CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
NEW DELHI

PRINCIPAL BENCH - COURT NO. 4

CUSTOMS APPEAL NO. 51301 OF 2025

(Arising out of Order-in-Appeal No. CC(A)CUS/D-II/TKDE/302-303/2025-26 dated 03.06.2025 passed by Commissioner of Customs (Appeals), New Delhi)

Md. Javed Khan ...... **Appellant**
A-16/A, 3rd Floor, Johari Farm,
Noor Nagar Extn, Jamia Nagar
Okhla, New Delhi-110025.

Versus

Commissioner of Customs, ICD, TKD (Export) ...... **Respondent**
Tughlakabad, New Delhi.

APPEARANCE:
Shri Aryan Nagpal and Ms. Mehak Sharma, advocates for the appellant
Shri Anand Narayan, authorised representative for the department

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

DATE OF HEARING/DECISION: July 08, 2026

FINAL ORDER NO. ________/2026

MR. ASHOK JINDAL:

The appellant is in appeal against the impugned order wherein penalty under sections 114(iii) and 114AA of the Customs Act, 1962 has been imposed.

2. The facts of the case are that the appellant is a G-card holder of custom broker M/s Grass Logistics India. Being G-card holder, the appellant filed shipping bills and export documents on behalf of the exporter, namely, M/s Riverside Impex. Later on, the consignment was examined and it was found that instead of cigarette, agarbatti were being exported. Therefore, the proceedings were initiated against the exporter as well as the appellant and customs broker M/s Grass Logistics India. After completion of the proceedings, a show cause notice was issued to the appellant to impose penalty under sections 114(iii) and 114AA of the

Customs Act, 1962. By way of impugned order, the penalty of Rs. 1 lakh each have been imposed on the appellant under section 114(iii) and 114AA of the Act. Aggrieved from the said order appellant is before me.

3. Learned counsel for the appellant submits that the appellant being a G-card holder has obtained KYC from the exporter and filed the export documents as per the declaration made by the exporter. The appellant did not know about the contents stuffed in the container and it came to his knowledge only when the container was opened that there is agarbatti instead of cigarettes. In that circumstances as there was no intention of appellant and no knowledge of mis-declaration of the aforesaid consignment, penalty under sections 114(iii) and 114AA is not imposable.

4. On the other hand, learned authorised representative for the department submits that it is the negligence of the appellant while filing the export document and mis-classification of goods in question, therefore, penalties are rightly imposed. He also submits that the appeal filed by the custom broker M/s Grass Logistics India before this Tribunal has already been withdrawn. In that circumstance penalty be imposed.

5. Heard the parties and considered the submissions.

6. On going through the papers placed before me and argument advanced by both the parties, I find that Revenue has failed to prove in this case that the appellant was having any knowledge of mis-declaration of goods in question on behalf of the appellant. In that circumstances no penalty can be imposable on the appellant.

7. In view of this, the penalties imposed on the appellant are set aside. Consequently, the appeal is allowed.

(Order pronounced and dictated in open court)

(MR. ASHOK JINDAL)
MEMBER (JUDICIAL)

Apoorva