order under Regulation 16(1) was passed on 05.08.2025, i.e., after 606 days from the date of seizure.

The order states that if the Customs Broker is allowed to continue its operations, it would be detrimental to the interests of revenue and that it was therefore a fit case for immediate action to prevent further misuse of the Customs Broker's licence.

Therefore, as the impugned order suspending the petitioner's licence under Regulation 16(1) of the CBLR, 2018 was passed beyond the 15-day period prescribed under the Circular, which is binding on the Department, and after 606 days from the date of detection of the offence, the order cannot be sustained. Accordingly, the impugned order is set aside.

52.5. W.P.No.15347 of 2026 – M/s. Sambasivam & Company

The allegations concern filing of shipping bills in the name of an exporter without proper authorisation and the attempted export of approximately 49.2 kilograms of pseudoephedrine, stated to be a controlled substance.

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The authority relies upon the communication of the IEC holder stating that the Customs Broker had filed the shipping bills without authorisation. There is also an allegation that the exporter was not properly verified.

The consignment was covered by the shipping bill dated 01.04.2022 and the goods were seized on 02.04.2022. The date of receipt of the offence report is not stated. However, it is stated that the offence report along with the relied-upon documents was received on 05.02.2026.

The impugned order under Regulation 16(1) was passed on 10.04.2026, nearly four years after the date of the offence.

The impugned order states that if the Customs Broker is allowed to continue its operations, it would be detrimental to public interest, as it may lead to further violations and increase the risk of misuse of the Customs clearance system for unlawful activities.

It is further stated that, in cases involving controlled substances regulated under the NDPS Act, 1985, such negligence assumes greater gravity as it directly impacts public health, safety and national security, and therefore immediate action against the Customs Broker is necessary.

Therefore, as the impugned order suspending the petitioner's licence under Regulation 16(1) of the CBLR, 2018 was passed beyond the 15-day period prescribed under the Circular, which is binding on the Department, and after four

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years days from the date of detection of the offence, the order cannot be sustained. Accordingly, the impugned order is set aside.

52.6. W.P.No.29810 of 2025 – M/s. Dev Cargo Logistics.

The allegations concern filing of shipping bills despite discrepancies between the quantity of goods declared in the shipping bills and the packing lists, and export of prohibited or restricted goods such as wheat flour, sugar and tobacco products.

The authority has alleged violations of Regulations 10(d), 10(e) and 10(f), including failure to advise the exporter regarding applicable export restrictions and failure to communicate relevant Customs instructions.

The suspension order records that the conduct of the Customs Broker was considered to create a risk of further non-compliant or prohibited consignments being cleared.

The shipping bill is dated 28.11.2024 and the goods were seized on 02.12.2024. The offence report dated 30.05.2025 was received by the Customs Broker licensing authority on 14.07.2025. The order under Regulation 16(1) suspending the licence was passed on 29.07.2025, more than 228 days after the date of seizure.

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The impugned order states that allowing the Customs Broker to continue its operations could result in further illegal clearances, revenue loss and potentially the smuggling of prohibited items, and could bring disrepute to the Customs system, undermine public trust in the regulatory framework and compromise the credibility of the Department.

Though the impugned order was passed within 15 days from the date of receipt of the offence report, the investigation was completed only after nearly 200 days from the date of detection of the offence. Such unexplained delay defeats the very purpose of taking immediate action under Regulation 16(1) to suspend the licence. The Circular prescribes a period of 30 days for completion of the investigation. No doubt, in cases involving complexity, some reasonable delay may be justified. However, in the present case, the investigation took nearly 200 days to complete, and no satisfactory explanation has been offered for such delay. In these circumstances, the requirement of immediate action contemplated under Regulation 16(1) cannot be said to have been satisfied.

Accordingly, the impugned order is not sustainable and is liable to be set aside. It is, accordingly, set aside.

52.7. W.P.No.2294 of 2026 – M/s. BSKV Logistics Services

The allegations concern filing of Customs documents without valid authorisation from the importer, failure to verify KYC particulars reliance upon unauthorised intermediaries. It is alleged that these acts facilitated the attempted

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clearance of a grossly misdeclared consignment connected with an organised smuggling arrangement.

The offence report is dated 08.12.2025 and the subsequent show-cause notice dated 12.12.2025 was received by the Customs Broker licensing authority on 12.12.2025.

The allegation relates to a consignment of cigarettes imported under a Bill of Entry dated 03.12.2024, which had been declared as chemical Bitumen.

The impugned order under Regulation 16(1) was passed on 19.01.2026, i.e., more than 35 days after receipt of the offence report.

The impugned order states that there is a reasonable apprehension that the Customs Broker may continue to adopt similar irregular and non-compliant practices in future, thereby posing a risk to the orderly functioning of the Customs clearance system. It further states that allowing the Customs Broker to continue its operations would be prejudicial to the interests of revenue and detrimental to the integrity of Customs procedures.

Since the impugned order was not passed within 15 days as prescribed under the Circular, it does not satisfy the requirement of Regulation 16(1), which contemplates immediate action for suspension of the licence. The impugned order is, therefore, not legally sustainable and is liable to be set aside. Accordingly, it is set aside.

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52.8. W.P.No.48242 of 2025 – M/s. Umesh Logistics Pvt. Ltd.

The order under challenge concerns continuation of suspension on allegations relating to unauthorised operation, failure of supervision, KYC deficiencies and misuse of the Customs Broker's licence and credentials.

The authority relies upon statements indicating that KYC verification was undertaken by employees without adequate independent verification and that the Customs Broker failed to maintain proper control over the persons operating its systems.

The Customs Broker has contended that there was no revenue loss and that the acts were attributable to its employees. The absence of actual revenue loss cannot, by itself, determine the validity of suspension. Regulation 16 is preventive in nature. The relevant question is whether continuation of the licence during the enquiry would create a real risk to the Customs clearance system.

The alleged offence relating to the import of goods by M/s. Balaji Impex India was detected on 30.01.2025. The suspension order under Regulation 16(1), dated 08.10.2025, was based on two offence reports dated 03.09.2025 and 17.09.2025, which were issued more than 250 days after detection of the alleged offence.

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In the impugned order, it is stated that allowing the Customs Broker to operate would be detrimental to the interests of revenue and that it was therefore necessary to take further action against the Customs Broker. Since the impugned order was not passed within 15 days as prescribed under the Circular, it does not satisfy the requirement of Regulation 16(1), which contemplates immediate action for suspension of the licence. The impugned order is, therefore, not legally sustainable and is liable to be set aside. Accordingly, it is set aside.

52.9. W.P.No.15619 of 2026 – M/s. Balachandiran Clearing and Shipping Agencies

Two sets of allegations are stated to have been considered by the licensing authority.

In the first case, the authority has referred to an NCTC alert concerning one entity and the subsequent filing of documents for another entity involving similar goods. It is alleged that the Customs Broker failed to exercise the required caution and that an undue IGST refund was thereafter claimed.

In the second case, the allegations concern reliance upon an alleged third party, use of a purportedly false authorisation, filing of documents without direct contact with the importer, failure to verify KYC particulars and failure to cooperate during examination of the goods.

The authority has also relied upon the statement of the Customs Broker's manager regarding the manner in which the transactions were handled.

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Based on the NCTC alert dated 23.01.2024, an investigation was initiated and conducted in respect of two shipping bills, both dated 14.08.2024, filed by the Customs Broker on behalf of the exporter.

Two offence reports were received by the Customs Broker licensing authority. The first, in the form of a show-cause notice dated 14.10.2025, was received on 22.01.2026. The second, in the form of a letter dated 28.01.2026, was received on 29.01.2026.

The order of suspension under Regulation 16(1) was passed on 02.03.2026 and the impugned order under Regulation 16(2), continuing the suspension, was passed on 30.03.2026.

In the impugned order, it is stated that allowing the Customs Broker to operate would be detrimental to the interests of revenue and that it was therefore necessary to take further action against the Customs Broker.

Since the impugned order was not passed within 15 days as prescribed under the Circular, it does not satisfy the requirement of Regulation 16(1), which contemplates immediate action for suspension of the licence. The impugned order is, therefore, not legally sustainable and is liable to be set aside. Accordingly, it is set aside.

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52.10. W.P.No.30925 of 2025 – M/s. Newport Shipping & Logistics

This petition relates to the same broad transaction concerning the alleged export of *Bos indicus* (bull/ox) meat by declaring it as boneless buffalo meat.

The authority has relied upon the alleged failure of the Customs Broker to advise the exporter regarding the prohibition, to exercise due diligence regarding the place of origin of the goods and to independently verify the relevant particulars.

The shipping bills are dated 09.09.2024. Samples were drawn on 14.09.2024 and the test report was received on 23.09.2024.The order-in-original was adjudicated on 30.05.2025 and was received, along with the other relied-upon documents, by the Customs Broker Licensing Authority on 24.06.2025.The order of suspension under Regulation 16(1) is dated 15.07.2025, which is after more than one year and six months from the date of the offence and 15 days from the date of receipt of the offence report.

In the impugned order, it is stated that continuation of the operations of such Customs Broker poses a real and immediate threat to Government revenue and national security due to the likelihood of further non-compliant or prohibited consignments being cleared. It is further stated that such continuation could result in further illegal clearances, revenue loss and potentially the smuggling of prohibited items.

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Since the impugned order was not passed within 15 days as prescribed under the Circular, it does not satisfy the requirement of Regulation 16(1), which contemplates immediate action for suspension of the licence. The impugned order is, therefore, not legally sustainable and is liable to be set aside. Accordingly, it is set aside.

52.11. W.P.No.19979 of 2026 – M/s. Hi Tech Shipping Agency

The allegations in this case concern repeated imports through alleged dummy IEC holders, undervaluation of goods, fabricated invoices and the alleged role of the Customs Broker in facilitating such transactions.

The authority has rejected the contention that production of authorisation letters and KYC documents, by itself, establishes compliance with Regulations 10(a) and 10(n). A search was conducted on 19.06.2025 at the business premises owned by Shri Ajaykumar Gupta, who was suspected to be a hawala operator and alleged to be sending funds to China/Hong Kong through his hawala network.

The statement of P. Hari, G-card holder, was recorded under Section 108 of the Customs Act, 1962. The offence report along with the relied-upon documents was received by the Customs Broker licensing authority on 19.03.2026 in the form of a show cause notice dated 18.03.2026 in respect of the petitioner agency. The order of suspension under Regulation 16(1) was passed on 15.04.2026 and the impugned order under Regulation 16(2) was passed on 08.05.2026.

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Thus, the order under Regulation 16(1) was passed nearly ten months after the search of the premises of Shri Ajaykumar Gupta and his brother Alok Gupta, and more than eight months after the recording of the statement of the petitioner under Section 108 of the Customs Act.

In the impugned order, it is stated that if the Customs Broker is allowed to continue its operations despite such serious lapses, it would be detrimental to the interests of revenue, as it may lead to further violations and compromise the integrity of the regulatory framework.

Since the impugned order was not passed within 15 days as prescribed under the Circular, it does not satisfy the requirement of Regulation 16(1), which contemplates immediate action for suspension of the licence. The impugned order is, therefore, not legally sustainable and is liable to be set aside. Accordingly, it is set aside.

Result:

53. In view of the above discussion, this Court is of the considered view that, in all these cases, the considerable delay in completing the investigation and the subsequent delay in passing orders under Regulation 16(1), after receipt of the offence report, have not been satisfactorily explained so as to justify the need for immediate action. Accordingly, the following order is passed:

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i. All the writ petitions are allowed.

ii. The Impugned orders passed under Regulation 16(1) and the consequential orders under Regulation 16(2) are set aside. The petitioners shall be entitled to carry on their business as Customs Brokers, subject to the CBLR, 2018 and all other applicable statutory requirements.

iii. It is made clear that this Court has not expressed any opinion on the merits of the allegations against any of the petitioners. The competent authority is at liberty to proceed against the petitioners in accordance with law, including in respect of revocation of their licences, wherever such action is otherwise warranted.

iv. There shall be no order as to costs. Consequently, all the connected miscellaneous petitions are closed.

25-09-2026

Index: Yes
Speaking/Non-speaking order
Neutral Citation: Yes
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To

The Principal Commissioner Of Customs (General)
O/o.Principal Commissioner Of Customs (General)
60, Rajaji Salai,Customs House,
Chennai-01.

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HEMANT CHANDANGOUDAR, J.

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