



प्रधान आयुक्त, सीमाशुल्क (सामान्य) का कार्यालय
OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS
(GENERAL),
नवीन सीमाशुल्क भवन, बेलाई इस्टेट, मुंबई - 400001. NEW CUSTOM
HOUSE, BALLARD ESTATE, MUMBAI - 400001.

संचिका सं./F. No. GEN/CB/630/2025-CBS

आदेश दिनांक/Date of Order: 28.09.2026

CAO No.41/2026-27/CAC/PCC(G)/AKP/Adj-CBS जारी दिनांक/Date of issue: 28.09.2026

संख्या:

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द्वारा जारी : अजय कुमार पाण्डेय

Issued By : Ajay Kumar Pandey

प्रधान आयुक्त, सीमाशुल्क (सामान्य)

Pr. Commissioner of Customs (Gen.)

मुंबई - 400 001

Mumbai - 400 001

ORDER-IN-ORIGINAL मूल आदेश**ध्यान दीजिए/ N.B. :**

1. यह प्रति उस व्यक्ति को निजी उपयोग हेतु निःशुल्क प्रदान की जाती है, जिसे यह जारी की जा रही है।
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2. इस आदेश के विरुद्ध अपील माँगे गए राशी के **7.5%** के भुगतान पर सीमाशुल्क अधिनियम, 1962 की धारा 129A(1B)(i) के संबंधमें सीमाशुल्क, केंद्रीय उत्पाद शुल्क एवं सेवाकर अपील अधिकरण में स्वीकार्य है, जहाँ शुल्क या शुल्क एवं जुर्माना विवादित हों, या जुर्माना, जहाँ सिर्फ जुर्माना ही विवादित हो। यह अपील इस आदेश के संप्रेषण की तारीख के तीन महीने के अंदर दायर की जाएगी। यह अपील सीमाशुल्क, केंद्रीय उत्पाद शुल्क एवं सेवाकर अपील अधिकरण (कार्यविधि) नियमावली, १९८२, के प्रावधानों के अंतर्गत, यथोत्तखंडपीठ में स्वीकार्य है।

An appeal against this order lies with the Customs, Central Excise and Service Tax Appellate Tribunal in terms of section 129A(1B)(i) of the Customs Act, 1962, on payment of **7.5%** of the amount demanded where duty or duty and penalty are in dispute, or penalty, where penalty alone is in dispute. It shall be filed within three months from the date of communication of this order. The appeal lies with the appropriate bench of the Customs, Central Excise and Service Tax Appellate as per the applicable provisions of the Customs, Excise and Service Tax Appellate Tribunal (Procedure) Rules, 1982.

3. यह सूचित किया जाता है की इस आदेश के अमल में आते ही, न्याय निर्णयन अधिकारी का अधिकार क्षेत्र समाप्त होता है और सीमाशुल्क, केंद्रीय उत्पाद शुल्क एवं सेवाकर अपील अधिकरण, पश्चिम क्षेत्रीय खंडपीठ, के M/s Knowledge Infrastructure Systems Pvt. Ltd. & Others vs ADG, DRI, Mumbai के संदर्भ में जारी आदेश क्रमांक A/86617-86619/2018 दिनांक के अनुसार न्यायिक आदेश तदोत् 31.05.2018 प्रांत न्याय निर्णयन अधिकारी 'functus officio' बन जाता है

It is informed that the jurisdiction of the Adjudicating Authority stands alienated with the conclusion of the present adjudication order and the Adjudicating Authority attains the status of 'functus officio' as held by Hon'ble CESTAT, Mumbai

in its decision in the case of M/s Knowledge Infrastructure Systems Pvt. Ltd. & Others vs ADG, DRI, Mumbai vide Order No. A/86617-86619/2018 dated 31.05.2018.

4. यदि एक ही प्रकरण में उसी पक्षकार के विरुद्ध कई कारण बताओ नोटिस लगाकर आदेश पारित किया जाता है तो प्रत्येक प्रकरण में अलग अपील दायर की जाए।

In case where an order is passed by bunching several show cause notices on an identical issue against the same party, separate appeal may be filed in each case.

5. यह अपील फॉर्म C.A.-3 में दायर की जानी चाहिए जो कि सीमाशुल्क (अपीलस) नियमावली, १९८२ के नियम के तहत निर्धारित है एवं उसी नियमावली के नियम 3 के उपनियम 2 में उल्लेखित व्यक्ति 6 द्वारा हस्ताक्षरित एवं सत्यापित की जाएगी।

The Appeal should be filed in Form C.A.-3 prescribed under Rule 6 of the Customs (Appeals) Rules, 1982 and shall be signed and verified by the person specified in sub-rule 2 of rule 3 rules ibid.

6. (i) यदि प्रतिवादित आदेश, जिसके विरुद्ध अपील की गई है, में शुल्क एवं मांगे गए ब्याजवलागाएगए जुर्माने की राशि रु-पाँच लाख या इस से कम होतो रु. 1000 ., (ii)यदि यह राशि रु पाँच लाख से अधिक .) हो किंतु पचास लाख से अधिक न होतो रु. 5000/- एवंiii) यदि यह राशि रु पचास लाख से अधिक होतो . रु. 10000/- के शुल्क का भुगतान क्रॉस्ड बैंक ड्राफ्ट के माध्यम से अधिकरण की खंडपीठ के सहायक पंजीयक के पक्ष में जिस स्थान पर खंडपीठ स्थित है, के किसी भी राष्ट्रीय क्रत बैंक की शाखा में किया जाए एवं डिमांड ड्राफ्ट अपील के साथ संलग्न किया जाए।

A fee of (i) Rs. 1000/- in case where the amount of duty and interest demanded and the penalty imposed in the impugned order appealed against is Rupees Five Lakhs or less, (ii) Rs. 5000/- in case where such amount exceeds Rupees Five Lakhs but not exceeding Rupees Fifty Lakhs and (iii) Rs. 10000/- in case where such amount exceeds Rupees Fifty Lakhs, is required to be paid through a crossed bank draft in favour of the Assistant registrar of the Bench of the Tribunal on a branch of any nationalized bank located at the place where the bench is situated and demand draft shall be attached to the Appeal.

7. अपील की एक प्रति में कोर्ट फी अधिनियम, की अनुसूची मद 6 के तहत निर्धारित रु. 50 1870 का कोर्ट फी स्टैम्प लगा होना चाहिए एवं इसके साथ संलग्न इस आदेश की उक्त प्रति में रु 50 .का कोर्ट फी स्टैम्प लगा होना चाहिए।

One copy of the Appeal should bear a Court Fee Stamp of Rs. 50 and said copy of this order attached therein should bear a Court Fee Stamp of Rs. 50 as prescribed under Schedule item 6 of the Court Fee Act, 1870, as amended.

Brief Facts of the Case:

M/s. Vishal Shipping Agencies Pvt. Ltd. (CB No. 11/788), having registered address: Office 701/702, Skyline Epitome, Opp. Fatima High School, Next To Jolly Gymkhana, Vidya Vihar-West, Mumbai 400086 (hereinafter referred to as the Customs Broker/CB), is the holder of Customs Broker License No. (11/788), issued by the Commissioner of Customs, Mumbai, under Regulation 8 of CHALR, 1984 (now Regulation 7(2) of CBLR, 2018) and as such, they are bound by the regulations and conditions stipulated therein.

2. An offence Report dated 27.11.2025 vide F. No. CUS/SIIB/INT/262/2025-SIIB(E) issued by the Joint Commissioner of Customs, SIIB(X), NS-II, Mumbai – II enclosing Show Cause Notice No. 1303(L)/2025-26/ADC/CEAC/NS-II/CAC/JNCH dated 12.11.2025 along with the requisite RUDs was received in Customs Broker Section on 12.01.2026. Vide the aforementioned offence report and documents the following was informed:

2.1 Specific intelligence was received by SIIB(X), JNCH vide email dated 12.05.2025 intimating suspected mis-declaration of goods covered under the Shipping Bill No. 1588486 dated 07.05.2025 filed by the CB M/s. Vishal Shipping Agencies Pvt. Ltd. on behalf of the exporter M/s S.K. Corporation (IEC: 0397043554) with an attempt to export prohibited goods i.e. Peacock Tail Feathers concealed in the guise of genuine exports.

2.2 Acting on the said intelligence, the goods covered under the above-mentioned shipping bill were put on hold on 15.05.2025 and were examined 100% on the same day. During examination, the goods were found to be mis-declared in terms of the description in the aforesaid Shipping Bills and the supporting documents. Peacock Tail Feathers were found concealed being stuffed in white polypropylene bags along with other festive and religious goods in 91 packages out of the total 171 packages. The examination of the consignment attempted to be exported by the exporter led to the recovery of 91,000 pieces of Peacock Tail Feathers concealed under the guise of the Genuine exports of Religious and Festive items. The concealed goods viz. Peacock Tail Feathers recovered during the course of the examination are prohibited for export as per Schedule 2 of the Export Policy of ITC (HS), 2018, notified by the DGFT. Therefore, the said concealed goods along with the declared goods were seized vide Seizure Memo dated 16.05.2025 under Section 110 of the Customs Act 1962 read with Schedule 2 of the Export Policy of ITC (HS), 2018 notified by DGFT and further read with the Wild Life (Protection) ACT, 1972 under the reasonable belief that they are liable to confiscation under the provisions of Section 113(d), 113(e), 113(h), 113(i) and 113(o) of the Customs Act, 1962.

2.3 Further investigation revealed that the exporter had booked the transport, generated the e-way bill, and raised the export invoice, without disclosing any additional items,

thereby establishing his direct involvement. The Representative Sealed Samples were sent to the Regional Deputy Director, WCCB, Western Region, CBD Belapur on 16.05.2025 in response of which WCCB, Navi Mumbai vide their letter dated 16.05.2025 has informed that *"based on the morphological characters/features of the samples those were identified as Natural Peafowl/ Peacock Tail Feather. It is further informed that the Indian Peafowl (Pavo cristatus) is listed in Schedule -1 of the Indian Wildlife (Protection) Act, 1972 and also mentioned that, based on the morphological characters of the Peacock Tail Feathers with entire shaft, those are prima facie identified as "Shed Feathers" as the shafts seem to be intact"*.

3. Statement of Key Persons:

3.1 Statement of exporter, Shri Rajesh Kirtikumar Shah was recorded by SIIB(X), JNCH on 16.05.2025 wherein, he inter-alia stated that:

(i) He is a managing partner of M/s S.K. Corporation along with 02 other partners being his wife, Smt. Jinita Rajesh Shah and his mother, Smt. Sangeeta Kirtikumar Shah and he got his IEC on 10.09.1997.

(ii) He further stated that the Shipping Bill No. 1588486 dated 07.05.2025 was filed by his firm M/s S.K. Corporation through CB M/s Vishal Shipping Agencies Pvt. Ltd. They are availing the services of the aforesaid CB i.e. M/s Vishal Shipping Agencies Pvt. Ltd. solely for more than 12 years and he agreed with the findings of the examination panchanama dated 15.05.2025, wherein, during the examination, original Peacock Tail feathers were found in 91 packages out of the total 171 packages. In each of the 91 packages, 1000 Peacock Tail feathers in 10 bundles of 100 pieces each were found concealed under the Religious and festive goods (100 pcs*10 bundles = 1000 pieces in each of the packages).

3.2 Statement of Shri Pravin Kanji Tanna, Director of CB M/s. Vishal Shipping Agencies Pvt. Ltd. was recorded on 26.05.2025 wherein, he inter-alia stated that:

(i) He is the Director of M/s. Vishal Shipping Agencies Pvt. Ltd. having CHA License no. AABCV6455CCH001. M/s. Vishal Shipping Agencies Pvt. Ltd. was incorporated in 1991 (License No. 11/788) for the purpose of Customs clearance and forwarding services.

(ii) They were introduced to M/s S.K. Corporation approx. 10 years back through an acquaintance and they had done KYC and proper verification of premises of M/s S.K. Corporation before starting their clearance work. They generally filed 6-7 shipping bills monthly on behalf of M/s. S.K. Corporation and the general description of goods being exported were assorted Religious and Festival items such as - Murti, Flower Ladi, Pooja Than etc. They had filed the Shipping Bill No. 1588486 dated 07.05.2025, on behalf of the exporter M/s S.K. Corporation. As per their knowledge, the goods

covered vide the aforesaid Shipping Bill, consisted of assorted religious and festive goods of description such as Flower ladi, toran, pooja thali, murtis etc.

(iii) They came to know about the concealment of Peacock tail feathers in the goods covered vide Shipping Bill No. 1588486 dated 07.05.2025 on evening of May 8th through their staff and that during general inspection of the goods by their staff, one package was found in tampered condition, upon close inspection of the tampered package, white plastic bag was seen under the ladi/plastic flowers. Since there was no mention of such plastic bags by the exporter, their staff opened the package to inspect the goods inside it and found it to be peacock tail feathers, and thereafter informed them about the findings.

(iv) They were informed by their staff deployed for clearance at Speedy CFS, regarding the concealment of prohibited goods i.e., peacock tail feathers on the evening of 08th May 2025. Thereafter, they met with the exporter on 09th May 2025 and confronted him about the concealment, to which he replied that he was a merchant exporter and his supplier had sent the impugned goods directly from supplier's warehouse itself, the packing was not done by him (CB), hence he was not aware about the concealment of prohibited goods i.e. peacock tail feathers. The exporter gave them a request letter for Back to Town on 09th May 2025 and since they were seeking legal opinion and did not want to spook the exporter about their plans, they went ahead with the Back to Town request and advertently did not present it for examination to the docks officers and were actively seeking legal opinions on how to proceed in such a way wherein the complaint is discreet.

(v) they themselves had informed the Customs Department regarding the non-compliance of the exporter regarding the impugned goods vide their letter dated 12.05.2025.

(vi) They agreed with the findings of the Panchanama dated 16.05.2025.

3.3 Statement of Shri Vikas Mafatlal Modi, GM (Export/Import) of M/s. Vishal Shipping Agencies Pvt. Ltd. was recorded on 22.10.2025 wherein, he inter-alia stated that:

(i) He agreed with the statement of Shri Pravin Kanji Tanna dated 26.05.2025 wherein, the goods were found to be prohibited item i.e., Peacock Tail Feathers on 08.05.2025, however, the same was brought to the attention of Customs on 12.05.2025.

(ii) They met with the exporter on 09.05.2025 in their office and confronted him about the concealment. Further, 10.05.2025 was Saturday and 11.05.2025 was Sunday, during which they were obtaining Legal Counsel. They finally informed the same to Customs Authorities on 12.05.2025 via email.

(iii) Their director, Shri Pravin Kanji Tanna was out of station and was informed about the same on 10.05.2025 on the phone. Then legal opinion was sought on 11.05.2025

and the matter was brought to the notice of the Customs authorities on 12.05.2025 and they did not have any proof of communication with the legal counsel, as the same was done in person.

(iv) He was aware of the Regulations 10(d), 10(e), 10(f), 10(m) of CBLR, 2018.

(v) Their director was out of station, there was no proper person who could make decision in the matter and they were also seeking legal counsel in the matter.

3.4 Statement of Shri Kalpesh Daryalal Ramani, G-category Customs Pass holder of M/s. Vishal Shipping Agencies Pvt. Ltd. was recorded on 08.12.2025 wherein, he inter-alia stated that:

(i) He had supervised the carting of goods i.r.o the S/B no. 1588486 dated 07.05.2025. While carting the goods in the CFS, one of the packages fell down and the same was torn and he noticed peacock tail feathers in it. As a precautionary measure, he repacked the package to avoid any damage to the goods and informed their office regarding the same.

(ii) He was aware that the Peacock Tail feathers are prohibited for export. However, whether the said goods were original peacock tail feathers or not could not be confirmed on visual inspection. He had informed the said finding to Shri Nikhil D Chandan, then GM of the CB firm and Shri Rupesh Thakkar, Operation Head of the CB firm.

(iii) On informing about the said goods to Shri Nikhil D Chandan and Shri Rupesh Thakkar, he was instructed not to present the goods for examination as the matter was being taken up with the exporter for clarification.

(iv) He initiated the BTT request of the exporter on the instructions of Shri Rupesh Thakkar. Accordingly, he had taken a file number from AC/Docks based on the exporter's request letter for BTT. However, he had not presented the goods for examination as per the instructions of Shri Nikhil D Chandan and Shri Rupesh Thakkar.

(v) He was aware that any discrepancy w.r.t the description of goods to be brought to the notice of the AC/Docks. However, he was not sure whether the goods found were real Peacock Tail feathers or artificial and accordingly, he had informed the same to Shri Nikhil D Chandan and Shri Rupesh Thakkar and then waiting for further instructions from office.

3.5 Statement of Shri Nikhil Dwarkadas Chandan, former GM (Export) of CB M/s. Vishal Shipping Agencies Pvt. Ltd. was recorded on 08.12.2025 wherein, he inter-alia stated that:

(i) as General Manager (export), he used to manage all the employees of the CB firm, supervised all the export documentation and other export process at the docks.

(ii) he got a call from Shri Kalpesh D Ramani on 07.05.2025 informing that one of the packages was found in torn condition which revealed that the goods in the said Shipping Bill contained mis-declared goods i.e. Peacock Tail Feathers. As a precautionary measure, Shri Kalpesh D. Ramani repacked the said torn package. He had informed the same to his director, Shri Pravin Kanji Tanna and asked him for further directions. Shri Pravin Kanji Tanna had told him that the exporter is a reputed firm and been in the export business for last 20-25 years and that they confirm the discrepancy noticed with the exporter and proceed further. He spoke to Shri Rupesh Thakkar and asked him to verify the discrepancy in the goods from the exporter and to discuss the same with Shri Pravin Kanji Tanna as he was out of station. On 08.05.2025, Shri Pravin Kanji Tanna instructed him to return to Mumbai as soon as possible so that they could seek legal counsel before proceeding further and that he had reached Mumbai on 10.05.2025 midnight. He went to Shri Pravin Kanji Tanna's home on 11.05.2025 and they had decided that they inform the Customs authorities regarding the prohibited goods. Accordingly, they intimated the same to the Customs authorities on 12.05.2025 vide email.

(iii) he was aware that the discrepancy noticed w.r.t the goods to be brought to the notice of AC/Docks. However, the exporter was a well reputed firm and they wanted to clarify the same with the exporter. In addition, they were afraid that complaining against the exporter might adversely affect their client base. The dues of around Rs. 25-30 lakhs were pending from the exporter, M/s S.K. Corporation and they were worried that the recovery of the same would be difficult at later stages.

(iv) they were in dilemma regarding how to approach the Customs authorities, the exporter had asked them to cancel the shipment and to process the Back to Town. Since they were seeking legal counsel in the matter, to keep the exporter engaged, they had initiated the BTT request.

3.6 Statement of Shri Rupesh Nitin Thakkar, Senior Executive (Export Operations) of CB M/s. Vishal Shipping Agencies Pvt. Ltd. was recorded on 28.01.2026 wherein, he inter-alia stated that:

(i) As part of routine procedure, after filing of SB No. 1588486 dated 07.05.2025 for M/s S.K. Corporation, he received the checklist and forwarded the same to their docks staff, Shri Kalpesh D. Ramani, for examination. Later, Shri Kalpesh D. Ramani informed him that the goods appeared to contain Peacock Tail Feathers which are prohibited for export. He immediately informed their Director, Shri Pravin Kanji Tanna. As per his instructions, he forwarded the BTT format to Shri Rajesh K. Shah,

the exporter. Upon receiving the BTT request letter from the exporter, he forwarded the same to Shri Kalpesh D. Ramani to initiate the BTT request, with instructions not to present the goods for examination.

(ii) he acted strictly as per the directions of Shri Pravin Kanji Tanna, Director of M/s Vishal Shipping Agencies Pvt. Ltd. He did not seek further clarification regarding the reason for not presenting the goods for examination.

(iii) he forwarded the photographs of the goods (peacock tail feathers), which were received from Shri Kalpesh D. Ramani to Shri Rajesh K. Shah. To the best of his knowledge, the exporter discussed the matter directly with their director. Thereafter, Shri Rajesh K. Shah requested him to forward the BTT format letter and after some requisite corrections, the finalized BTT letter was forwarded to Shri Kalpesh D. Ramani.

4. This is a case of smuggling of prohibited goods wherein the exporter, Shri Rajesh Kirtikumar Shah, Managing Partner of M/s S.K. Corporation attempted to smuggle prohibited goods i.e. Peacock Tail Feathers (approx. 91,000 pieces/feathers) falling under CTH 05059010 by concealing them under the guise of genuine exports i.e. Religious and Festive items vide Shipping Bill No. 1588486 dated 07.05.2025. The aforesaid S/B was filed by CB M/s Vishal Shipping Agencies Pvt Ltd (CB no. 11/788) for the exporter M/s. S.K. Corporation. The CB failed to explain the inordinate delay of 4-5 days in reporting the attempt to smuggle the prohibited items i.e. Peacock Tail Feathers (Goods found on 08.05.2025 as per whatsapp chat and the intimation was made on 12.05.2025) except stating that they were taking legal Counsel. Also, the CB failed to provide any proof of communication (i.e. phone call, text and/or e-mail) with the purported Legal Counsel. Thus, the reason for delay in informing the concerned Customs Authorities seemed purely an afterthought. To become a licensed CB, to handle the Customs related works, one needs to pass a License Exam which needs prudence in Custom Laws, Rules and Regulations. Being a Licensed CB, it is inherently assumed that the CB is well versed with the Custom Laws, Rules and Regulations, so the CB's claim of Seeking Legal Counsel was completely an afterthought and baseless. Thus, the inordinate delay may be construed as an attempt to collude with the Exporter in facilitating the Export or BTT of the said prohibited goods. These actions, carried out by the CB M/s Vishal Shipping Agencies Pvt Ltd (CB No. 11/788) constituted a serious offence and warrant strict legal action under the Customs Broker Licensing Regulations (CBLR), 2018 and other applicable statutory provisions.

5. Role of the Customs Broker:

5.1 M/s Vishal Shipping Agencies Pvt. Ltd. (CB License No. 11/788) acted on behalf of the exporter in filing Shipping Bill No. 1588486 dated 07.05.2025. As a licensed Customs Broker, the CB is statutorily bound to ensure strict compliance with the provisions

of the Customs Act, 1962 and the Customs Broker Licensing Regulations (CBLR), 2018. The investigation revealed that, as per the CB's own voluntary statement, the CB became aware of the concealment of prohibited goods, namely Peacock Tail Feathers, on 08.05.2025. However, this critical information was brought to the notice of the Customs authorities only on 12.05.2025, resulting in an unexplained and inordinate delay of 4-5 days. Such delay is contrary to the CB's obligation of immediate reporting of irregularities and indicates deliberate suppression of material facts. Further, despite RMS instructions explicitly directing "Inspect Packet," the CB claimed that the prohibited goods were detected through a torn package. However, examination conducted under Panchanama categorically established that no package was found in a damaged or torn condition. This rendered the CB's explanation false and misleading, thereby undermining the credibility of their submissions.

5.2 It was also observed that, instead of promptly informing the Customs authorities, the CB proceeded to initiate "Back to Town" (BTT) procedures by registering the request and obtaining a file number. This conduct is in direct contradiction to the CB's claim that the delay was on account of seeking legal advice. Had the CB genuinely intended to report the irregularity, they would not have initiated BTT proceedings. This clearly established that the CB attempted to facilitate removal of the goods rather than ensure compliance with law. The CB's justification for delay on the grounds of seeking legal counsel is not supported by any documentary evidence such as communication records, and is therefore untenable and appeared to be an afterthought.

5.3 Further, contradictory statements of the CB raised serious doubts regarding the veracity of the CB's defence and indicated an attempt to fabricate a post facto justification. Additionally, the CB admitted that concerns regarding recovery of outstanding dues from the exporter influenced their decision-making. Such admission clearly established that commercial considerations were given precedence over statutory obligations, which is wholly improper for a licensed Customs Broker. In view of the aforementioned facts and circumstances, the conduct of the CB appeared not merely negligent but indicated active facilitation and abetment of the attempted export of prohibited goods.

6. From the foregoing, it appeared that the Customs Broker had contravened the provisions of the CBLR, 2018 as detailed below:

(i) Violation of Regulation 10(d):

Regulation 10(d) mandates that the Customs Broker shall advise the client to comply with the provisions of the Act and, in case of non-compliance, shall immediately bring the matter to the notice of the Deputy/Assistant Commissioner of Customs. In the present case, the CB had prior knowledge of concealment of prohibited goods on 08.05.2025 but failed to inform the Customs authorities immediately. There was an

inordinate delay of 4-5 days in reporting the matter, without any reasonable or substantiated cause. Instead of reporting the violation, the CB initiated BTT procedures, thereby facilitating possible removal of the prohibited goods. The CB also provided the exporter with the format for BTT, indicating active assistance rather than regulatory compliance. Thus, the CB failed to discharge its primary obligation under Regulation 10(d) and appeared to have acted in a manner that aided and abetted the attempted smuggling.

(ii) Violation of Regulation 10(m):

Regulation 10(m) requires the Customs Broker to discharge duties with utmost speed, efficiency, and without delay. In the present case, the CB failed to promptly report a serious offence involving prohibited goods. The delay of 4-5 days remained unexplained and unjustified. The plea of seeking legal counsel was unsupported by any evidence and is contradicted by the CB's own actions (initiation of BTT). Inconsistent statements of the CB further indicated deliberate delay and lack of transparency. Such conduct demonstrated a clear failure to act with the required speed, diligence, and efficiency, thereby violating Regulation 10(m).

7. Therefore, the CB appeared to have rendered itself liable for penal action under the provisions of the CBLR, 2018 for contravention of Regulations 10(d) and 10(m). The acts and omissions of the CB indicated deliberate involvement and abetment in the attempted smuggling of prohibited goods, thereby making them unfit to continue operations as a licensed Customs Broker. Accordingly, the Customs Broker license No. 11/788 held by CB M/s. Vishal Shipping Agencies Pvt. Ltd. was suspended by the Commissioner of Customs (General) vide Order No. 25/2025-26 dated 23.01.2026 under regulation 16(1) of the CBLR, 2018. An opportunity for a personal hearing was granted to the CB on 06.02.2026. Subsequently, the Suspension of the CB license was revoked vide Order No. 28/2025-26 dated 20.02.2026 in terms of Regulation 16(2) of the CBLR, 2018, pending further inquiry under CBLR, 2018.

7.1 In view of the offence report dated 27.11.2025 vide F. No. CUS/SIIB/INT/262/2025-SIIB(E) issued by the Joint Commissioner of Customs, SIIB(X), NS-II, Mumbai – II, the following articles of charges were framed against the CB M/s. Vishal Shipping Agencies Pvt. Ltd. (CB License No. 11/788):

- (i) Article of Charge-I: Violation of Regulation 10(d) of the CBLR, 2018.
- (ii) Article of Charge-II: Violation of Regulation 10(m) of the CBLR, 2018.

7.2 In light of the above, a Show Cause Notice (SCN) No. 01/2026-27 dated 01.04.2026 was issued to the CB M/s. Vishal Shipping Agencies Pvt. Ltd. (CB License No. 11/788) under the provisions of Regulation 17(1) of the CBLR, 2018 wherein, the CB was called upon to show cause, as to why:

- a. The Customs Broker License bearing no. 11/788 issued to them should not be revoked under regulation 14 read with regulation 17 of the CBLR, 2018;
- b. Security deposited should not be forfeited under regulation 14 read with regulation 17 of the CBLR, 2018;
- c. Penalty should not be imposed upon them under Regulation 18 read with Regulation 17 of the CBLR, 2018.

7.3 Shri Hari Singh D. Mina, Assistant Commissioner of Customs was appointed as Inquiry Officer (IO) to conduct the inquiry proceedings under Regulation 17 of the CBLR, 2018. However, he could not conduct the Inquiry due to leave availed on medical grounds. Consequently, on 19.05.2026, Shri Ajay Kumar Tadia, Deputy Commissioner was appointed as Inquiry Officer to conduct the inquiry proceedings against the CB M/s. Vishal Shipping Agencies Pvt. Ltd. (CB License No. 11/788) under Regulation 17 of the CBLR, 2018.

INQUIRY REPORT: -

8. The Inquiry Officer (hereinafter referred to as the 'IO') concluded the inquiry proceedings and submitted the Inquiry Report dated 30.06.2026. The IO held both the charges of violation of Regulations 10(d) & 10(m) of the CBLR, 2018 levelled against the CB as "Proved".

FINDINGS OF THE INQUIRY OFFICER: -

9. The IO stated that he had gone through the brief facts of the case as depicted in SCN No. 01/2026-27 dated 01.04.2026 issued by the Principal Commissioner of Customs (G), NCH, Mumbai and SCN No. 1303(L)/2025-26/ADC/CEAC/NS-II/CAC/JNCH dated 12.11.2025 and subsequent Corrigendum dated 15.01.2026 issued to the Exporter, M/s. S.K. Corporation by the Addl. Commissioner of Customs, NS-II, CEAC, JNCH, wherein, the Charged CB is one of the three Noticees; written submissions of the Charged CB firm vide letter dated 27.04.2026; and oral submissions made by authorized representatives of the Charged CB firm during the PH conducted on 26.05.2026 on behalf of the Charged CB. He had gone through charges levelled against M/s. Vishal Shipping Agencies Pvt. Ltd. (CB No. 11/788) and perused the details of investigation proceedings.

9.1 The IO found that during the course of initial as well as subsequent investigation, statements of: (i) Shri Pravin Kanji Tanna, Director of Charged CB was recorded on 26.05.2025; (ii) Shri Vikas Mafatlal Modi, GM (Export/Import) of Charged CB was recorded on 22.10.2025; (iii) Shri Kalpesh Daryalal Ramani, G-Category Customs Pass holder of Charged CB was recorded on 08.12.2025; (iv) Shri Nikhil Dwarkadas Chandan, former GM (Export) of Charged CB was recorded on 08.12.2025; and (v) Shri Rupesh Nitin Thakkar, Senior Executive (Export Operations) of Charged CB was recorded on

28.01.2026. On perusal of these statements, it appeared that there were inconsistencies in the statements. It is clear that the Director and other Department Heads of Charged CB firms were aware of presence of Prohibited Goods in the export consignment since 07.05.2025 itself. **Shri Nikhil Dwarkadas Chandan, former GM (Export)** in his voluntary statement stated that *he got a call from Shri Kalpesh D. Ramani on 07.05.2025 informing that one of the packages was found in torn condition which revealed that the goods in the said S/Bill contained mis-declared goods; that he went to Shri Pravin Kanji Tanna's home on 11.05.2025 and they had decided that they inform the Customs Authorities regarding the Prohibited Goods; that the dues of around Rs. 25-30 lakhs were pending from the exporter, M/s. SK Corporation and they were worried that the recovery of the same would be difficult at later stages.* **Shri Kalpesh Ramani, G Category pass holder** of Charged CB in his voluntary statement stated that *one of the packages fell down and the same was torn and he had noticed Peacock Tail Feathers in it. As a precautionary measure, he had repacked the package to avoid any damage to the goods and informed their office regarding the same.* On perusal of these two statements, it appears inconsistent w.r.t. nature of package found as one claimed one package found in torn condition, whereas, other claimed that during carting one package fall down and got torn, however, during the course of 100% examination of the goods under Panchanama, none of the package found in torn or re-packed condition. Therefore, the claim of the CB firm that they accidentally came across the fact about the appearance of Prohibited Goods in the consignment is neither cogent nor substantive. Further, **Shri Rupesh Nitin Thakkar, Senior Executive (Export Operations)** of Charged CB in his voluntary statement stated that *on learning about appearance of Prohibited Goods in export consignment, he immediately informed their Director, Shri Pravin Kanji Tanna; that as per his (Director) instructions, he forwarded the BTT format to Shri Rajesh K. Shah, the exporter, that upon receiving the BTT request letter from the exporter, he forwarded the same to Shri Kalpesh D. Ramani to initiate the BTT request, with instructions not to present the goods for examination.* In response, Shri Kalpesh Ramani had initiated the BTT request of the exporter on the instructions of Shri Rupesh Thakkar. Accordingly, he had taken a file number from AC/Docks based on the exporter's request letter for BTT. However, he had not presented the goods for examination as per the instructions of Shri Nikhil D Chandan and Shri Rupesh Thakkar. These statements made it amply clear that the CB firm was well aware of the presence of Prohibited Goods in the export consignment since 07.05.2025 itself and instead of immediately informed to the AC/Docks, they tried to cover up the issue by advising exporter to file an application for BTT of the goods and provided requisite format to the Exporter for the same. **Shri Pravin Kanji Tanna, Director** of Charged CB in his voluntary statement submitted that *they were informed by their staff deployed for clearance at Speedy CFS, regarding the concealment of Prohibited Goods, i.e., Peacock*

Tail Feathers on the evening of 08th May, 2025, that the exporter gave them a request letter for BTT on 09th May 2025 and that since they were seeking legal opinion and did not want to spook the exporter about their plans, they went ahead with the BTT request and that they advertently did not present it for examination to the Docks Officers and were actively seeking legal opinions on how to proceed in such a way, wherein, the complaint is discreet.

9.1.1 The IO stated that on perusal of above statements, it is apparent that there is inconsistency in the date of knowledge of Prohibited Goods by the officials of CB firm; there is statement of key official of charged CB firm that they have fear of not-recovering pending dues of 25-30 Lakhs from the exporter, that the condition under which the concerned Docks staff found the Prohibited Goods, as no package was found torn or re-packed during 100% examination of the goods by the Investigating Officers recorded under Panchanama, which made the claim of the Charged CB firm that due to torn package they came across the fact about presence of Prohibited Goods in guise of declared export goods. Furthermore, the Charged CB firm failed to provide any documentary evidence to substantiate their stand that since 09.05.2025, they were contacting their Legal Counsel, Shri C.M. Sharma, former Joint Director of DRI to obtain advice for intimating the fact to Customs. Instead, Shri Nikhil Dwarkadas Chandan, former GM (Export) in his voluntary statement stated that he went to Shri Pravin Kanji Tanna's home on 11.05.2025 and they had decided that they inform the Customs Authorities regarding the Prohibited Goods. This made the statement of Director of the Charged CB not correct and cogent. Further, it is pertinent to mention here that if the Charged CB have had no knowledge about presence of Prohibited Goods in the consignment and accidentally came to know, then it was their primary responsibility to intimate the same to the AC/Docks instead of seeking opinion of Legal Counsel, which could have proved their innocence and honesty towards their act, which the CB firm miserably failed.

9.2 The IO found that the investigation revealed that as the RMS instructions for the subject S/Bill was "Inspect Package", which could have exposed the attempt of smuggling of Prohibited Goods in guise of declared goods, therefore, the CB firm attempted to cover up the issue by advising exporter to file an application for BTT of the consignment and even provide format for application and their staff obtained File No. for BTT and initiated the procedure for the same. However, as the AC/Docks remarked "100% examination of goods" before granting BTT, the Charged CB did not have any other option, but to intimate the fact to the Customs and accordingly, they sent mail to the Department on 12.05.2025 in an attempt to save themselves from legal activities. Also, the admission of former GM of Charged CB firm about pending dues from the exporter, made it clear that the CB gave preference to monetary consideration over statutory obligations.

9.3 In view of the glaring facts surfaced during investigation, the IO found that the SCN dated 15.01.2026 (Offence Report) issued under the provisions of Customs Act, 1962 and subsequent SCN dated 01.04.2026 issued under the provisions of CBLR, 2018 has correctly alleged that these acts on the part of Charged CB contravened the provisions of Regulations 10 (d) & 10 (m) of CBLR, 2018.

9.4 The IO stated that he scrutinized the submissions made by the Charged CB firm, M/s. Vishal Shipping Agencies Pvt. Ltd., both written and oral, on the Articles of Charges framed by the Department against the Charged CB. Now he proceeded to discuss all the submissions & examine their merits in proceeding Paras.

9.4.1 Article of Charge - I: Contravention of Regulation 10(d) of CBLR, 2018:

(i) On careful perusal of the records in the case of exporter, M/s. S.K. Corporation he observed that the investigations conducted in the matter revealed that the exporter who is the owner of the goods under export and in which the impugned Prohibited Goods were found concealed along with the declared export goods, could not discharge his burden of proof as stipulated in Section 123 of the Customs Act 1962, to prove that he was not involved in the attempted export of the impugned goods. In spite of several opportunities granted to him the exporter could not submit any evidence including documentary such as E-mails/Purchase Order/any communication between him, overseas buyer and domestic supplier, that proved that he was unaware or was not involved in the attempted export of the impugned goods. The exporter had also not given any cogent reason that why only in the case of this consignment, the goods were packaged in the local supplier warehouse and sent directly to the CFS for export, when it has been revealed in the investigations that all previous consignments were packaged in the exporter warehouse only and then dispatched for export to concerned CFS. Hence, the exporter was unable to discharge the burden of proof to prove his non-involvement in the attempted export of the impugned Prohibited Goods. Further, the exporter is a regular exporter and is well aware of the Rules and Regulations for export. The provisions of the Section 50 of the Customs Act 1962, clearly fixes responsibility on the exporter for the goods presented for export including compliance with the Restriction or Prohibition, if any, relating to the goods under this Act or under any other law for the time being in force. Accordingly, the exporter cannot escape his culpability in the attempted export of Prohibited Goods by concealment along with the declared export goods, viz. "Religious and Festive Items".

(ii) He found that in a regime of trade facilitation, a lot of trust is being placed on the CB who directly deals with the exporters. Failure to comply with Regulation by the CB as mandated in the CBLR, gives room for unscrupulous persons to get away with import-export policy violations and revenue frauds. In the instant case, it appeared that the Charged CB being aware about Customs Act, Rules, Regulations, etc. failed to advise his client and

comply with the provisions of the Act, other Allied Acts and the Rules and Regulations thereof and did not exercise due diligence to intimate the Department about notice of Prohibited Goods found in the export consignment and instead provided format of BTT Application and initiated the BTT proceeding by obtaining File No. for the same, however, as the AC/Docks remarked for 100% examination of the goods before BTT made the CB firm to become whistleblower and inform the Department, however, they have not done this act consciously and promptly, however, when they realized about they must be entangled in legal proceedings, chose to inform the Department that too after almost 5 days of examination of goods by their staff. It appeared that the story cooked by the Charged CB is also not substantive as the employee of the CB firm in his statement stated that due to fall of package during carting, the same got torn and they came to know about concealment. However, instead of immediately informing the Department the employee re-packed the package and sewed it. However, none of the package was found to be torn and re-packed, which made it pretty clear that the Charged CB cooked up the story to keep themselves away from the legal action. Furthermore, the story of approaching Legal Counsel for getting opinion for intimating the Department about the notice of Prohibited Goods also appeared to be fabricated as there is no need to have expert advice in intimating the Department about the discrepancies noticed by the CB. If the Charged CB have had intimated the Department on very first day, i.e. on 7th May, 2025, their prudence could have been appreciated, however, instead the Charged CB advised the exporter for making application for BTT and even initiated the proceeding for the same by availing File No. from the Department on 9th May, 2025. Therefore, the theory of delay for intimation as they were waited for their Legal Counsel's opinion is neither legal nor appropriate as far as allegation of delay in intimating the Department about notice of export of Prohibited Goods is concerned.

(iii) The IO submitted that in view of the above facts and findings of the investigation, it appeared that the Charged CB firm aided and abetted the exporter in effecting export of Prohibited Goods and after being instructed by the RMS for inspection of packages attempted to take the goods back to town to avoid the revelation of concealment by the Customs Authorities. However, when AC/Docks ordered for 100% examination of the goods before BTT, the Charged CB left with no option to become whistle blower and inform the Department about the notice of Prohibited Goods in one of the package of the consignment noticed by their employee. However, they took this action only after 4-5 days of carting of goods that too, to save themselves from legal action. From the investigation, it appeared that the exporter in connivance with the Charged CB attempted to smuggle Wild Life Product which are Prohibited for export out of India. The IO found statements of various officials of the Charged CB recorded by the Investigating Agency inconsistent and the reasons given for delay in intimating the Department about the export of Prohibited

Goods appeared to be neither cogent nor appropriate and thus failed to produce any cogent or substantive documentary or circumstantial evidence to prove their prudence.

(iv) The IO further state that it is pertinent to mention here that the facts revealed during the course of investigation proves that the charged CB appears to have failed to advise their client to comply with the above-mentioned Rules and Regulation framed under the provisions of Customs Act, 1962 and other Allied Acts. Moreover, the Charged CB also failed to immediately bring the matter of these non-compliance to the knowledge of the Deputy/Assistant Commissioner of Customs and instead attempted to aid the exporter by filing BTT Application to avoid revelation of concealment to Customs Authority.

(v) The IO found that it was the responsibility of the charged CB to advise their client regarding compliance of the Export Policy w.r.t. export of Restricted/Prohibited goods. Thus, the IO found that the charged CB neither advised the exporters on record about aforesaid compliance nor immediately informed the Department when their employee noticed Prohibited Goods in the export consignment. The IO found that the acts on the part of the charged CB are in violation of the provisions of Regulation 10(d) of CBLR, 2018. Accordingly, the IO held that the Article of Charge-I alleging violation of Regulation 10(d) of the CBLR, 2018 was "proved".

9.4.2 Article of Charge II: Contravention of Regulation 10(m) of the CBLR, 2018:

(i) The IO found that the investigation has proved beyond doubt that the exporter consciously attempted to export Prohibited Goods by resorting to concealment in the legitimate declared export consignment. He found that the Charged CB on the pretext of getting opinion from Legal Counsel prolonged to intimate the Department about the facts noticed by their employees 05 days ago. Instead, the Charged CB provided the exporter format of BTT Application and even obtained File No. for same and initiated proceeding. However, as the AC/Docks ordered for 100% examination of the goods before BTT, the Charged CB was left with no option but to intimate the Department about Prohibited Goods found in the consignment, to safeguard themselves from the legal action by the Department under the provisions of the Customs Act, 1962 and Rules and Regulations made thereunder.

(ii) Thus, the IO concluded that the Charged CB failed in discharging his duties with efficiency and utmost speed. In the instant case, the Charged CB in spite of well aware about concealment of Prohibited Goods in the export consignment failed to intimate the same to the Department which could have resulted in violation of requisite compliances for its clearance w.r.t. ITC angle which could have resulted in exportation of Prohibited Goods, viz. Peacock Tail Feathers vide S/Bill No. 1588486 dated 07.05.2025 in contravention of provisions of FTP, Customs & Allied Acts extant at the relevant period of time. Accordingly, the IO held that the charge of violation of Regulation 10(m) of the CBLR, 2018 was "proved".

9.5 Summary of the Findings:

From the aforesaid discussions as mentioned above, the IO concluded his findings as under:

Sr. No.	Article of Charge	Findings
1.	Violation of Regulation 10(d) of CBLR, 2018	Proved
2.	Violation of Regulation 10(m) of CBLR, 2018	Proved

RECORDS OF PERSONAL HEARING: -

10. The Personal Hearing (PH) in the matter was held on 29.07.2026. Shri Jaydeep Patel - Advocate, Shri Vishal Tanna - Partner at M/s. Vishal Shipping Agencies Pvt. Ltd., and Shri Viren Dayal - Consultant appeared for the hearing on behalf of the CB. They made a written submission dated 27.07.2026 and reiterated the facts of the same. The oral and written submissions of the CB were taken on record.

WRITTEN SUBMISSIONS OF THE CB: -

11. The CB submitted that at the outset they disagreed with the conclusion arrived at by the Inquiry Officer that the Two Charges against them of violation of Regulation 10(d) and Regulation 10(m) respectively of CBLR 2018, stand proved and they submit that they had not violated the said Regulation 10(d) and (m). Before they dealt with the findings of the Inquiry Officer contained in the said Inquiry Report, the CB stated that it was necessary to set out the factual background.

11.1 They are holding Customs Broker License No. 11/788 and have been carrying on business as licensed Customs House Agent/ Customs Broker since the year 1991 and had a clean past record. The license was granted to them by Mumbai customs and currently they are operating as Customs Broker at Mumbai, Nhava Sheva, Ahmedabad, Pipavav, Mundra, Gandhidham, Hazira and ICD Tumb. There about 190 employees working with them and they and their families are therefore dependent on the employment provided by them (CB) for their livelihood. The volume of import work handled by them in terms of duty payment in the last three years is as follows:

Year	Duty
2023-24	Rs. 177,34,01,661/-
2024-25	Rs. 509,07,24,475/-
2025-26	Rs. 307,22,91,014/-

The volume of export work handled by us in terms of value of exports in the last three years is as follows:

Year	Duty
2023-24	Rs. 7498,89,17,0635/-
2024-25	Rs. 7045,84,89,488/-

2025-26	Rs. 9023,62,02,757/-
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11.2 They have been acting as Customs Broker (CB) for S.K. Corporation for the last 10 years, in respect of their exports of Religious and Festival Items. They had taken up work as CB for them after duly carrying out KYC and on an average, they act as CB for them for 6 to 7 Shipping Bills monthly. S.K. Corporation has therefore been an old client for whom they have been acting as CB and there has been no problem with their exports in the past. In regular course of business, they had, as Customs Broker, filed on behalf of S.K. Corporation, Shipping Bill No. 1588486 dated 7-5-2025 for export of Religious and Festival Items. The check-list for the same was prepared on the basis of export documents provided to them by S.K. Corporation and upon approval by them of the check list, the same was filed. S.K. Corporation had on 7-5-2025, arranged the transport of the export consignment to Speedy CFS.

11.3 However, on 8-5-2025, while the goods had still not been stuffed in container nor examined by customs, their staff who attended at Speedy CFS, noticed the presence of undeclared goods which appeared to be peacock tail feathers in the export consignment. They were informed of the same by their staff in the evening of 8-5-2025 and thereafter on 9-5-2025 they confronted the exporter, S.K. Corporation about the same, who stated that the goods had been sent directly by their supplier and they were therefore not aware whether the goods had peacock tail feathers. Thereafter, they contacted their Legal Consultant, Mr. C.M. Sharma, who is highly respected and experienced former Joint Director of DRI and recipient of Certificate of appreciation from President of India and Samman Patra from CBIC and sought his legal assistance for drafting appropriate letter to be addressed to customs informing about the suspected presence of peacock tail feathers in the said export consignment. Since 10-5-2025 and 11-5-2025 were Saturday and Sunday respectively, Mr. C.M. Sharma gave them appointment on 12-5-2025 when they apprised him of the facts and based thereon, he thereafter drafted a letter to be addressed to customs and provided them the draft letter by e-mail. On receiving the same, they submitted the letter on their letter-head as per the said draft, to customs, by e-mail on 12-5-2025 and also submitted hard copy of the letter to customs on 13-5-2025. The CB submitted that they enclosed herewith letter dated 5-2-2026 of Mr. C.M. Sharma confirming these facts.

11.4 The CB submitted that based on the aforesaid information, which they provided to customs on 12-5-2025, the goods were put on hold by customs on 15-5-2025 and after examination which revealed presence of Peacock tail feathers in the export consignment, the goods were seized on 16-5-2025. The CB further stated that the above facts clearly establish that they had, as Customs Broker, acted in absolutely honest and upright manner and duly informed the customs about the suspected presence of undeclared peacock tail

feathers in the export consignment and it is based on the information which they provided to customs that customs put the goods on hold and thereafter seized the same.

11.5 The CB submitted that their CB License was placed under suspension by Order No. 25/2025-26 CBS dated 23-1-2026. After considering their representation, the said suspension was revoked by Hon'ble Commissioner of Customs, CBS (General) by Order No. 28/2025-26 CBDS dated 20-2-2026, wherein it was observed that they had informed the customs on 12-5-2025 about the suspected presence of the Peacock tail feathers in the export consignment. It was further observed that they have submitted evidence to show that upon becoming aware of the suspected presence of Peacock tail feathers in the export consignment on 8-5-2025, they had contacted their Consultant for preparing letter to inform customs about the same and that since 10-5-2025 and 11-5-2025 were Saturday and Sunday respectively, the letter to customs was submitted on 12-5-2025. It has been observed that prima facie it has not been established that they were in connivance with the exporter.

12. The CB stated that in the light of the above facts, they shall now deal with the findings in the Inquiry Report, which has concluded that the two charges of violation of Regulation 10(d) and 10(m) of CBLR 2018 stand proved. They disagree with the said findings and conclusion and submit that they have not violated Regulation 10(d) and (m) as explained herein after.

12.1 Regulation 10(d):

12.1.1 They submitted that there is no violation of Regulation 10(d) which requires the Customs Broker to advise his client to comply with the provisions of the Act, other allied Acts and Rules and regulations and in case of non-compliance to bring the matter to the notice of customs. Upon their staff informing them on the evening of 8th May 2025 of suspected presence of undeclared goods in the export consignment they immediately confronted the client about the same on 9th May 2025 and upon his stating that he was unaware of undeclared goods in the consignment, on the next working day i.e. 12th May 2025 they duly informed customs about the same. They have therefore clearly complied with Regulation 10(d).

12.1.2 They now deal with the findings in the Inquiry Report in respect of Regulation 10(d) contained in Para 7.13 of the Inquiry Report. The observations/findings in Para 7.13.1 of the Inquiry Report are directed against the exporter and it is held that the exporter failed to discharge the burden of proof under Section 123 of the Customs Act 1962 that he was unaware of the presence of undeclared peacock tail feathers in the export consignment. Apart from the fact that Peacock Tail feathers are not specified or notified under said Section 123 and therefore said Section 123 has no application to the present case, the said observations and findings are against the exporter and not against them.

12.1.3 The undisputed fact is that when they filed the Shipping Bill, they had no knowledge about the presence of Peacock Tail feathers in the export consignment and therefore at that stage they had no occasion to advise the exporter in respect of the same. As held by the Hon'ble Tribunal in *Geeta Clearing & Forwarding Agencies P. Ltd v CC-2019 (370) ELT 1030*, in Para 2, in absence of evidence of any act on the part of the Custom House Agent to suggest that any advice contrary to the provisions of the Customs Act 1962 was given, it cannot be held that there was contravention of the said Regulation 10(d). They have not given any advice to the exporter which is contrary to the provisions of the Customs Act 1962 and other allied Acts, Rules and Regulations. Accordingly, there is no violation of Regulation 10(d) on their part. Therefore, the finding in Para 7.13.2 of the Inquiry Report that they failed to advise the client to comply with the Customs Act 1962 and allied Acts, Rules and Regulations is incorrect and unjustified.

12.1.4 As stated herein above, after the Shipping Bill was filed on 7-5-2025 and after the export consignment was brought to Speedy CFS, on 8-5-2025, while the goods had still not been stuffed in container nor examined by customs, their staff who attended at Speedy CFS, noticed the presence of undeclared goods which appeared to be peacock tail feathers in the export consignment. They were informed of the same by their staff in the evening of 8-5-2025 and thereafter on 9-5-2025 they confronted the exporter, S.K. Corporation about the same, who stated that the goods had been sent directly by their supplier and they were therefore not aware whether the goods had peacock tail feathers. They thereafter contacted their Legal Consultant, Mr. C. M. Sharma and sought his legal assistance for drafting appropriate letter to be addressed to customs informing about the suspected presence of peacock tail feathers in the said export consignment. Since 10-5-2025 and 11-5-2025 were Saturday and Sunday respectively, Mr. C. M. Sharma gave them appointment on 12-5-2025 when they apprised him of the facts and based thereon, he thereafter drafted a letter to be addressed to customs and provided us the draft letter by e-mail. On receiving the same, they submitted the letter on their letter-head as per the said draft, to customs, by e-mail on 12-5-2025 and also submitted hard copy of the letter to customs on 13-5-2025. Based on the aforesaid information, which they themselves provided to customs on 12-5-2025, the goods were put on hold by customs on 15-5-2025 and after examination revealed presence of Peacock tail feathers in the export consignment, the goods were seized on 16-5-2025.

12.1.5 They have accordingly, duly complied with the requirement of Regulation 10(d), which provides, that in case of any non-compliance with the Act, Rules or Regulations, Customs Broker must bring the matter to the notice of customs. It is undisputed that they had brought the matter to the notice of customs by their e-mail dated 12-5-2025 and have therefore complied with Regulation 10(d). In view of the submissions made herein above, the finding in Para 7.13.2 of the Inquiry Report that they did not exercise due diligence in

informing customs about the presence of peacock feather tails in the export consignment is incorrect and unjustified. It was on the basis of their e-mail dated 12-5-2025 that the goods were put on hold.

12.1.6 The Show Cause Notice contends that though they became aware of the presence of Peacock Tail feathers in the export consignment on evening of 8-5-2025, they informed the customs only on 12-5-2025 and that there was therefore inordinate delay on their part in informing Customs about the same. The CB submits that this contention overlooks the undisputed fact that on becoming aware of the same on evening of 8-5-2025 they confronted the exporter about the same on 9-5-2025 and when he stated he was not aware of the presence of peacock feather tails in the export consignment, they decided to inform customs and for that purpose sought legal assistance of Mr. C.M. Sharma for drafting letter to customs.

12.1.7 The CB submitted that in response to the contention in the Show Cause Notice that they failed to provide proof of having contacted legal consultant that the explanation of having contacted legal consultant is only afterthought, they submitted that in response to the Suspension Order they had submitted letter dated 5-2-2026 of Mr. C.M. Sharma confirming the fact that they had consulted him in the matter for drafting of the letter and they also submitted his e-mail dated 12-5-2025 providing them the draft letter as per which they submitted the letter by e-mail on 12-5-2025 to customs. Therefore, the explanation of having contacted legal consultant is not an afterthought and is factually correct. In fact, while revoking the Suspension Order, the Hon'ble Commissioner has by Order No. 25/2025-26 CBS dated 23-1-2026 taken note of the fact that they have submitted the said letter dated 5-2-2026 of Mr. C. M. Sharma and also of the fact that 10-5-2025 and 11-5-2025 were Saturday and Sunday respectively and therefore they submitted the letter to Customs on 12-5-2025.

12.1.8 The CB added that the Inquiry Report seeks to find fault with them for having submitted the exporter's letter to customs seeking to take the goods back to town. In doing so, Inquiry Report has ignored the fact that simultaneously they were seeking legal assistance to draft the letter to submit to customs informing customs about the suspected presence of Peacock Tail feathers in the export consignment. They, in fact, submitted such letter to customs on 12-5-2025 informing customs about the suspected presence of Peacock Tail feathers in the export consignment and thereupon the consignment was placed on hold. The Inquiry Report in Para 7.13.2, proceeds on the basis that only because direction for examination was given on the exporter's letter for back to town, they decided to inform the customs. This is patently erroneous since from the Statements recorded by the department of their Director and employees, it is evident that after confronting the exporter, they had decided to inform customs. They acceded to the exporter's request for submitting letter for

Back to Town only to give him an impression that they (CB) were not informing customs, but simultaneously, they (CB) proceeded with informing customs in a confidential manner.

12.1.9 The CB submitted that the contention that their decision making was influenced by concern regarding recovery of their outstanding dues from the exporter and that they gave precedence to commercial considerations over statutory obligations is totally misconceived and unjustified. The very fact that they sought legal assistance and duly informed customs on 12-5-2025 (10-5-2025 and 11-5-2025 being Saturday and Sunday) and thereupon the goods were put on hold, clearly establishes that they did not give precedence to commercial considerations over statutory obligations. When they informed customs on 12-5-2025, the exporter still had outstanding dues payable to them, however, that did not deter them from informing customs about the suspected presence of Peacock tail feathers in the export consignment. It needs to be emphasised that they had on their own approached the custom and informed the customs and it is only based on their e-mail and letter of 12-5-2025 that the customs put the consignment on hold. The CB added that they have therefore diligently and honestly discharged their obligations as Customs Broker and there is accordingly, no violation of Regulation 10(d).

12.1.10 The Inquiry Report has in Para 7.13.2 doubted their employee's statement that he noticed the presence of Peacock tail feathers as one of the packages was torn. The Inquiry report has doubted this on the ground of alleged inconsistencies in statements of their employees and on the ground that the Panchnama does not record that any package was torn. The CB submitted that firstly, there are no inconsistencies in the Statements of the employees. It is clear from the Statement of Kalpesh Ramani (G-Category Pass Holder) that at the time of carting of the goods, Kalpesh had noticed there was a torn package which appeared to have peacock tail feathers and he accordingly informed Nikhil Chandan (General Manager-Export) and Rupesh Thakker (Senior Executive-Export operations) about the same and this is corroborated and confirmed by Nikhil and Rupesh in their Statements. Thus, there are no inconsistencies in their statements. Secondly, there is no other evidence to show in what other manner their employee-Kalpesh, became aware of the peacock tail feathers in the export consignment. In absence of any such evidence, there is no reason to doubt his statement merely because the Panchnama did not record the torn condition of one of the packages.

12.1.11 The CB submitted that the Inquiry report in Para 7.13.2 states that there was no need for them to take expert advice for intimating department of the discrepancies noticed by them. This is difficult to appreciate. As the matter of suspected presence of undeclared goods in the export consignment is a serious one, it was only prudent on their part to have sought legal assistance for properly drafting the letter from a highly reputed and experienced former Joint Director of DRI.

12.1.12 The CB submitted that the observations in Para 7.13.3 of the Inquiry Report that the CB is required to know the client and that CB should know on whose behalf he is working have no relevance to the present case. It is not the case in the Show cause notice that they had acted as CB for a non-existent person or for a stranger or that the exporter was not known to them. The undisputed fact emerging from the record is that they have been acting as CB for the exporter, S.K. Corporation for the past 10 years and in no export consignment in the past there was any problem. The further observation in Para 7.13.3 of the Inquiry report that CB is required to share correct information with client regarding rules and regulations related to work of Customs Clearance is also not relevant to the present case. It is not a case in the Show Cause notice that they had shared any incorrect information with the exporter. The observations in Paras 7.13.4 and 7.13.5 of the Inquiry Report that they aided and abetted the exporter in effecting export of prohibited goods and that the exporter in connivance with them attempted to export prohibited goods are totally baseless and not supported by any evidence whatever. There is absolutely no evidence in the form of statements or otherwise to establish that when they filed the Shipping Bill, they had knowledge of the presence of Peacock tail feathers in the export consignment. All the evidence on record shows that after the Shipping Bill was filed on 7-5-2025 and after the export consignment was brought to Speedy CFS on 8-5-2025, while the goods had still not been stuffed in container nor examined by customs, their staff who attended at Speedy CFS, noticed the presence of undeclared goods which appeared to be peacock tail feathers in the export consignment. They were informed of the same by their staff in the evening of 8-5-2025 and thereafter on 9-5-2025 they confronted the exporter, S.K. Corporation about the same, who stated that the goods had been sent directly by their supplier and they were therefore not aware whether the goods had peacock tail feathers. They thereafter contacted their Legal Consultant, Mr. C.M. Sharma, and sought his legal assistance for drafting appropriate letter to be addressed to customs informing about the suspected presence of peacock tail feathers in the said export consignment. Since 10-5-2025 and 11-5-2025 were Saturday and Sunday respectively, Mr. C. M. Sharma gave them appointment on 12-5-2025 when they apprised him of the facts and based thereon, they thereafter drafted a letter to be addressed to customs and provided them the draft letter by e-mail. On receiving the same, they submitted the letter on their letter-head as per the said draft, to customs, by e-mail on 12-5-2025 and also submitted hard copy of the letter to customs on 13-5-2025. Based on the aforesaid information, which they themselves provided to customs on 12-5-2025, the goods were put on hold by customs on 15-5-2025. The CB submitted that there is therefore no question of any collusion on their part with the exporter.

12.1.13 With reference to the rest of the contents of Paras 7.13.4 to 7.13.7 of the Inquiry report, they deny the correctness of the same and repeat and reiterate what has been submitted herein above.

12.2 Regulation 10(m):

12.2.1 The CB submitted that they have not violated Regulation 10(m), which requires the Customs Broker with utmost speed and efficiency and without any delay. As set out herein above, there was no delay on their part and on the contrary on account of their timely action of informing the customs, the goods were put on hold by customs and later seized. The CB submitted that they have therefore clearly complied with Regulation 10(m).

12.2.2 In response to the observations in Paras 7.14.1 to 7.14.4, they repeat and reiterate what is submitted herein in above paras. In the circumstances, they have not violated Regulation 10(d) and (m) of CBLR 2018 and the contrary findings in the Inquiry Report are not sustainable in law. It is therefore requested the Show Cause Notice be discharged and dropped.

13. The CB added that without prejudice to the aforesaid submissions, they submit that they have a clean past record of over 35 years and considering the volume of import and export work being handled by them and the number of employees and their families who are dependent on them for their livelihood, the proposed drastic action of revocation of their CB license and/or forfeiture of their security and/or imposition of penalty on them is not at all called for, particularly when they themselves brought the matter to the attention of customs as a result of which export of prohibited goods was thwarted.

DISCUSSIONS AND FINDINGS: -

14. I have gone through the facts and records of the case; the offence report dated 27.11.2025 vide F.No. CUS/SIIB/INT/262/2025-SIIB(E) issued by the Joint Commissioner of Customs, SIIB(X), NS-II, Mumbai – II; Suspension Order No. 25/2025-26 dated 23.01.2026 and Revocation of Suspension Order No. 28/2025-26 dated 20.02.2026 issued under Regulation 16 of CBLR, 2018; Show Cause Notice No. 01/2026-27 dated 01.04.2026 issued under Regulation 17(1) of CBLR, 2018; Inquiry Report dated 30.06.2026, PH records dated 29.07.2026 and the CB's written submission dated 27.07.2026.

14.1 Briefly stating, the proceedings under CBLR, 2018 against the CB M/s. Vishal Shipping Agencies Pvt. Ltd. (CB License No. 11/788) were initiated following the offence report received from SIIB(X), JNCH, Mumbai - II in the investigation of a case of attempted export of "Peacock Tail Feathers" under the guise of festive and religious goods by the exporter M/s. S.K. Corporation. The impugned Shipping Bill No. 1588486 dated 07.05.2025 was filed by the CB M/s. Vishal Shipping Agencies Pvt. Ltd. on behalf of exporter M/s. S.K. Corporation. Upon 100% examination of the goods, the officers of SIIB(X), JNCH seized 91,000 pieces of prohibited Peacock Tail Feathers (listed under Schedule-I of the Wild Life (Protection) Act, 1972) which were found concealed in 91 of

171 packages declared as routine religious and festive goods. Statements of exporter, key personnel of CB and their staff, revealed that the CB discovered the prohibited items during carting as early as 07/08 May, 2025. However, instead of immediately notifying the Customs Authorities at the docks, the CB delayed reporting for 4 to 5 days (eventually emailing on 12.05.2025). Owing to the omissions and commissions of the CB, the License of the CB was suspended vide order dated 23.01.2026 and subsequently restored vide order dated 20.02.2026 in view of the impending inquiry proceedings under CBLR, 2018. Consequently, an SCN was issued to the CB charging them for violation of Regulations 10(d) and 10(m) of the CBLR, 2018.

15. I now proceed to examine and analyze each Article of Charge framed against the CB individually, along with the CB's submissions and the findings of the Investigation and Inquiry Officer.

15.1 Violation of Regulation 10(d) of the CBLR, 2018:

- a) I observe that Regulation 10(d) of the CBLR, 2018 mandates that a Customs Broker shall – *“advise his client to comply with the provisions of the Act, other allied Acts and the rules and regulations thereof, and in case of non-compliance, shall bring the matter to the notice of the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be”*. I have meticulously gone through the facts and records of the case. I find that 91,000 pieces of prohibited “Peacock Tail Feathers” (listed under Schedule-I of the Wild Life (Protection) Act, 1972) were concealed within 91 of 171 packages under the guise of religious and festive goods meant for export under Shipping Bill No. 1588486 dated 07.05.2025 filed by the CB M/s. Vishal Shipping Agencies Pvt. Ltd. on behalf of exporter M/s S.K. Corporation. Statements recorded by the investigating agency of various key persons employed with the CB and connected with the impugned export revealed glaring inconsistencies as highlighted by the Inquiry Officer in detail (para 9.1 *supra*). Shri Kalpesh D. Ramani (G-Category Pass holder) and Shri Nikhil Chandan (former GM-Export) stated that the concealment of prohibited goods was noticed on 07.05.2025 itself during carting, whereas the Director, Shri Pravin Kanji Tanna, and GM, Shri Vikas Modi, claimed knowledge of the same on the evening of 08.05.2025. Further, Shri Ramani claimed that a package fell down and tore, revealing the feathers, and he repacked/sewed it. However, the findings of the 100% physical examination conducted under Panchanama on 15.05.2025 reveals that not a single package was found torn, damaged, or repacked. Nevertheless, in terms of Regulation 10(d), it was obligatory upon the CB to immediately inform the Assistant/Deputy Commissioner of Customs (Docks) on discovering the concealment of prohibited goods. Instead of reporting, Shri Rupesh Thakkar (Senior

Executive) forwarded the Back-To-Town (BTT) application format to the exporter, received the signed letter back, and instructed Shri Kalpesh Ramani (G-pass holder) to register the BTT request and obtain a File Number from AC/Docks. On scrutiny of statements recorded during the investigation it is observed that instructions were explicitly given to the field staff not to present the goods for examination. The CB's plea that BTT was initiated "to keep the exporter engaged without spooking him" is untenable. The investigation reveals that the RMS instruction generated for the subject Shipping Bill was explicitly "Inspect Package" and when the CB applied for BTT, the AC/Docks also endorsed a mandatory requirement of "100% examination of goods before granting BTT". It was only when the CB realized that the concealment of 91,000 Peacock Tail Feathers would inevitably be exposed during the mandated examination that they rushed to send an email to Customs on 12.05.2025. Thus, the disclosure on 12.05.2025 was not a voluntary, conscious, or prompt act of regulatory compliance, but an act of last resort by the CB when all avenues of withdrawing the consignment failed.

- b) In his voluntary statement dated 08.12.2025, Shri Nikhil Chandan categorically admitted that the exporter had pending dues of Rs. 25 - 30 Lakhs with the CB firm, and they were apprehensive that complaining against the exporter would adversely affect their client base and jeopardize the recovery of these outstanding funds. This explicit admission proves beyond doubt that the CB gave priority to commercial considerations and financial recovery over their statutory duties as a licensed Customs Broker. The CB's justification of delay on account of obtaining legal counsel from Shri C.M. Sharma is unconvincing. As a licensed entity whose key personnel pass statutory examinations on Customs law, the CB required no specialized legal opinion to perform the basic statutory duty of reporting an attempted smuggling of prohibited goods to AC/Docks. The CB neither advised the client against violating the Export Policy nor immediately reported the non-compliance to Customs. In light of the aforementioned findings, the CB's defence lacks merit and is hereby rejected. Under the factual matrix of the case, the IO's findings appear cogent and clear and I do not find any reason to differ with the same. Accordingly, I am of the considered view that the CB failed to discharge his duties as mandated under Regulation 10(d) of the CBLR, 2018 and thus uphold the charge levelled against the CB.

15.2 Violation of Regulation 10(m) of the CBLR, 2018:

- a) I have perused the facts and records of the case and gone through the IO's findings in detail. To counter the charge, the CB has contended that there was no actionable delay on their part. They maintained that having confirmed the facts with the

exporter on 09.05.2025, intervened by the non-working weekend of 10.05.2025 and 11.05.2025 during which legal counsel was engaged, their intimation via email on the morning of 12.05.2025 was completed with reasonable dispatch. The investigation records establish that the CB's staff admitted that knowledge of the prohibited goods was acquired on 07.05.2025/ 08.05.2025 (inconsistency in their statements). I observe that bringing this information to the knowledge of customs authorities on 12.05.2025 constitutes an inordinate and unexplained delay of 4 to 5 days. In matters involving the smuggling of Schedule-I wildlife species/ parts, a learned CB who has cleared the licensing exam and is well aware of the allied acts and regulations is expected to bring the same to the notice of the customs authorities without any delay or deliberation. The phrase "utmost speed and efficiency and without any delay" in Regulation 10(m) requires instantaneous communication when severe statutory violations are discovered.

- b) The CB's submission that they were seeking legal consultation with respect to the concealed prohibited goods for 04-05 days seems to be unreasonable given the fact that the CB's representative was at the Speedy CFS and could have brought the irregularity to the notice of AC/docks immediately. Identifying that Peacock Tail Feathers concealed in festive items constitute prohibited goods requires no complex legal interpretation, nor does bringing that discovery to the attention of the proper officer require any serious legal drafting. During these 4 to 5 days window, rather than acting with speed and efficiency to assist the department against illegal export, the CB delayed disclosure. The CB acted with remarkable speed and efficiency in processing the exporter's Back-to-Town request while simultaneously exercised inordinate delay in alerting the department. The CB's argument that they processed the BTT application so that the exporter does not become suspicious of the CB's activities while they (CB) were seeking legal counsel does not hold water. The obligation to act with "utmost speed and efficiency" requires proactive, instantaneous reporting the moment an irregularity is detected. There was an inexplicable delay between the discovery of the concealment and information provided to the Investigation Agency. The CB's deliberate procrastination guided by commercial concerns of recovering Rs. 25 - 30 lakhs of dues from the exporter and facilitating the exporter's BTT is against the very essence of speed and efficiency contemplated under Regulation 10(m). Accordingly, I am of the firm opinion that the CB has violated Regulation 10(m) of the CBLR, 2018.

16. I find that a Customs Broker occupies a very important position in the Custom House and is supposed to safeguard the interests of both the importers/exporters and the Customs Department. A lot of trust is kept in CB by the Government Agencies; however,

by their acts of omissions and commissions, the CB M/s. Vishal Shipping Agencies Pvt. Ltd. (CB License No. 11/788) has violated Regulations 10(d) and 10(m) of the CBLR, 2018. I find that for the violation of obligations provided under the CBLR, 2018 and for their acts of omissions and commissions, the CB M/s. Vishal Shipping Agencies Pvt. Ltd. have rendered themselves liable for penal action under the CBLR, 2018. Hence, while deciding the matter, I rely on the following caselaws:

a) The Hon'ble Supreme Court in the case of Commissioner of Customs V/s. K. M. Ganatra and Co. in civil appeal no. 2940 of 2008 upheld the observation of Hon'ble CESTAT Mumbai in M/s. Noble Agency V/s. Commissioner of Customs, Mumbai that:

"the CHA occupies a very important position in the Custom House. The Customs procedures are complicated. The importers have to deal with a multiplicity of agencies viz. carriers, custodians like BPT as well as the Customs. The importer would find it impossible to clear his goods through these agencies without wasting valuable energy and time. The CHA is supposed to safeguard the interest of both the importers and the Customs. A lot of trust is kept in CHA by the importers/exporters as well as by the government agencies. To ensure appropriate discharge of such trust, the relevant regulations are framed. Regulation 14 of the CHA Licensing Regulations lists out obligations of the CHA. Any contravention of such obligations even without intent would be sufficient to invite upon the CHA the punishment listed in the Regulations".

b) The Hon'ble CESTAT Delhi in case of M/s. Rubal Logistics Pvt. Ltd. Versus Commissioner of Customs (General) wherein in (para 6.1) it is opined that:-

"6.1 These provisions require the Customs Broker to exercise due diligence to ascertain the correctness of any information and to advice the client accordingly. Though the CHA was accepted as having no mensrea of the noticed mis-declaration /under- valuation or mis-quantification but from his own statement acknowledging the negligence on his part to properly ensure the same, we are of the opinion that CH definitely has committed violation of the above mentioned Regulations. These Regulations caused a mandatory duty upon the CHA, who is an important link between the Customs Authorities and the importer/exporter. Any dereliction/lack of due diligence since has caused the Exchequer loss in terms of evasion of Customs Duty, the original adjudicating authority has rightly imposed the penalty upon the appellant herein."

(c) In case of M/s Cappithan Agencies Versus Commissioner Of Customs, Chennai-Viii, (2015(10) LCX 0061), the Hon'ble Madras High Court had opined that :-

"(i) The very purpose of granting a licence to a person to act as a Customs House Agent is for transacting any business relating to the entry or departure of conveyance or the import or export of goods in any customs station. For that purpose, under Regulation 9 necessary examination is conducted to test the capability of the person in the matter of preparation of various documents determination of value procedures for assessment and payment of duty, the extent to which he is conversant with the provisions of certain enactments, etc. Therefore, the grant of licence to act as a Custom House Agent has got a definite purpose and intent. On a reading of the

Regulations relating to the grant of licence to act as CHA, it is seen that while CHA should be in a position to act as agent for the transaction of any business relating to the entry or departure of conveyance or the import or export of goods at any customs station, he should also ensure that he does not act as an Agent for carrying on certain illegal activities of any of the persons who avail his services as CHA. In such circumstances, the person playing the role of CHA has got greater responsibility. The very description that one should be conversant with the various procedures including the offences under the Customs Act to act as a Custom House Agent would show that while acting as CHA, he should not be a cause for violation of those provisions. A CHA cannot be permitted to misuse his position as CHA by taking advantage of his access to the Department. The grant of licence to a person to act as CHA is to some extent to assist the Department with the various procedures such as scrutinizing the various documents to be presented in the course of transaction of business for entry and exit of conveyances or the import or export of the goods. In such circumstances, great confidence is reposed in a CHA. Any misuse of such position by the CHA will have far reaching consequences in the transaction of business by the customs house officials. Therefore, when, by such malpractices, there is loss of revenue to the custom house, there is every justification for the Respondent in treating the action of the Petitioner Applicant as detrimental to the interest of the nation and accordingly, final order of revoking his licence has been passed.

(ii) In view of the above discussions and reasons and the finding that the petitioner has not fulfilled their obligations under above said provisions of the Act, Rules and Regulations, the impugned order, confirming the order for continuation of prohibition of the licence of the petitioner is sustainable in law, which warrants no interference by this Court. Accordingly, this writ petition is dismissed."

(d) In the case of Pundole Shahrukh & Co. V/s. Commissioner (General), Mumbai [2012 TIOL 925 CESTAT-MUM] the Hon'ble Tribunal observed that the maximum punishment prescribed in the CHALR is attracted in cases of major involvement in aiding and abetting fraudulent exports leading to substantial loss of revenue to the exchequer.

17. As discussed above, I conclude that the CB M/s. Vishal Shipping Agencies Pvt. Ltd. (CB License No. 11/788) is guilty of violating Regulations 10(d) and 10(m) of the CBLR, 2018. In view of the foregoing detailed discussion and findings, it is irrefutably established that the CB has not merely committed a procedural lapse but has displayed a profound and systemic disregard for the statutory responsibilities mandated under the CBLR, 2018. The detailed findings of the investigation and the inquiry proceedings conclusively establish that the CB M/s. Vishal Shipping Agencies Pvt. Ltd., committed grave statutory lapses and breached the core trust reposed in them as a licensed Customs Broker. I have considered the subsequent adjudication order passed under the Customs Act, 1962 vide Order-in-Original No. 423/(L)/2026-27/ADC/CEAC/NS-II/CAC/JNCH dated 21.08.2026, wherein the Adjudicating Authority dropped the penalty proposed on the CB under Section 114(i). I find that the said order does not dilute or exonerate the CB in proceedings under the CBLR, 2018. The proceedings under the CBLR, 2018 are independent, distinct, and regulatory in nature. They do not merely assess personal mens rea or penal abetment under

the Customs Act, 1962 but whether a licensed Customs Broker has discharged its statutory obligations, whether it has maintained the professional discipline required of a licensed intermediary, and whether it remains fit to continue to hold the licence. The standard is professional diligence, compliance, and trust. The CB's conduct in the present case cannot be treated as a mere lapse of judgment. I find that the CB had knowledge of the suspected concealment of prohibited goods on 07/08.05.2025. Instead of immediately bringing the matter to the notice of the Assistant/Deputy Commissioner of Customs (Docks), the CB: (i) did not present the goods for examination; (ii) forwarded the BTT format to the exporter; (iii) obtained a file number for BTT; (iv) delayed intimation by 4-5 days; (v) admitted that pending dues of Rs. 25-30 lakhs from the exporter influenced its decision-making; and (vi) informed Customs only on 12.05.2025, after it became clear that the AC/Docks had ordered 100% examination before granting BTT. The disclosure on 12.05.2025 was therefore not voluntary, prompt, or conscientious but an act of last resort compelled by the imminent exposure of the concealment. I observe that the CB gave precedence to commercial considerations over statutory obligations. The CB's statements were inconsistent and their actions facilitated the attempted export of prohibited goods and delayed detection. The CB's plea of seeking legal counsel remained unsubstantiated and, in any event, does not excuse the failure to immediately report suspected prohibited goods. A licensed Customs Broker occupies a position of trust between the trade and the Customs authorities and the breach of that trust cannot be condoned by a token penalty. The CB has rendered itself unfit to continue as a licensed Customs Broker and I therefore reject the CB's plea for leniency. No mitigating circumstance justifies a departure from the prescribed consequences. The violations of Regulations 10(d) and 10(m) are serious and stand established and the CB is liable to be dealt with sternly under the CBLR, 2018. Under the factual matrix of the case, I do not find the CB fit to continue as a licensed intermediary. Considering all the facts and circumstances of the case and taking into cognisance the above-cited case laws, I am inclined to revoke the CB license, forfeit the security deposit and impose a penalty on the CB M/s. Vishal Shipping Agencies Pvt. Ltd. (CB License No. 11/788) under the CBLR, 2018.

18. I have considered the CB's past record, the volume of business handled by it, and the number of employees dependent on it. These considerations cannot override the gravity of the violations or the need to maintain discipline in the customs brokerage profession. The doctrine of proportionality does not require leniency where a licensed intermediary has failed to report prohibited goods, facilitated the BTT process, and acted under commercial pressure. On the contrary, proportionality requires that the punishment reflect the seriousness of the breach and deter future violations. The case laws cited by the CB for a lenient view are distinguishable and do not apply to the facts of the present case. The

CB's conduct is not a technical or procedural infraction. It goes to the root of the trust reposed in a Customs Broker.

19. In view of the foregoing findings, I hold that the CB M/s. Vishal Shipping Agencies Pvt. Ltd. (CB License No. 11/788) is guilty of violating Regulations 10(d) and 10(m) of the CBLR, 2018. I find that the penalty of revocation of licence, forfeiture of the entire security deposit and imposition of penalty is warranted. I therefore pass the following order:

ORDER

20. I, Principal Commissioner of Customs (General), in exercise of the power conferred upon me under Regulation 17(7) of the CBLR, 2018, pass the following order:

- (i) I, hereby order for revocation of the CB License held by M/s. Vishal Shipping Agencies Pvt. Ltd. (CB License No. 11/788) under Regulation 14 of the CBLR, 2018.
- (ii) I, hereby order for forfeiture of the entire amount of the security deposit furnished by the CB M/s. Vishal Shipping Agencies Pvt. Ltd. (CB License No. 11/788) under Regulation 14 of the CBLR, 2018.
- (iii) I, hereby impose a penalty of Rs. 50,000/- (Rupees Fifty Thousand Only) on the CB M/s. Vishal Shipping Agencies Pvt. Ltd. (CB License No. 11/788) under Regulation 18(1) of the CBLR, 2018.
- (iv) I hereby order that the CB immediately surrender the original License as well as all the F, G & H cards issued thereunder.

This order is passed without prejudice to any other action which may be taken or purported to be taken against the Customs Broker and their employees under the Customs Act, 1962, or any other act for the time being in force in the Union of India.



(AJAY KUMAR PANDEY)
Pr. Commissioner of Customs (Gen.)
NCH, Mumbai-I

To,

M/s. Vishal Shipping Agencies Pvt. Ltd.
(CB License No. 11/788)
701/702, Skyline Epitome,
Opp. Fatima High School,
Next to Jolly Gymkhana,
Vidyavihar (W), Mumbai – 400086.

Copy to:

1. The Pr. Chief Commissioner/ Chief Commissioner of Customs, Mumbai - I, II, III Zone.
2. The Pr. Commissioner of Customs, NS-II, Mumbai – II.
3. The Deputy Commissioner of Customs, SIIB (X), NS-II, Mumbai - II
4. EDI of NCH, ACC & JNCH.
5. ACC (Admn), Mumbai with a request to circulate among all departments.
6. JNCH (Admn) with a request circulate among all the concerned.
7. Cash Section, NCH.
8. Office copy.