CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
NEW DELHI

PRINCIPAL BENCH - COURT NO. II

CUSTOMS APPEAL NO. 52059 OF 2022

[Arising out of Order-in-Appeal No.20-24(SM)/CUS/JPR/2022 dated 23.02.2022 passed by the Commissioner(Appeals) Central Excise and CGST, Jaipur]

M/s SUNRISE FREIGHT FORWARDERS PVT LTD ....APPELLANT
A-1023, Surya Bhawan, Road No.6,
Village-Mahipalpur, New Delhi-110 037

VERSUS

COMMISSIONER, CUSTOMS (PREVENTIVE), ...RESPONDENT
Jodhpur HQRS: NCR Building,
Statue Circle, C-Scheme, Jaipur-302 005

APPEARANCE:
Dr. Prabhat Kumar and Shri Pralabh Mathur, Advocates for the appellant
Shri Anand Narayan, Authorised Representative for the respondent

CORAM:
HON'BLE MR. ASHOK JINDAL, MEMBER (JUDICIAL)

FINAL ORDER NO.50418/2026

Date of Hearing/Decision: 23.03.2026

ASHOK JINDAL:

1. All the appeals are arise out of common order, therefore, all are disposed of by a common order.

2. The facts of the case are that appellant No. 4 M/s Sunrise Private Limited was having a valid broker license and was engaged in the Business of Customs broker facilitation and clearance of export and import consignments, the Appellant no.5 is the Managing Director of the Appellant no. 4 and the Appellant no. 1 to 3 are employees of the Appellant no. 4 on 07.01.2019. The Appellants filed shipping bills on behalf of M/s Jogania

Exports, whose proprietor is Shri Pradeep H. Chourt. The exporter had obtained authorization from the Custom Authorities for self-sealing in Factory vide authoritisation No.C.No.VIII(H)48/CT/MISC-JAIPUR/104/2017/288 dated 02.01.2018. Pursuant to specific intelligence indicating that the exporter has involved in the export of prohibited goods, namely red sanders. The DRI detained the consignment on 10.1.2019. On examination of the above said consignment on 11.01.2019, in the presence of the appellant no. 1, it was found that the consignment contained red sanders logs, which has been misdeclared as "Stone Pillars" in the shipping bills, the statements of all the appellants were recorded. During the investigation it was found that the appellant no.4 obtains on letter head from the name of M/s Jogania Exports and the name was written as Joganiya instead of Jogania, and it was alleged that appellants have not performed their duties as Customs Brokers properly, therefore, penalty was proposed under relevant sections and by adjudication, the penalties on the appellants were imposed. Aggrieved by the said order, the appeals are before me.

3. The learned Counsel for the appellants, on behalf of the appellants, submits that proceedings under CBLR, 2018 were initiated against the Appellant no. 4 and the Customs Broken license of the Appellant no.4 was initially suspended bar after post-decisional hearing, the suspension was revoked, but a penalty of Rs.50,000 was imposed under Regulation 18 of the Custom Broker CBLR, 2018. The said order was challenged before this Tribunal, and this Tribunal vide order No. 51002/2019 dated 06.08.2019, set aside the penalty imposed on the appellant No. 4. It is the submission of the learned Counsel for the appellant that when the proceedings under CBLR have been dropped, therefore, no penalty is imposable on the appellant under Customs Act, as it was found by the Adjudicating Authority in the proceedings of CBLR that there was no fault of the

appellant and it was not in the knowledge of the appellant what the goods in the consignment were, having red sanders log Therefore, it is prayed that penalties of all the appellants be set aside.

4. On the other hand, the learned Authorised Representative for the Department strongly opposed the contention of the learned Counsels for the appellants and submitted that Shri Surendra Gupta was having knowledge of stuffing of red sanders as during the course of investigation he admitted that in the front portion of the consignment stone pillars were loaded and stated that the back portion of the goods should not be examined and on that pretext the goods were cleared for export, but during the course of investigation by DRI, it was found that in the back portion of the consignment, red sanders logs were present, therefore, it was in the knowledge of Shri Surendra Gupta that red sanders were being exported as contraband goods. It is further submitted that, penalty is impossible as Surendra Gupta was also involved in some other export where red sanders logs were found for export.

5. Heard the parties.

6. In this case, the exporter namely Jogania Exports, Bhilwara, had sent two consignments for export through appellant No. 4, which were factory-sealed consignments and during the course of investigation, the seal was found intact. The appellant has also obtained KYC of the exporter such as IEC, PAN card, Bank Account, Adhar card and Self-sealing permission, which were found to be genuine. In these circumstances, the Revenue has failed to bring on record that the appellant No.4 or its director having any knowledge of export of contraband or details of the goods being stuffed in the consignment, furthermore, the proceedings initiated against the appellant No. 4 under CBLR, 2018 have already been dropped. In these circumstances, I hold that in the absence of any evidence on record of having any knowledge of the appellants and as the

seals were found to be intact, penalties under the Customs Act, 1962 are not imposable on the appellants.

7. In view of this, the penalties on the appellants are dropped. Consequently, the impugned order qua imposing penalties on the appellants before me is set aside by allowing the appeal.

[Order dictated and pronounced in open court]

(ASHOK JINDAL)
MEMBER (JUDICIAL)

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