

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

PRINCIPAL BENCH-COURT NO.1

CUSTOMS APPEAL NO. 50848 OF 2025

(Arising out of Order-in-Original No. 07/VPS /Policy/2025 dated 03.02.2025 passed by the Commissioner of Customs (Airport & General), New Delhi)

M/S ANAX AIR SERVICES PVT. LIMITEDAPPELLANT

H-4/120, Mahavir Enclave,
New Delhi – 110045

Versus

**COMMISSIONER OF CUSTOMS, NEW DELHIRESPONDENT
(AIRPORT AND GENERAL)**

New Custom House,
Near IGI Airport, New Delhi-110037

APPEARANCE:

Shri Sudhir Malhotra, Advocate for the Appellant

Shri Rajesh Singh, Authorised Representative for the Department

CORAM:

**HON'BLE MR. JUSTICE DILIP GUPTA, PRESIDENT
HON'BLE MR. P. V. SUBBA RAO, MEMBER (TECHNICAL)**

FINAL ORDER NO. 51876/2025

**DATE OF HEARING: 20.11.2025
DATE OF DECISION: 15.12.2025**

P. V. SUBBA RAO:

We have heard Shri Sudhir Malhotra, learned counsel for the appellant and Shri Rajesh Singh, learned authorised representative for the Revenue, and perused the records of the case.

2. M/s. Anax Air Services¹, is aggrieved by the order-in-original² dated 3.2.2025 passed by the Commissioner of

**1 Appellant
2 Impugned order**

Customs (Airport and General) in which its licence under Customs Brokers Licensing Regulations, 2018³ has been revoked, the security deposit made by the appellant has been forfeited and penalty of Rs. 50,000 has been imposed on it. The operative part of the impugned order is as follows:

"8.17. From all the facts and circumstances narrated above, I find that the CB, M/s. Anax Air Services Private Limited, H-4/120, Mahavir Enclave, New Delhi 1100045, holding Customs Broker Licence No. R-5/93 (AAACA1708J) has contravened the provisions of Regulation 1(4), 10(a), 10(d), 10 (e) and 10(n) of CBLR 2018 which amounts to breach of trust and faith reposed on the Customs Broker by the Customs. Hence, I pass the following order:

ORDER

In exercise of powers conferred in terms of Regulation 14 & 18 read with Regulation 17(7) of CBLR, 2018),

- (i) I hereby **revoke the CB License** No. R-5/93 (PAN: AAACA1708J) of M/s. Anax Air Services Pvt. Ltd.;
- (ii) I direct the Customs Broer to immediately surrender the Original CB Licence No. R-5/93 (AAACA1708J) along with all F/G/H cards issued there under;
- (iii) I order for forfeiture of the whole amount of security deposit furnished by them;
- (iv) I impose penalty of Rs. 50,000/- on M/s Anax Air Services Pvt. Ltd. (PAN No. AAACA1708J)undre the provisions of Regulation 18 of CBLR 2018 and Regulation 17 of CBLR 2018.

This order is being issued without prejudice to any other action that may be taken against the Customs Broker or any other persons(s)/firm(s) etc. under the provisions of the Customs Act, 1962 and Rules/Regulations framed there under or any other law for the time being in force for the present or any other past violations committed by them."

3. The facts which led to the issue of this order are that the appellant filed three Shipping Bills in Mundra Port in the name of M/s. Shivam Enterprises purportedly to export Mangoes and Pomegranates. On the basis of specific intelligence, the

consignments were intercepted and examined under a Panchnama dated 26.5.2024 and it was found that instead of the declared goods, onions- whose export was prohibited- were found in the consignments.

4. Investigations showed that the appellant had not even met the purported exporter Shivam Enterprises nor did it obtain any authorization from it. When asked, Shri Dasari Narayanmurthi, the G- Card holder of the appellant (i.e., the appellant's employee) explained that the Shipping Bills were filed at the behest of one, Shri Raviraj Sinh Jadeja for a consideration of Rs. 1,200/- per container and copies of all documents were provided by Shri Jadeja and that they had not contacted Shivam Enterprises at all.

5. The Additional Commissioner of Customs, Mundra conveyed the details of the above case to the respondent through an email dated 31.5.2024. Treating this communication as the offence report, proceedings were initiated by the respondent and a Show Cause Notice dated 23.8.2024 was issued to the appellant and Shri Anuj Saxena, Assistant Commissioner was appointed as an Inquiry officer. It was alleged in the SCN that the appellant had violated Regulations 1(4), 10 (a), 10 (d), 10 (e) and 10(n) of CBRL and therefore, it was proposed to revoke the Customs Broker licence of the appellant, forfeit its security deposit and impose penalty under CBLR.

6. The appellant did not participate in the proceedings before

the inquiry officer. The inquiry officer submitted his Inquiry Report dated 6.11.2024 in which he concluded that the appellant had violated Regulations 1(4), 10 (a), 10 (d), 10 (e) and 10(n) of CBRL and therefore, it's licence should be revoked security deposit must be forfeited and a penalty should be imposed on it.

7. Thereafter, the appellant gave a written submission dated 1.12.2024 to the Commissioner and attended personal hearing. After considering the submissions, the Commissioner passed the impugned order.

8. The issues to be decided are:

- a) whether the appellant had violated Regulations 1(4), 10 (a), 10(d), 10(e) and 10(n) of CBLR; and
- b) If so, if the revocation of licence, forfeiture of security deposit and penalty of Rs. 50,000/- imposed on the appellant are proportionate to the offence committed.

Regulation 1(4)

9. This regulation reads as follows:

1. Short title, commencement and application. —
(1) These regulations may be called the Customs Brokers Licensing Regulations, 2018.

(2) They shall come into force on the date of publication in the Official Gazette.

(3) These regulations shall apply to, a Customs Broker who has been licensed and such other persons who have been employed or engaged by a licensed Customs Broker under these regulations or the Customs House Agents Licensing Regulations, 1984 or the Customs House Agents Licensing Regulations, 2004 or the Customs Brokers Licensing Regulations, 2013.

(4) Every license granted or renewed under these regulations shall be deemed to have been granted or renewed in favour of the licensee, and no license shall be sold or otherwise transferred.

10. The inquiry officer observed that Shri Dasari Narayanmurthi, G Card holder of the appellant had admitted that all export related activities at the CFS and Customs were taken care of by Shri Raviraj Singh Jadeja and that he had merely handled the paper work and that the CB licence of the appellant was being used by many persons and the CB was monetarily compensated for letting them use their CB licence. The inquiry officer sought from the appellant through three letters dated 26.9.2024, 3.10.2024 and 11.10.2024 copies of the agreements to let the operations being done by other persons and declarations to the effect made before the competent authorities. The appellant did not submit any such documents and did not appear for personal hearing on the given date and time. Therefore, based on the available information, the inquiry officer concluded that the appellant had, without any written agreement, caused the operations of the appellant being done by other persons without any declarations before the competent authorities and thereby violated Regulation 1(4) of CBLR.

11. The finding of the Commissioner in the impugned order is that Shri Dasari Narayanmurthi, the G Card holder of the appellant had, in his statement, admitted that many persons were using the CB licence of the appellant and were monetarily compensating the appellant for such use. Therefore, the Commissioner concluded the appellant had rented or otherwise transferred the licence and thereby violated regulation 1(4).

12. The appellant's submission on this issue is that the allegation is based on a single statement by Shri Narayanmurthi, the G Card holder of the appellant and there are no other statements of others that the appellant had, for monetary gain, allowed others to use its licence.

13. Learned authorized representative for the Revenue vehemently supported the impugned order.

14. We have considered the submissions advanced by both sides on this question.

15. It is undisputed that an attempt was made to export prohibited goods (onions) by mis-declaring them as mangoes and pomegranates and that the shipping bills were filed in the case by the G Card holder of the appellant Shri Dasari Narayamurthi. The Shipping Bills were filed in the name of **M/s. Shivam Enterprises, Morbi**. It is not the case of the appellant that they were engaged by Shivam Enterprises to file the Shipping Bills. The only statement on record is that the Shipping Bills were filed in the name of Shivam Enterprises but at the behest of one, Shri Jadeja. It is also not the assertion of the appellant before us or at any stage before that the appellant had contacted the exporter Shivam Enterprises to ensure that the Shipping Bills were being filed on the request of Shivam Enterprises.

16. In filing the Shipping Bills, the Customs Broker acts as an agent of the exporter. Needless to say that one cannot act as an agent of someone without that person or entity asking and

authorizing the person to be his agent. This is for two reasons- first that all actions of the agent will be on behalf of the principal and will bind the principal and second, any agent wants to be compensated for his services by the Principal. The question which arises is how could the appellant act as an agent of Shivam Enterprises without being engaged by it and without even contacting it and who was compensating the appellant for its services. The answer to both these lie in the statement of Shri Dasari Narayanmurthi. No other document or evidence has been brought on record by either side to provide any other explanation. The transaction in this case was simple. Shri Jadeja told the appellant to file Shipping Bills in the name of Shivam Enterprises and paid Rs. 1,200/- per container and provided copies of documents and the appellant filed the Shipping Bills but the actual work related to export was all done by Shri Jadeja. Shri Dasari Narayanmurthi further explained that this was the mode of their business. Several persons used their licence likewise and paid them an amount for using the licence. No evidence whatsoever to the contrary has been produced by the appellant.

17. This is clearly a case of the appellant sub-letting its licence to others for monetary gains. From the facts on record, it is clear as crystal to us that the appellant had violated Regulation 1(4) of CBLR.

Regulation 10(a)

18. This regulation reads as follows:

A Customs Broker shall —

(a) obtain an authorisation from each of the companies, firms or

individuals by whom he is for the time being employed as a Customs Broker and produce such authorisation whenever required by the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be;

19. The submission of the appellant regarding this regulation is that the appellant had obtained an authorization and it is in the file of the Shipping Bill. Therefore, the appellant had not violated Regulation 10(a).

20. In his report, the enquiry officer recorded that the appellant was asked to produce email or any communication with M/s. Shivam Enterprises and Shri Raviraj Singh Jadeja or a copy of agreement with M/s. Shivam Enterprises but the appellant failed to produce any such documents and the appellant had also not appeared for personal hearing. Hence, it was proved that the appellant did not obtain an authorization from the said firm.

21. In the impugned order, the Commissioner held that the appellant had violated this Regulation because he had not obtained the authorization from the exporter and that the G Card holder of the appellant Shri Dasari Narayanmurthi admitted that he had not obtained the authorization from the exporter.

22. Learned authorized representative for the Revenue vehemently supported the impugned order.

23. We have considered the submissions advanced by both sides on this question. Regulation 10(a) requires an authorization to be obtained from the exporter. This is somewhat like the vakalatnama obtained by an advocate to file

any appeal or petition on behalf of the client. Admittedly, neither the appellant nor his G Card holder even contacted the exporter, let alone, obtaining any authorization from him. During the inquiry proceedings, copies of any communication which the appellant might have had with the exporter were sought and none were presented. It is an undisputed fact that the appellant was not engaged by the exporter to file the shipping bill but he filed the shipping bills in the name of the exporter Shivam Enterprises at the behest of Shri Jadeja and for a consideration of Rs. 1200 per container. Learned counsel argued before us that there is no bar on the customs broker obtaining clients through some others. We agree if someone connects the Customs Broker to any exporter or importer, there is no bar against it. But once the contact is made, the customs broker before filing documents in the name of any exporter, must obtain an authorization from the exporter. Admittedly, the appellant had not even contacted the exporter, let alone, obtaining any authorization from it. The letter of authorization to file the shipping bill in the name of the exporter was also, along with other documents, provided by Shri Jadeja who is not the exporter.

24. In short, the appellant filed *benami* shipping bills at the behest of Shri Jadeja without being engaged by the exporter, without even contacting the exporter. It must be noted that shipping bills and bills of entry are documents which regulate the movement of goods across the nation's economic frontiers with implications not only for the revenue but also for

enforcement of any prohibitions on imports and exports. If customs brokers get away by filing shipping bills and bills of entry in the name of any IEC holder at the behest of someone else for a consideration, it will be a serious threat to the country. Anyone, for instance, can import or export drugs, arms, ammunition, etc. by getting documents filed by the customs broker in the name of anyone else by paying the customs brokers some consideration.

25. We find that the appellant had violated Regulation 10(a) of CBLR.

Regulation 10(d)

26. This regulation reads as follows:

A Customs Broker shall —

(d) 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;

27. Learned counsel for the appellant submitted that there is no allegation that the appellant failed to advise the exporter to comply with the relevant provisions of the law nor any evidence to substantiate that the appellant had colluded with the exporter in the attempted export of onions; the appellant cannot be held responsible for any mis-declaration on the part of the exporter.

28. The finding in the inquiry report on this question is that had the Customs broker been alert and responsible towards his duties, the case of gross mis-declaration of export goods might

not have occurred. The customs broker failed to inform the customs officers of the violations by the exporter. Hence, he violated Regulation 10(d) of CBLR, 2018.

29. The Commissioner held that the appellant had not even met or contacted the exporter but filed the shipping bills at the behest of a third person and therefore, he could not have advised the exporter at all. Hence, he found that the appellant had violated Regulation 10(d).

30. Learned authorised representative for the Revenue vehemently supported the impugned order.

31. We have considered the submissions advanced by both sides on this question and perused the records.

32. Regulation 10(d) requires the customs broker to advise the client to follow the provisions of the Act, allied acts and Rules. It also requires the customs broker to report if the client was not following the provisions of the Act and Rules. There is no dispute that prohibited goods were attempted to be exported through the Shipping Bills filed in the name of the exporter Shivam Enterprises. The submission of the learned counsel for the appellant was that the appellant had no way of knowing about the mis-declaration and there is no evidence that the appellant had colluded in the attempted export and therefore, there was no scope for the appellant to report to the customs about the violations. We agree that there is nothing on record to show that the appellant had knowledge of the mis-declaration and therefore, the appellant could not have reported to the customs.

However, the first part of the regulation would still apply, i.e., the appellant had to advise the client to follow the Act and Rules. Given the undisputed fact that the appellant was neither engaged by the exporter Shivam Enterprises nor did it contact the exporter, it is impossible for the appellant to have advised the exporter to follow the Act and Rules as mandated in Regulation 10(d). We, therefore, find that the appellant had violated Regulation 10(d) of CBLR.

Regulation 10(e)

33. This regulation reads as follows:

A Customs Broker shall —
(e) exercise due diligence to ascertain the correctness of any information which he imparts to a client with reference to any work related to clearance of cargo or baggage;

34. The submission of the learned counsel for the appellant is that there is nothing on record to show that the appellant had imparted any incorrect information to the exporter.

35. The enquiry officer has recorded that the appellant had failed to exercise due diligence and also failed to advise the exporter about the correct provisions of the Customs law and hence violated Regulation 10(e).

36. The Commissioner also, likewise, recorded in the impugned order that the appellant had not exercised due diligence and hence violated Regulation 10(e).

37. Learned authorized representative supported the impugned order.

38. We have considered the submissions advanced by both sides on this issue.

39. Regulation 10(e) requires the customs broker to exercise due diligence in ensuring that the information which he imparts to the client is correct. Evidently, when the appellant had not even contacted the exporter and hence could not have given any advice, it is impossible that the appellant could have imparted some incorrect information. Therefore, the finding in the impugned order that the appellant had violated Regulation 10(e) cannot be sustained and needs to be set aside.

Regulation 10(n)

40. This regulation reads as follows:

A Customs Broker shall —
(n) verify correctness of Importer Exporter Code (IEC) number, Goods and Services Tax Identification Number (GSTIN), identity of his client and functioning of his client at the declared address by using reliable, independent, authentic documents, data or information;

41. The submission of the learned counsel for the appellant is that the appellant had obtained all the KYC documents of the exporter from Shri Jadeja, verified them from the websites of DGFT, ICEGATE and GSTN. It is his submission that the container was not stuffed in the presence of the appellant and therefore, he was unaware of its contents. The existence of Shivam Enterprises, the exporter in whose name the Shipping Bills were filed is also not disputed. For these reasons, the appellant had not violated Regulation 10(n).

42. The inquiry officer held that as per the statement of Shri Dasari Narayanmurthi, the G Card holder of the appellant, they

handled the clearance work without KYC verification and without even knowing the exporter. He further recorded that by letters dated 26.9.2024, 3.1.2024 and 11.10.2024, he asked the appellant to submit copies of the KYC documents but he failed to do so and also did not appear before him for personal hearing. Hence, the inquiry officer concluded that the appellant had not verified the existence of the exporter and thereby violated Regulation 10(n) of CBLR.

43. In the impugned order, the Commissioner recorded that the appellant had accepted the work to clear exports in the name of Shivam enterprises without the mandatory check of the KYC documents and without even checking the credentials of the exporter. Had the appellant contacted the exporter and enquired about the goods being exported and verified the details of the exporter, the attempted export of prohibited goods would have come to light. For these reasons, he held that the appellant had violated Regulation 10(n).

44. Learned authorized representative for the Revenue vehemently supported the impugned order.

45. We have considered the submissions advanced by both sides.

46. The essence of Regulation 10(n) is not just obtaining documents from any source but is verifying the identity of the client and secondly the functioning of the client at his premises and this verification can be done through reliable, independent, authentic documents, data or information. Admittedly, the

appellant was not even engaged by the exporter. When Shri Jadeja asked the appellant to file documents in the name of the exporter, the appellant did not even bother to check who the exporter was or contacted him. The appellant most certainly had not verified the identity of the exporter before filing the shipping bills. We, therefore find that the appellant had violated Regulation 10(n) of CBLR.

Revocation of licence, forfeiture of security deposit and penalty of Rs. 50,000/-

47. The next question is whether the revocation of licence, forfeiture of security deposit and imposition of penalty of Rs. 50,000/- is proportionate to the violations by the appellant.

48. We have found above that the appellant had violated Regulation 1(4), 10 (a), 10(d) and 10 (n) of the CBLR in filing *benami* (pseudonymous) shipping bills in the name of the exporter M/s. Shivam Enterprises who never engaged the appellant. The appellant was engaged by Shri Jadeja who paid Rs. 1,200/- per container to file the shipping bills and he told the appellant to file shipping bills not in his name but in the name of Shivam Enterprises. This is like a lawyer filing Suits, Writ Petitions or Appeals in the name of some person without being engaged by such person and without even contacting the person. Further, it emerged during the investigation that while the appellant only filed the shipping bills using it's credentials as Customs Broker, all activities related to the export were done by Shri Jadeja himself. In other words, the appellant had allowed

it's licence to be used by Shri Jadeja for a consideration. Investigation also showed that this was not an isolated incident and that several persons were using the appellant's licence to get documents filed. Needless to say that it is not impossible or even difficult for any genuine businessman to obtain an IEC in one's own name and filing the Shipping Bills or Bills of Entry either by oneself or through any customs broker. One resorts to filing or getting filed *benami* Shipping Bills or Bill of Entry in the name of some other IEC holder only with some ulterior motive. In this case, it was the export of prohibited goods.

49. It must be remembered that customs officers guard the nation's economic frontiers and regulate import and export of goods not only to ensure that duties, where due, are collected but also to ensure that goods are not imported or exported in violation of either Customs Act or any other law for the time being in force. Customs broker plays an important role in the processing of imports and exports and it is for this reason, that customs broker's licence is issued only after conducting an examination and after due diligence checks. If the Customs broker resorts to filing *benami* shipping bills and bills of entry, all export and import controls will be rendered meaningless and anyone can import or export any contraband – even drugs, explosives, arms and ammunition- with impunity simply by asking the customs broker to file documents in the name of X, Y or Z. Customs brokers, such as the appellant, who file such *benami* shipping bills and bills of entry pose a serious risk not only to the revenue but to the safety and security of the nation.

50. In **Sriaanshu Logistics vs. Commissioner of Customs (Delhi)**⁴, the Delhi High Court upheld the revocation of licence who sub-lets his licence. Relevant portion of the judgment is below:

"4.Order-in-Original dated 4-12-2017 notices the fact that the appellant had sub-let the licence to one Mr. Narender Narula and one Mr. Rupan Barua on commission basis for a monthly consideration of Rs. 50,000/- per month. The appellant also provided his login id and password to them and allowed them to use the digital signature of G-Card holder for uploading data.

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7.By the Order-in-Original dated 4-12-2017, the Commissioner of Customs, noticing the provisions of the Custom Broker Licensing Regulations, 2013 (hereinafter referred to as the "Regulation"), particularly, Regulation 10, which prohibits any sale or transfer of the license. Regulation 11(a) and 11(b) of the said Regulations which mandate the transaction of business in customs either personally or through an employee duly approved *inter alia* by Deputy Commissioner of Customs or Assistance Commissioner of Customs. The Commissioner of Customs in the impugned order, noticing the violation, directed the revocation of the custom broker license apart from forfeiture of the security deposits.

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12.Learned Counsel for the appellant submits that the punishment is harsh and disproportionate to the said conduct. Reliance is placed by Learned Counsel on the judgment of a Co-ordinate Bench of this Court in *Ashiana Cargo Services v. Commissioner of Customs, 2014 (302) E.L.T. 161* (Del.) = [2014] 44 taxmann.com 47/44 GST 792 (Del.).

13.We are unable to accept the submission of the Learned Counsel for the petitioner for the reason that a Customs Broker occupies a very important position in the customs house. A lot of trust is kept in the customs broker by the importers, exporters as well as by the Government agencies. To ensure appropriate discharge of such trust, the Customs Broker Licensing Regulations have been framed and there has to be strict compliance thereof. Any contravention of such obligation would invite sanction as provided in the Regulations.

14.In *Ashiana Cargo Services* (supra), the custom broker had issued G-Cards to his two employees and it was found that the employees were misusing their G-Cards. Unlike in the present case where the admitted position is that the appellant has permitted use of his login ID, password as well as the licence in exchange for remuneration. Further, we note that in *Ashiana Cargo Services* (supra), the Co-ordinate Bench of this Court has noticed cases where revocation of licence has been upheld. Some of the cases noticed pertain to where a power of attorney was issued to a party

for using the CHA Licence and revocation was upheld. A case was also noticed where revocation had been upheld where the *mens rea* for infraction was found to have been present.

15.Reference may also be made to the judgment of the Supreme Court in *Commissioner of Customs v. K.M. Ganatra & Co.* - [2016 \(332\) E.L.T. 15](#) (S.C.), whereby, the Supreme Court has noticed that sub-letting of licence amounted to serious violation and misconduct and consequently the Supreme Court declined to interfere with concurrent finding of fact by the Commissioner of Customs as also the Tribunal and declined to interfere in revocation of the licence.

16.In the instant case, we are of the view that the appellant having admitted permitting the use of his licence by third party in exchange for monthly remuneration, the punishment of cancellation of licence is not disproportionate. Further, as noticed hereinabove, no substantial question of law arises in the subject appeal.

17.In view of the above, the appeal is dismissed.”

51. We, therefore, find the revocation of licence, forfeiture of security deposit and penalty of Rs. 50,000/- imposed on the appellant are proportionate to the offence committed.

52. In view of the above, we find no infirmity in the impugned order. The impugned order is upheld and the appeal is dismissed.

[Pronounced in Court on **15.12.2025**]

(JUSTICE DILIP GUPTA)
PRESIDENT

(P. V. SUBBA RAO)
MEMBER (TECHNICAL)