

**CUSTOMS, EXCISE AND SERVICE TAX APPELLATE TRIBUNAL  
CHANDIGARH**

REGIONAL BENCH - COURT NO. I

**Customs Appeal No. 60324 of 2022**

[Arising out of Order-in-Original No. COMMR/VG/LDH/CUSTOMS/04/2022 dated 23.06.2022 passed by the Commissioner of Customs, Ludhiana]

**M/s Secon Logistics Pvt. Ltd.**

H.No.169, New G.K. Estate, Mundian  
Kalan, Chandigarh Road,  
Ludhiana, Punjab-141010

**.....Appellant**

*VERSUS*

**Commissioner of Customs, Ludhiana**

ICD, GRFL, G.T. Road, Sahnewal,  
Ludhiana - 141001

**.....Respondent**

**APPEARANCE:**

Shri Saurabh Kapoor, Ms. Muskaan Gupta, Ms. Muskan Chauhan and Ms.  
Tanya Kumar, Advocates for the Appellant  
Shri Anurag Kumar, Authorized Representative for the Respondent

**CORAM: HON'BLE MR. S. S. GARG, MEMBER (JUDICIAL)**

**HON'BLE MR. P. ANJANI KUMAR, MEMBER (TECHNICAL)**

**FINAL ORDER NO. 61769/2025**

DATE OF HEARING: 10.10.2025

DATE OF DECISION: 17.12.2025

**P. ANJANI KUMAR:**

M/s Secon Logistics (P) Ltd, the Appellant, assails the impugned order dated 23.06.2022, passed by Commissioner of Customs, Ludhiana, vide which the customs broker license no. 02/CB/REG/LDH/2017 was suspended.

2. Briefly stated the facts of the case are that the appellant-customs Broker filed Bills of Entry, date 23.12.2020 and 24. 12. 2020, on behalf of the Importer M/s Goyal Steel Industries; on examination by officers of DRI, the goods were found to be dry dates as against the declared light melting scrap; the goods were seized on 26.12.2020 and 27.12.2020; statement of Shri Jatinder Kumar was recorded on 21.01.2021 and he was arrested on 22-01-2021; DRI issued an Incident Report, dated 25.01.2021, to Commissioner of Customs Ludhiana, who suspended Customs Broker License under Rule 16 (1) of the Customs Broker Licensing Regulation 2018 (CBLR, 2018), on 05.02.2021; a Personal Hearing was scheduled on 19.02.2021, wherein the appellant requested that copies of documents may be supplied; the same were supplied documents on 05.05.2021; a Corrigendum dated 18.07.2021 was issued; the appellant were given option to attend Personal Hearing Notice on 02.09.2021/03.09.2021 and; personal hearing was held on 06.09.2021; the appellant submitted written explanation on 13.09.2021. M/s Goyal Steel Industries (claiming to be the Importer) filed, a CWP No. 20282 of 2021, before Hon'ble High Court of Punjab & Haryana, seeking directions for re-export of goods along with other reliefs; Hon'ble High Court vide order dated 05.10.2021 directed the department to decide the issues. A Show Cause Notice, dated 10.11.2021, was issued to the Appellant as well as other persons involved; an order to extend the suspension of the appellant was issued on 27.10.2021. M/s Goyal Steel Industries (claiming to be the Importer) filed, a CWP No. 23145 of 2021,

before Hon'ble High Court of Punjab & Haryana, seeking directions for re-export of goods along with other reliefs; the same was withdrawn on 02.02.2022, on the basis of the direction given by Hon'ble High Court. A show Cause Notice under Section 124, dated 09.03.2022, was issued to the appellants and others.

3. Shri Saurabh Kapoor, learned counsel for the appellant submits that in the instant case time line as prescribed under the Customs Broker Regulation was not followed; in terms of Regulation 16, hearing has to be afforded within 15 days from the date of suspension and thereafter the Order requires to be passed in next 15 days from the date of hearing; Customs Broker License was suspended on 05.02.2021; First Personal Hearing was fixed for 19.02.2021, without supplying the copies of relied upon documents, which were supplied on 05.05.2021; a corrigendum was issued on 18.07.2021 and 2<sup>nd</sup> PH was fixed on 06.09.2021; in the instant case, neither the personal hearing was fixed within 15 days from the date of Corrigendum nor the Order extending suspension passed within next 15 days; thus, the provisions of Regulation 16 not followed.

4. learned counsel submits further that where the suspension is extended and confirmed in terms of proviso to Regulation 16, the procedure as prescribed under Regulation 17 has to be followed; Regulation 17 specifically lays down that a Notice for revocation is to be issued within 90 days from the date of "Offence report"; Offence report was issued on 27.12.2020; Show Cause Notice for Revocation or imposition of penalty having not been issued within 90 days, regulation 17 of CBLR is violated; The Customs Broker Suspension

has to be revoked on this ground itself. He relies on the following cases.

- *HIM Logistics Pvt. Ltd. (2023) 4 Centax 205 (Del.)*
- *Leo Cargo Services 2022 (382) ELT 30 (Del.)*
- *Aristo Shipping Services Vs Principal Commissioner of Cus. Chennai VIII*
- *Sabin Logistics Pvt. Ltd 2019 (367) ELT 200 (Mad.)*
- *Harjeet Singh Johar 2018 (361) ELT 731 (Del.)*
- *Harjeet Singh Johar 2018 (361) ELT 731 (Del.)*
- *Neko Freight Forwarders Ltd 2018 (360) ELT 879 (Del.)*

5. Learned counsel submits in addition that the Appellant reiterates the submissions made in respect of their appeal No.60251 of 2022 and submits that the Appellant had acted within four corners of the provisions of the CBLR 2018; as per the statement dated 19.03.2021 tendered by Sh. Yashpal Goyal, Prop of M/s Goyal Steel Industries, the said Proprietor has admitted to the fact that he had signed the Authorizations as well as High Sea Sales Agreement for the purposes of clearance of goods imported at the port of ICD HTPL; the impugned Order is liable to be set aside since the Appellant Customs Broker had no knowledge regarding the offending goods if any concealed within the Containers declared as Light Melting Scrap; imported goods were accompanied with all import documents including the PSIC issued by the pre inspecting agency who had certified that the goods imported in the containers were "Light Melting Scrap"; there existed no occasion on the Appellant to report to the competent Authority in respect of the violations if any

committed by the Importer; the Impugned Order is illegal arbitrary and based on wrong appreciation of facts since the Importer M/s Goyal Steel Industries had categorically requested to the Respondent for de stuffing of goods as well as provisional release. The said fact was supported by the act of the Importer wherein Writ Petition was filed before Hon'ble High Court for provisional release of the goods.

6. learned counsel submits also that the impugned order is liable to be set aside on the ground that the Respondent failed to supply the copies of all the relied upon documents, as requested by the appellant, enabling them to file reply to the Show Cause Notice; appellants' request for cross examination was also rejected by the competent Officer, in violation of the principles of natural justice.

7. Shri Anurag Kumar, learned authorized Representative, for the Revenue, reiterates the findings of the impugned order and submits that the allegation that the timelines, prescribed under Regulation 17(1) of the Customs Broker Licensing Regulations, 2018(CBLR), were not followed and hence, the proceedings against the appellant-Broker are liable to be dropped, are incorrect. A massive fraud of import of dry dates in the guise of Heavy melting Scrap, by using the IEC of others, master minded by the appellant-Customs Broker, was unearthed; the Show cause notice under Customs. Act,1962 was issued on 10.11.2021; thus, the impugned SCN 31.12.2021 was within the time period; also, due to the COVID Pandemic prevalent at that time, Hon'ble Apex Court ordered that the period

15.01.2020 to 21.02.2022 shall stand excluded under any general or special laws in respect of all judicial or quasi-judicial proceedings; the said SCN returned undelivered with remarks "insufficient address" and therefore the same was pasted on the Notice Board; PH was held and the impugned order, dated 30.04.2022, was passed; moreover, maintainability of SCN, when issued beyond 90 days, in the case of appellant themselves, has been decided in favour of Revenue, vide Final Order No. 60073/2022 dated 08.07.2022, by this Bench.

8. Learned Authorized Representative submits that the investigation, of case of fraudulent import of dry dates, revealed several violations committed by the appellant-customs broker, M/S Secon Logistics Pvt Ltd, and its director, Jatinder Kumar, as follows.

- customs broker did not verify the functioning and legitimacy of the importers, M/S Goyal Steel Industries and M/S Raghav Alloys & Metal, at their declared addresses; both companies were found to be non-existent; the Customs Broker indulged in forgery and manipulation of documents; thus, the Customs Broker violated Regulation 10(n) of the CBLR, 2018.
- the appellant-customs broker caused misdeclaration of goods and consequent evasion of customs duty amounting to Rs. 72.17 lakh;
- the appellant-customs broker caused import of dry dates and did not comply with Plant Quarantine Regulations Order, 2003:

- the appellant-customs broker failed to advise the importer correctly and failed to inform/ notify Customs Authorities violating Regulation 10(d).
- the appellant-customs broker did not cooperate with the investigation; did not honour summonses and thus violated the Regulation 10(q).
- the appellant-customs broker failed to fulfil the obligations as a customs broker, including the maintenance of accurate records and acting in good faith in all dealings in violation of Regulation 13(12):
- by contravening the statutory obligations, the appellant-customs broker caused significant financial loss to the exchequer, as well as a compromise of national security.

9. Learned Authorized Representative submits further that imposition of Penalty and Revocation of License are justified as the appellant-customs broker breached the Trust reposed and violated Statutory Obligations: actively participated in the Smuggling and Fraud: they failed to provide any valid defense or explanation for their actions; they failed to appear for personal hearings and did not submit a formal reply to the Inquiry report. He submits that the inquiry officer rightly relied on the decision of Hon'ble Supreme Court in the case of K.M. Ganatra & Co - 2016 (332) E.L.T. 15 (S.C.) and CESTAT ruling in the Baraskar Brothers case, where in the important role of customs brokers was emphasized and strict action was upheld. against those found in violation of customs regulations.

Similarly, he reiterated that customs brokers cannot shy away from their responsibilities, and any contravention of regulations, even without intent, is sufficient to warrant punishment.

10. Heard both sides and perused the records of the case. We find that the impugned order is consequent to the allegations levelled against the appellant – customs broker which culminated in the issue of show cause notice dated 10.11.2021 issued under the Customs Act, 1962, which was adjudicated vide Order-in-Original dated 30.04.2022. We find that Revenue on the basis of above case initiated the present proceedings against the appellant- customs broker alleging various violations of CBLR – 2018. The main allegations against the appellants are that they did not verify/satisfy as to the credentials of the importer/ IEC holder i.e M/s Goyal Steel Industries/ Shri Yashpal Goyal; they did not exercise due diligence in attending to the work related to the clearance of the impugned consignment; they did not alert or bring to the notice of the Department the wrong doings of the importers; they managed to obtain import documents from the IEC holder through Shri Love Sharma and have masterminded the imports; they arranged for the payments through another customs broker instead of through the importer/ IEC holder or paying by themselves; they were in contact with the shipping agents in respect of the cargo; they did not maintain records/ particulars of the importers/ IEC holders; they were instrumental in masterminding the import of dry dates under the guise of steel melting scrap; they did not obtain necessary phyto-sanitary certificate from the concerned authorities.

11. The Customs case referred above, came up before this Bench vide Appeal No. C/60251/2022 and we observed as follows:

“In view of the above, we find that the allegation of having effective control, against M/s Secon Logistics/ Shri Jatinder Kumar has not been substantiated and therefore, the charge of them being beneficial owner cannot be upheld. It is not proved conclusively that M/s Secon Logistics/ Shri Jatinder Kumar have forged the documents as the investigations stopped at proving that the signatures on the documents in question were not of Shri Yashpal Goyal and did not proceed further to find out as to who signed them and as to whether Shri Jatinder Kumar forged/signed them. Therefore, the penalties imposed under Sections 112, 114A and 114AA on M/s Secon Logistics/ Shri Jatinder Kumar cannot be upheld. However, we find that the role of Shri Jatinder Kumar/ M/s Secon Logistics in the import of dry dates mis-declared as light melting scrap cannot be ignored at least as far as allowing the payment of duty for one of the impugned consignments through some other broker i.e. M/s Sark Enterprises instead of asking the importer to pay or pay themselves as agents and for not maintaining proper records of the importer, who is claimed to have entrusted the work relating to customs clearance to them. However, as no other penalty is proposed or imposed on them, we cannot go beyond the four corners of the Show Cause Notice. We find that the impugned order is not sustainable as far as M/s Secon Logistics/ Shri Jatinder Kumar are concerned.”

12. We find that the allegations, of masterminding the import; forgery/ manipulation of documents and being a beneficial owner, made against the appellant – customs broker were held to be non-sustainable in the above cited case; however, the Bench observed that there were some lapses on the part of the customs broker – appellant that as far as allowing the payment of duty for one of the impugned consignments through some other broker i.e. M/s Sark Enterprises instead of asking the importer to pay or pay themselves

as agents and for not maintaining proper records of the importer, who is claimed to have entrusted the work relating to customs clearance to them. We find that the main defense of the appellant in the impugned proceedings initiated under CBLR, 2018 is that the proceedings are vitiated because the Commissioner did not adhere to the timeline prescribed under Regulation 17(1) of CBLR, 2018. Regulation 17 specifically lays down that a Notice for revocation is to be issued within 90 days from the date of "Offence report"; Offence report was issued on 27.12.2020; Show Cause Notice for Revocation or imposition of penalty having not been issued within 90 days, regulation 17 of CBLR is violated; The Customs Broker Suspension has to be revoked on this ground itself. They rely on various judgments in this regard. Learned Authorized Representative for the Revenue submits that the offence committed by the customs broker – appellant is of serious nature and the customs broker – appellant has breached the trust reposed on them. As regards the timeline, he submits that due to the ongoing lockdown due to the Pandemic during the relevant time, Hon'ble Supreme Court has extended the time limits for various proceedings and accordingly there was no delay and violation of the time limit prescribed in the Regulations.

13. We find that Hon'ble High Court of Delhi in the case of HIM Logistics Pvt. Ltd. (supra) held that if the notice issued beyond the period of 90 days from the offence report, impugned order cannot be sustained. We also find that Hon'ble High Court of Delhi in the case of Leo Cargo Services (supra) held that:

**14.** It can be seen that the timelines as prescribed under various Regulations in CBLR, 2018, have been consistently held by the Courts as mandatory in nature. Each timeline is sacrosanct, and the idea of prescribing a time limit by statute becomes redundant if not adhered to. Therefore, it is not just the overall timeline of 270 days (as set forth in the Circular No. 9/2010, dated 8-4-2010) that needs to be followed, but also each and every timeline as prescribed in the CBLR, 2018.

**14.1** Timelines cannot be overlooked by Revenue by citing reasons on merits. We are bound by the decisions, as discussed above, passed by the Coordinate Benches of this Court and other High Courts, which state that each timeline is sacrosanct.

**14.2** We are unable to persuade ourselves to agree with the decision of the Bombay High Court in the *Principal Commissioner of Customs v. Unison Clearing Pvt. Ltd.* (supra) that where a reasonable explanation is given for such delay and were accounted for, the delay may be condoned. In any event, in the present case, the facts are distinguishable. The Revenue has nowhere in their pleadings before the CESTAT and neither in their Reply affidavit filed in this present appeal given any reasonable explanation for the delay or non-compliance of the timeline prescribed under sub-regulation (5) of Regulation 17 of CBLR, 2018. Revenue is bound to follow the settled law and statutory provisions, including their timelines. Once the limitation is prescribed clearly therein, it cannot be stated that because of other issues, this mandatory requirement can be ignored.

**14.3** In view of the foregoing discussion and having regard to the consistent view of the Courts across the Board, we are not inclined to take a contrary view. The surviving question of law as framed as set forth in paragraph 3(i) herein is answered in favour of the appellant and against the respondent.

**15.** Accordingly, we allow the appeal and set aside the impugned order dated 1-10-2019 passed by the CESTAT. Consequently, the proceedings involving revocation of the appellant's custom broker license, forfeiture of its security deposit and imposition of penalty, will also stand set aside.

14. We further find that Hon'ble High Court of Chennai in the case of Aristo Shipping Services (supra) held that when the timelines are not adhered to the impugned order has no legs to stand. We further find that the Hon'ble Delhi High Court in the case of Necko Freight Forwarders Ltd. (supra) held that:

18. A conjoint reading of Regulations 19 and 20(1) indicates that the Commissioner of Customs may in appropriate cases suspend the License without hearing but must provide a hearing within a period of fifteen days and pass the order confirming the suspension within a period of fifteen days thereafter. Assuming that the Commissioner has passed an order suspending the license immediately on receipt of offence report, he would provide a further period of sixty days to issue a notice to the Customs Broker indicating the grounds on which it is proposed to revoke the License or impose a penalty. This is so because in terms of Regulation 20(1) of the CBLR, such notice is required to be issued within a period of 90 days from the receipt of offence report. The order suspending the License of a Customs Broker cannot continue indefinitely and must yield to the procedure under Regulation 20 of CBLR.

19. The Customs Broker is required to respond to the notice under Regulation 20(1) of the CBLR within a period of thirty days. The Commissioner of Customs is, thereafter required - in terms of Regulation 20(2) of CBLR - to direct the Deputy Commissioner of Customs or Assistant Commissioner of Customs to inquire into

the grounds, which are not admitted by the Customs Broker and to submit a report. The Deputy Commissioner of Customs/Assistant Commissioner of Customs is further required to submit the report within a period of ninety days from the date of issue of the notice under Regulation 20(1) of the CBLR.

20. In terms of Regulation 20(6) of the CBLR, the report of the Deputy Commissioner of Customs/Assistant Commissioner of Customs is required to be furnished to the Customs Broker requiring him to make a representation within a period of thirty days, thereafter.

21. In terms of Regulation 20(7), the Commissioner of Customs is required to pass a final order within the period of ninety days of the receipt of the report of the Deputy Commissioner of Customs/Assistant Commissioner of Customs under Regulation 20(5) of CBLR. Thus, within a period of 270 (two hundred and seventy) days from the receipt of the offence report, the Commissioner of Customs has to pass an order either revoking the order of suspension or to revoke the License of the Customs Broker and/or impose a penalty as specified under Regulation 20(2) of the CBLR.

22. A Customs Broker cannot carry on its business without a License and, therefore, revocation or suspension of such License has serious adverse consequences as it results in preventing the Customs Broker from carrying on its vocation. Given the serious nature of such action, strict timelines have been specified under Regulations 19 and 20 of the CBLR and the same must be adhered to.

23. The respondent's contention that a License of a Customs Broker can be suspended indefinitely awaiting a final conclusion of the investigations and the period of suspension would be contingent on as and when the final show cause notice is issued and militates against the scheme of Regulations 19 and 20 of the CBLR. The

rationale of providing strict timelines is to ensure that the work of the Customs Broker is not suspended indefinitely and any action against him is concluded in the time bound manner. The interpretation that the License of a Customs Broker can be suspended without immediately following the same proceedings under Regulation 20(1) of the CBLR would defeat the very objective for which such strict timelines have been provided

15. In view of the above, we find that Hon'ble High Courts have been consistently holding that the timelines prescribed under CBLR for issuance of the show cause notice and the order are mandatory in nature. The orders issued in violation of the timelines are vitiated and are liable to be set aside. We find that learned Authorized Representative for the Revenue relies upon the case of K.M. Ganatra & Co (supra) and submit that a lot of responsibilities and trust have been thrust upon the customs broker and therefore, it is expected of the customs broker that he behaves in a diligent and responsible manner. We find that the case is decided on a separate set of matrix and the issue involved is also different. The issue is about the timelines that have to be adhered by the officers while suspending or revoking the license of the customs broker. We also find that reliance on this Bench's Final Order No. 60073/2022 dated 08.07.2022 is also of no avail as the said order was dismissed as infructuous by this Bench.

16. We find that in the recent times, Courts have been taking a strict view of the timelines prescribed under CBLR, 2018. It is not prudent on the part of the Revenue to accuse the customs broker of

the violation of the CBLR, 2018 when they do not themselves adhere to the same Regulations. We further find that it was incumbent on the officers to adhere to the procedures laid down in the law while dealing with the violations.

17. We find that it has been held by the Hon'ble Apex Court in a number of cases that a particular act is to be performed in the particular manner prescribed. We find that Hon'ble Supreme Court in the case of Chandra Kishore Jha v. Mahavir Prasad & Ors. - (1999) 8 SCC 266, held as under:

"17.....It is a well-settled salutary principle that if a statute provides for a thing to be done in a particular manner, then it has to be done in that manner and in no other manner. (See with advantage: Nazir Ahmad v. King Emperor [(1935 36) 63 IA 372: AIR 1936 PC 253 (II)], Rao Shiv Bahadur Singh v. State of V.P. [AIR 1954 SC 322: 1954 SCR 1098], State of U.P. v. Singhara Singh [AIR 1964 SC 358: (1964) 1 SCWR 57].) An election petition under the rules could only have been presented in the open court up to 16-5 1995 till 4.15 p.m. (working hours of the Court) in the manner prescribed by Rule 6 (supra) either to the Judge or the Bench as the case may be to save the period of limitation. That, however, was not done....."

18. We further find that Hon'ble Supreme Court in the case of Cherukuri Mani v. Chief Secretary, Government of Andhra Pradesh & Ors - (2015) 13 SCC 722 held that "Where the law prescribes a thing to be done in a particular manner following a particular procedure, it shall be done in the same manner following the provisions of law, without deviating from the prescribed

procedure.....” (Para 14). Hon’ble Supreme Court further followed the same principle in the case of Municipal Corporation of Greater Mumbai (MCGM) v. Abhilash Lal & Ors. and OPTO Circuit India Limited v. Axis Bank & Ors (2021) 6 SCC 707 and in the case of Mahendra Singh Civil Appeal No. 4807 OF 2022.

19. In view of the above, we are of the considered opinion that the impugned order cannot be sustained. Though, the appellant – customs broker has been found to have not acted in the true spirit of the Regulations, we find that the appellant – customs broker has already suffered due to the suspension of his license for more than 03 years. We find that Hon’ble Delhi High Court in the case of Ashiana Cargo Services (2014 (302) ELT 161 (Del.)) held that even though it is seen that the Customs Broker has violated the trust operating between the customs authorities and the CHA, it has to be borne in mind that the CHA was unable to work with the license for 07 to 08 years; a penalty must be imposed if certain provisions have been violated; the penalty must, as in any ordered system, be proportional to the violation just as the law abhors impunity for infractions, it cautions against disproportionate penalty; neither extreme is to be encouraged. Hon’ble High Court held that a penalty of revocation of license unjustly restricts the appellant’s ability to engage the business of CHA for a long time; importantly, it skews the proportionality doctrine. We find that no penalty was imposed in the instant case. The fact that suspension hit at the very livelihood of the appellant and his employees, requires to be considered for

atonement of the mistakes, if any, on the part of the appellant – customs broker.

20. In view of the above, the impugned order is set aside and the appeal is allowed. It is directed that the impugned license be restored within 04 weeks of receipt of this order.

(Order pronounced in the open court on 17/12/2025)

**(S. S. GARG)**  
**MEMBER (JUDICIAL)**

**(P. ANJANI KUMAR)**  
**MEMBER (TECHNICAL)**

PK