

**CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
NEW DELHI**

PRINCIPAL BENCH - COURT NO. I

Customs Appeal No. 51034 of 2020

(Arising out of Order-in-Original No. 29/MK/POLICY/2020 dated 25.06.2020 passed by the Principal Commissioner of Customs, (Airport & General), New Customs House, New Delhi)

Impexnet Logistics

Address: V-115(S.F.), Eros Garden,
Suraj Kund, Faridabad,
Haryana-121009

..... Appellant

Versus

**Commissioner of Customs (Airport &
General)-New Customs House,**

Near IGI Airport,
New Delhi-11037

..... Respondent

APPEARANCE:

Mr. Paras Aneja, Advocate for the Respondent

Mr. N.M. Goyal, Authorised Representative for the Department

CORAM :

HON'BLE MR. JUSTICE DILIP GUPTA, PRESIDENT

HON'BLE MR. C.J. MATHEW, MEMBER (TECHNICAL)

DATE OF HEARING/DECISION: December 10, 2025

FINAL ORDER NO. 51880/2025

C. J. MATHEW

M/s Impexnet Logistics, a proprietary concern of Shri Rajesh Pandey and holder of customs broker license¹, is before us assailing revocation of the license, accompanied by forfeiture of security deposit, under regulation 17 and imposition of penalty under regulation 18 of Customs Broker Licensing Regulation, 2018 with the plea that none of the alleged breaches had been established against them as is evident from the outcome reported by the enquiry authority and notwithstanding the disagreement proposed by, and affirmed in order² of, Commissioner of Customs, (Airport & General), New Delhi as licensing authority.

1 [License no. No. R-57/DEL/CUS/2007 & (PAN NO. AAOPP7614D)]

2 [order no. 29]

2. From the records, it appears that import of 21 consignments of 'semi precious stones' by M/s Lush Exim Pvt Ltd had been subjected to investigation for overvaluation and the handling of the clearance by the appellant herein had, for alleged breach of regulation 10(a), 10(d), 10(e) and 10(f) and 10(n) of Customs Broker License Regulation, 2018, prompted issue of notice proposing revocation of license and imposition of penalty.

3. In the report of the designated inquiry authority, the submissions of customs broker were found to be tenable and, therefore, not warranting further action; however, the licensing authority, in disagreement note of 22nd April 2022, rendered reasons for the alleged breaches to be held as proved and, consequent upon response from the appellant herein, confirmed its own findings with the consequential detriments

4. Learned Counsel appearing for appellant submitted that the allegation, insofar as regulation 10(a) is concerned, could not sustain with authorization issued by a director of the client-company on record and that, notwithstanding any denial by the said signatory of any connection with the imports, existence of the authorization itself was undeniable. He submitted that breach of regulation 10(d) was held as established without considering the delegation purportedly permitting one Rakesh Mishra to handle the consignments on behalf of the client and, consequently, except by cavil of the delegate of not having received proper advice, it was inappropriate on the part of the licensing authority to conclude dereliction on the part of the appellant. While admitting that the appellant had not been in contact with the signatory of the authorization issued to the appellant, he argued that obligation under regulation 10(e) could have been confirmed only upon some

evidence to demonstrate that the information furnished to the client was not correct or appropriate. He further argued that, with no further information to be furnished to client in the absence of special instructions issued by customs authorities on handling of 'semi precious stones', withholding details from client would not arise. As far as the requirements of 'know your client (KYC)' was concerned, he pointed out that the licensing authority by acknowledging that details of client had been verified from authoritative websites, concurred that obligation had been complied with and contrary finding, in the absence of any other specific directions, issued under the Customs Broker Licensing Regulations, 2018, was not deserving of confirmation.

5. Learned Authorized Representative pointed out that the licensing authority found himself in disagreement with the findings in the enquiry report and, in compliance with statutory pre-requisite, had furnished detailed reasons for upholding each of the charges specified in the original show cause notice. He contended that the authorization could not be accepted as valid with the signatory subsequently denying any connection with the consignment. He admitted that the procedure prescribed for verification of antecedents of the client had, in terms of extant law, been duly complied with but was emphatic that the custom broker had failed to contact the importers and, therefore, any submission of having rendered proper advice as well as furnishing of verified information to the client could not be accepted.

6. Having heard the submissions and perused the records, we find that authorization issued by Shri Narender Kumar Chandan, Director, is on record. The authenticity of the said authorization has not been disputed by the licensing authority and the entirety of charge of breach of regulation 10(a) has been sustained on subsequent inaction by non-

contact with the signatory of the said authorization. On this specific finding, the allegation of breach of regulation 10(a) cannot be sustained.

7. Turning to the breach of not having rendered advice to the client on customs procedures and prescriptions, it is on record that the appellant had not contacted the signatory in the authorization and the submission that the authority granted in favour of the said Rakesh Mishra sufficed as substitute does not wash as the claimed authority is limited to delivery of documents and physical handling of consignments. At no stage was it held out that said Rakesh Mishra was a responsible employee acting on behalf of the importer company. Furthermore, at no stage, had the appellant submitted that said Rakesh Mishra had been advised in accordance with the obligation in regulation 10(d) of Customs Broker Licensing Regulations, 2018.

8. It is admitted by the appellant that he had not contacted the signatory at any time, and, consequently, there was lack of communication with the client; in the absence of any communication, there is no scope for alleging that such communication was lacking in ascertainment of correctness.

9. The obligation to communicate required information, as set out in regulation 10(f) of Customs Broker Licensing Regulations, 2018, does not arise in the absence of any finding that any particular procedure, specific to clearance of 'semi precious stones', was in existence owing to which there is no ground to sustain the finding of the licensing authority thereon.

10. It was inappropriate on the part of the licensing authority to conclude that the custom broker was required to verify the antecedents beyond, or in addition to, that stipulated in regulation 10(n) of Customs Broker Licensing Regulation, 2018 inasmuch as verification from

websites of the government having taken place is admitted in the impugned order.

11. Accordingly, except for the alleged breach of regulation 10(d) of Customs Broker Licensing Regulations, 2018, none of the charges sustain. As only one among five of the allegations imputed in the show cause notice is sustained, as set out *supra*, the imposing of entirety of penalties available under the Customs Broker Licensing Regulations, 2018 would appear to be disproportionate. We also find the genesis of the proceedings was overvaluation of goods which has not been alleged to be attributable, directly or indirectly, to the customs broker. Consequently, the ends of justice would be met by setting aside the revocation and the forfeiture of security deposit while confirming the penalty of Rs. 50,000/- imposed by the licensing authority. The appeal is partly allowed to that extent.

(order dictated in the open court)

(JUSTICE DILIP GUPTA)
PRESIDENT

(C.J. MATHEW)
MEMBER (TECHNICAL)

Shenaj