CUSTOMS, EXCISE AND SERVICE TAX APPELLATE TRIBUNAL MUMBAI

WEST ZONAL BENCH

CUSTOMS APPEAL NO: 86679 OF 2025

[Arising out of Order-in-Original No: 07/2025-26 CBS dated 19th June 2025 passed by the Principal Commissioner of Customs (General), Mumbai – I.]

Saidutta Clearing Agency Pvt Ltd
201, Madhuban Building, 23, Cochin Street
Fort, Mumbai – 400 001 … ***Appellant***

versus

Principal Commissioner of Customs (General)
Mumbai Zone - I
New Customs House, Ballard Estate, Mumbai – 400 001 ***…Respondent***

APPEARANCE:

Shri KS Mishra, Advocate for the appellant

Shri Dinesh Nanal, Deputy Commissioner (AR) for the respondent

CORAM:

HON'BLE MR C J MATHEW, MEMBER (TECHNICAL)
HON'BLE MR AJAY SHARMA, MEMBER (JUDICIAL)

FINAL ORDER NO: 85092/2026

DATE OF HEARING: 25/09/2025
DATE OF DECISION: 22/01/2026

PER: C J MATHEW

M/s Saidutta Clearing Agency Pvt Ltd is before us against order[1]

[1] [order-in-original no. 07/2025-26 CBS dated 19th June 2025]

of Principal Commissioner of Customs (General), Mumbai – I for suspending their licence[2] to operate as customs broker.

2. The appellant had handled one bill of entry for warehousing of ‘tobacco products’ on behalf of M/s Vegas International and the alleged deficiency of pictorial warning and other details, specified in the Cigarettes and Other Tobacco Products (Packaging and Labelling) Rules, 2008, led to proceedings against the importer as well as the customs broker. On the basis of the adjudication, resulting in penalty of ₹ 5,00,000 under section 112 of Customs Act, 1962 and ₹ 5,00,000 under section 114AA of Customs Act, 1962 on the appellant herein, the licensing authority invoked regulation 16 of Customs Broker Licensing Regulations, 2018 to place the licence under suspension. The order of suspension was confirmed by the impugned order after grant of hearing as prescribed in Customs Broker Licensing Regulations, 2018.

3. We have heard Learned Counsel for the appellant and Learned Authorized Representative at length.

4. It would appear that the customs broker had, during the ‘post decision hearing’, argued that the influence of the adjudication order in initiating proceedings under the Customs Broker Licensing Regulations, 2018 was inappropriate and that the said order could

[2] [CB licence no. 11/978]

hardly be considered as ‘offence report’ for the purpose. It is seen from the records that the adjudication order, on the basis of which the suspension was ordered, had been carried before the first appellate authority and, in decision thereof, the penalties were set aside *vide* order[3] of Commissioner of Customs (Appeals), Mumbai – II. The competence of the licensing authority to suspend a licence is circumscribed by

> *‘16. Suspension of license.— (1) Notwithstanding anything contained in regulation 14, the Principal Commissioner or Commissioner of Customs may, in appropriate cases where immediate action is necessary, suspend the license of a Customs Broker where an enquiry against such Customs Broker is pending or contemplated:*
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> *Provided that where the Principal Commissioner or Commissioner of Customs may deem fit for reasons to be recorded in writing, he may suspend the license for a specified number of Customs Stations.’*

of Customs Broker Licensing Regulations, 2018.

5. From the above, it is seen that there are two essential elements for suspension of licence, as measure additional to revocation of licence under regulation 14 of Customs Broker Licensing Regulations, 2018 which, itself, may initiated only on receipt of ‘offence report’ followed by issue of notice contemplated under regulation 17 of Customs Broker

[3] [order-in-appeal no. 329 (Gr.I&IA)/2025(JNCH)/Appeals dated 10th March 2025]

Licensing Regulations, 2018. Suspension of the appellant was ordered on receipt of the ‘offence report’ which is the adjudication order by which penalties were imposed on the appellant. Without such ‘offence report’ arising from disavowal of the penalties in appeal, the process under regulation 17 of Customs Broker Licensing Regulations, 2018 could not have been initiated and as the empowerment for suspension is contextual with intent to conduct enquiry, it would appear that the setting aside of the penalty erases the cause for suspension.

6. Accordingly, continuation of suspension would not be in accordance with law and is, therefore, set aside to allow the appeal.

(Order pronounced in the open court on 22/01/2026)

(AJAY SHARMA) ***Member (Judicial)***	**(C J MATHEW)** ***Member (Technical)***

**/as*