CUSTOMS, EXCISE AND SERVICE TAX APPELLATE TRIBUNAL
CHENNAI

REGIONAL BENCH – COURT NO. III

Customs Appeal No.40554 of 2016
(C/CROSS/41018/2016-by Respondent)

(Arising out of Order-in-Original No.43640/2015 dated 23.12.2015 passed by Commissioner of Customs, Chennai-VIII, 60, Rajaji Salai, Custom House, Chennai - 600 001.)

Commissioner of Customs, **....Appellant**
Chennai-VIII Commissionerate,
No.60, Rajaji Salai,
Custom House,
Chennai-600 001.

Versus

M/s. Leona Worldwide Logistics **... Respondent**
New No.25, 1st Floor,
Angappa Naickan Street,
Chennai-600 001.

APPEARANCE:

Shri Sanjay Kakkar, Authorized Representative for the Appellant
Ms. Aruna A., Advocate for the Respondent

CORAM:
HON'BLE MR. P. DINESHA, MEMBER (JUDICIAL)
HON'BLE MR. VASA SESHAGIRI RAO, MEMBER (TECHNICAL)

FINAL ORDER No.40083/2026

DATE OF HEARING: 24.11.2025
DATE OF DECISION: 13.01.2026

Per: Shri P. Dinesha

This Appeal is filed by the Department, feeling aggrieved by the Order-in-Original No.43640 of 2015 dated 23.12.2015 passed by the Commissioner of Customs, Chennai-VIII. The only grievance of the Revenue is the levy of penalty of Rs. 50,000/- which is not commensurate with the gravity of the offence committed and that the Commissioner should have revoked the Customs Brokers Licensing of the Respondent.

2. Admitted facts, in brief are that during the course of scrutiny of documents by the Export Promotion Copy Section (EP Copy Section), Chennai Customs, submitted by the Customs Broker, it was found that signature on the Mate Receipt Nos. 20677/10.08.2013 & 20423/10.08.2013 of Steamer Agent M/s.Hapag Lloyd India Pvt. Ltd. for the Shipping Bill No.7178597/28.08.2013 and 6771575/02.08.2013 were forged and that M/s. Leona Worldwide Logistics,

Chennai, has handled these documents as Customs Broker for these Shipping Bills. The case was investigated by the Docks Intelligence Unit (DIU). During the investigation, Shri F. Wilson, one of the Partners of M/s.Leona Worldwide Logistics admitted that his employee Shri P.Manobharath forged mate receipt for the Shipping Bill No.7178597/28.08.2013 in the name of M/s. Hapag Lloyd India Pvt. Ltd., to save the late fee charges and made forged mate receipt for the Shipping No.6771575/02.08.2013 in the name of M/s. Hapag Lloyd India Pvt. Ltd., as he lost the original mate receipt. Thus the Customs Broker has failed to discharge the obligation cast upon them under the Regulation 17(9) of the CBLR, 2013.

3. It appears that Show Cause Notice dated 19.05.2015 was issued under 20(1) of the Customs Brokers Licensing Regulations (CBLR), 2013 proposing, *inter-alia*, revocation of CB's License apart from forfeiture of Security Deposit. Inquiry Officer was also nominated to conduct inquiry as required under the governing statute, who vide report dated 21.09.2015 found that the Respondent had violated Regulations

17(9) & 18(c) of CBLR, 2013; after considering the case details in the context of Inquiry Report and explanation offered by the Respondent, the Commissioner vide impugned order however, felt it proper to impose a penalty of Rs. 50,000, without directing revocation of CB's License. In the impugned OIO, relevant findings are as under:

> *"12. From the above facts, it appeared that the employee of the Customs Broker, M/. Leona Worldwide Logistics had submitted forged mate receipt no. 20677 / 10.08.2013 for the Shipping Bill No. 7178597/28.08.2013 and forged the signature of the authorized signatory of M/s. Hapag Lloyd and submitted the forged mate receipts to Customs for printing the EP copy. They also forged the mate receipt no. 20423 / 10.08.2013 for the Shipping Bill No. 6771575 / 02.08.2013 and forged the signature of the authorized signatory of M/s. Hapag Lloyd India Pvt. Ltd. even though the consignment was shipped by M/s. Mitusi OSK Lines (India) Pvt. Ltd.*
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> *18. The Customs Broker vide their letter dated 19.10.2015 have stated that the shipments under Shipping Bills 7178597/28.08.2013,6771575/02.08.2013 and 6893934 / 12.08.2013 has actually taken place and there was no malafide intention on their / staff's part to inflict loss to the State; that their staff has committed this act in ignorance without knowing the repercussions of committing such act of folly; that the ignorance of law cannot be taken as a ground for excuse, they implore to take a lenient view, considering the facts and circumstances under which such irresponsible act has been committed by their staff; that they are fully*

dependent on Customs Broking business and providing livelihood to twenty persons; that they have learnt from their mistake, and have adequately educated their staff to be prudent and sensible to their work towards the Organisation and Customs norms as a whole. The Customs Broker vide their letter dated 07.12.2015 requested to grant them a personal hearing to present their justification person. Accordingly, an opportunity of personal hearing was granted to the Customs Broker on 22.12.2015 at 12.45 hours."

Based on the above, the Commissioner has felt it proper and imposed the penalty as indicated above which, the Revenue has not accepted, which has resulted in this Appeal.

4. Heard Shri Sanjay Kakkar, Ld. Deputy Commissioner for the Commissioner– Appellant and Ms. Aruna A., Ld. Advocate for the Respondent; we have carefully perused the documents placed on the Appeal record before us and also perused the decisions relied upon by the parties during the course of arguments before us. After hearing both sides, the only question that arises for our consideration is, "whether the impugned order calls for any interference?"

5. We have perused the relevant clauses of governing Customs Brokers Licensing Regulations, 2013 and at regulation 8(1), there is mandate for executing *inter alia*, of Bond in the "*name of Commissioner of Customs for an amount of five lakhs rupees*". Regulation 18 prescribes '**Revocation of license or imposition of penalty'** for violations of clauses provided thereunder and the amount of penalty prescribed itself is not exceeding Rs.50,000/-. Further, Regulation 20 provides '**Procedure for revoking license of penalty'** and at sub-clause (7) under Regulation 20, the Commissioner is given free hand, based on the report of Inquiry Officer and the representation thereon, if any, made by the Custom Broker, to pass such orders as he deems fit. Again, Regulation 22 ibid provided for penalty for any contravention, the amount of which is once again pegged at Rs. 50,000/-.

6. From the above, two things are clear to us, viz. the threshold of penalty for any violation insofar as Customs Brokers Licensing Regulations is concerned, is Rs. 50,000/- only; and secondly, the governing statute, i.e. CBLR does not provide for forfeiture of Security

Deposit at all. Hence, we are of the view that the grievance of the Department has no solution at all, as could be understood from the Regulations, 2013. When the Rules prescribe an upper limit, imposing the maximum penalty as provided cannot therefore be held to be 'not in commensurate' and therefore, we do not find any infirmity in the impugned order, which is upheld. Ordered accordingly. Resultantly, Appeal filed by the Revenue is dismissed.

(Order pronounced in open court on 13.01.2026)

sd/-

(VASA SESHAGIRI RAO)
Member (Technical)

sd/-

(P. DINESHA)
Member (Judicial)

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