



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

संचिका सं./F. No.- GEN/CB/582/2022-CBS

आदेश दिनांक/Date of Order: 20.03.2026

CAO No. 156/2025-26/CAC/CC(G)/SJS/Adj-CBS जारी दिनांक/Date of issue: 25.03.2026

संख्या:

DIN:- 20260377NO0000555BCF

द्वारा जारी : श्रद्धा जोशी शर्मा

Issued By : Shraddha Joshi Sharma

आयुक्त, सीमाशुल्क (सामान्य)

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 129 की धाराA(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 नियमावली (कार्यविधि), १९८२, के प्रावधानों के अंतर्गत, यथोत्खंडपीठ 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 क्षेत्री यखंडपीठ, 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 तदोउ 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 नियमावली (अपीलस), १९८२ के नियम में उल्लेखित व्यक्ति 2 के उपनियम 3 के तहत निर्धारित है एवं उसी नियमावली के नियम 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-/1000 .पाँच लाख या इस से कम होतो रु ., (ii)यदि यह राशि रुपाँच लाख से अधिक .) एवं -/5000 .हो किंतु पचास लाख से अधिक न होतो रुiii) यदि यह राशि रुपचास लाख से अधिक होतो . के शुल्क -/10000 .रु 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, 50 .के तहत निर्धारित रु 6 की अनुसूची मद 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. Mac Trans-Oceanic Pvt. Ltd. (CB License No. 11/2661) (PAN No. AAMCM7388Q), having their office address at B-40, 1st Floor, Ashoka Complex, Sector-18, Vashi, Navi Mumbai - 400705 (hereinafter referred to as the "Customs Broker" or "CB"), is the holder of a Customs Broker License issued by the Principal Commissioner of Customs, Mumbai, under Regulation 7(2)(b) of the CBLR, 2018. As a licensed entity, they were strictly bound by the statutory regulations and conditions stipulated therein at all material times.

2. Facts of the Case:

2.1 It is on record that M/s. Mac Trans-Oceanic Pvt. Ltd. (Customs Broker License No. 11/2661, PAN: AAMCM7388Q) was granted a Customs Broker License under Regulation 7(2)(b) of the Customs Brokers Licensing Regulations (CBLR), 2018, vide Public Notice No. 150/2021-22 dated 15.07.2021, issued with the approval of the Principal Commissioner of Customs (General), Mumbai Zone-I.

2.2 The records further reveal that the said Customs Broker's license was previously suspended in connection with an offence case vide Order No. 73/2022-23 dated 27.01.2023. The matter was adjudicated vide Order-in-Original No. 44/CAC/PCC(G)/SJ/CBS-Adj. dated 19.10.2023. This order was subsequently modified in part by the final order of the Hon'ble CESTAT dated 26.08.2024, which was accepted by the Competent Authority. Consequently, the said CB license was activated and made operational in the ICES 1.5 system vide Notice No. 195 dated 01.11.2024.

2.3 In December 2024, the Customs Broker appointed Shri Uttam Hiranman Gaikwad, a 'G' Category pass holder, as their employee and attorney. Subsequently, the CB applied for the issuance of a 'G'/PA pass in his favour, which was duly granted by the Customs Broker Section, Mumbai, in January 2025.

2.4 It is observed that the CB, vide letter dated 12.03.2025, informed the department regarding the demise of their 'F' Category pass holder, late Shri Mulshankar Narshi Joshi,

who had passed away on 09.07.2024. Vide the said communication, the CB requested that Shri Uttam Hiranman Gaikwad ('G'/PA holder) be permitted to act as the authorized person under Regulation 11(3) of the CBLR, 2018.

2.5 Since the department was officially intimated about the demise of the 'F' Category holder only after a considerable lapse of eight months, it appeared that the CB had continued the clearance work and filing of Bills of Entry and Shipping Bills during a period when the license had effectively ceased to be in force, owing to the absence of a person qualified under Regulation 6 or a duly authorized 'G'/PA holder.

2.6 As per the data retrieved from the EDI section, it was brought on record that the Customs Broker had filed a total of 840 Shipping Bills and 242 Bills of Entry between the date of license activation, i.e., 01.11.2024, and the date of the CB's letter informing Customs about the demise of their 'F' Category pass holder, i.e., 12.03.2025.

3. Summary of the Investigation

3.1 It is on record that M/s. Mac Trans-Oceanic Pvt. Ltd., holder of Customs Broker License No. 11/2661, had appointed late Shri Mulshankar Narshi Joshi as the Regulation 9 qualified person under the erstwhile Customs House Agents Licensing Regulations (CHALR) (now corresponding to Regulation 6 of the CBLR, 2018).

3.2 The investigation revealed that the CB, vide their letter dated 12.03.2025, informed the department that late Shri Mulshankar Narshi Joshi, their authorized signatory and 'F' Category pass holder, had expired on 09.07.2024. Through the same communication, the CB requested that their employee, Shri Uttam Hiranman Gaikwad, a 'G' Category pass holder, be permitted to carry on the business as an authorized signatory until he clears the Regulation 6 examination, relying on the proviso to Regulation 11(3) of the CBLR, 2018. It was observed that the fact of the 'F' Category pass holder's demise on 09.07.2024 was conveyed to the department only after a significant delay of eight months, i.e., on 12.03.2025. As per the statutory mandate of the CBLR, 2018, any change in the constitution or status of the authorized signatory, including death or retirement, must be communicated to the department promptly. It appeared that the failure to do so, and the

consequential delay in notifying the competent authorities, constituted a clear violation of the obligations stipulated under the CBLR, 2018.

3.3 It was further observed that the CB's previously suspended license was restored on 01.11.2024 with the approval of the Competent Authority. However, at the material time of the said restoration, the CB deliberately withheld the critical information regarding the demise of their 'F' Category signatory, late Shri Mulshankar Narshi Joshi, from the Customs authorities. Consequently, it appeared that the suspended license was restored based on incomplete facts and without satisfying the necessary regulatory requirements, thereby rendering the restoration of the license legally vitiated and invalid.

3.4 Furthermore, the investigation brought on record that in December 2024, the CB appointed Shri Uttam Hiranman Gaikwad (a 'G' Category pass holder) as an employee and Attorney of the firm. Subsequently, they applied for and secured a 'G'/PA pass from the Customs Broker Section in January 2025. It appeared that the CB intentionally suppressed the fact of the demise of their 'F' Category authorized person for over eight months and clandestinely proceeded to appoint a 'G' Category pass holder to obtain a 'G'/PA pass from the authorities. This was done despite the fact that the CB license had effectively ceased to be in force from the date of the authorized employee's death. Thus, the appointment of the 'G'/PA and the subsequent issuance of the said pass during a period when the foundational license was no longer valid rendered the 'G'/PA pass itself legally invalid, as the prerequisite license for such issuance had already ceased to operate upon the demise of the 'F' Category person.

3.5 In view of the fact that M/s. Mac Trans-Oceanic Pvt. Ltd. had demonstrated non-compliance with the provisions of the CBLR, 2018 by failing to timely report the demise of their 'F' Category signatory, and had continued customs clearance operations without valid authorization, their license was rendered inoperative in the EDI system with immediate effect. Furthermore, the act of filing Bills of Entry and Shipping Bills without a valid 'F' Category signatory or a duly authorized 'G'/PA holder appeared to be a violation of the regulations stipulated under the CBLR, 2018.

3.6 . As per the data retrieved from the EDI section, it was established that the Customs Broker had filed a total of 840 Shipping Bills and 242 Bills of Entry at INNSA1 and INBOM4 ports in the absolute absence of a valid authorized signatory. It appeared that these customs clearance documents were filed under a license that had legally ceased to be in force from the date of the death of the authorized employee.

4. In view of the aforementioned facts and investigative findings, it appeared that the Customs Broker, M/s. Mac Trans-Oceanic Pvt. Ltd. (CB License No. 11/2661) (PAN: AAMCM7388Q), had contravened the provisions of the CBLR, 2018, on the following grounds:

- i. Non-communication of the demise of their 'F' Category authorized signatory, late Shri Mulshankar Narshi Joshi, who passed away on 09.07.2024. The department was officially intimated about this event on 12.03.2025, reflecting a delay of eight months, contrary to the regulatory requirement for prompt intimation.
- ii. Non-disclosure of the information regarding the demise of their Regulation 6 qualified signatory at the time their previously suspended license was restored on 01.11.2024.
- iii. Appointment of a 'G' Category pass holder as an employee and Power of Attorney (PA) holder, and the subsequent obtaining of a 'G'/PA pass from the Customs authorities, during a period when the foundational license had effectively ceased to be in operation due to the absence of a qualified authorized signatory.
- iv. Seeking permission from the Customs authorities for the said 'G'/PA pass holder to act as an authorized signatory under the proviso to Regulation 11(3) of the CBLR, 2018, based on a pass issued during a period when the license was not legally in force.
- v. Filing of 840 Shipping Bills and 242 Bills of Entry at INNSA1 and INBOM4 ports during a period when the firm was operating without a valid and functioning license under the CBLR, 2018, owing to the absence of an authorized 'F' Category signatory.

5. Regulations violated under CBLR 2018

5.1 Violation of Regulation 11(3) of the CBLR, 2018:

Regulation 11(3) of the CBLR, 2018 stipulates that:

"Notwithstanding anything contained in sub-regulation (1), in case of any firm or a company where a license has ceased to be in force because of the death or retirement of any partner or director or an authorized employee, who has passed the examination referred to in regulation 6, the firm or the company may apply for replacement of the name of the demised person by the name of another partner, director or authorized employee who has passed the examination referred to in regulation 6:

Regulation 11(3) of the CBLR, 2018, outlines the regulatory procedure for the continuity of operations when a license ceases to be in force due to the death or retirement of a Regulation 6 qualified person. It necessitates that the firm or company inform the department and formally apply for the replacement of the deceased or retired person with another eligible individual.

From the available records, it is evident that the CB's authorized signatory, late Shri Mulshankar Narshi Joshi, passed away on 09.07.2024. Consequently, the CB's license legally ceased to be in force from 09.07.2024. In accordance with Regulation 11(3) of the CBLR, 2018, the CB was obligated to inform the department regarding the demise of their authorized signatory and seek approval for a replacement.

However, it appeared that the CB did not have an eligible 'G'/PA holder, partner, director, or authorized employee who had passed the Regulation 6 examination at that material time. Instead of formally reporting the demise of their 'F' Category signatory to the department, the CB proceeded to secure the restoration of their previously suspended license and continued customs clearance operations at various Customs Stations without disclosing this material fact. Therefore, it appeared that the acts of omission and commission by the CB were in contravention of the provisions of Regulation 11(3) of the CBLR, 2018.

5.2 Violation of Regulation 13(7), (8) and (11) of the CBLR, 2018:

Regulation 13(7) of the CBLR, 2018 stipulates that:

“A Customs Broker shall authorize only such employee who has been issued a photo identity card in Form F or Form G as the case may be to sign the declaration on the bills of entry, shipping bills, annexure thereof or any other document generated in connection with the proceedings under the Act or the rules or regulations made thereunder”.

This regulation mandates that a Customs Broker can authorize only those employees who have been issued a valid photo identity card in Form 'F' or Form 'G' to sign declarations on Bills of Entry, Shipping Bills, and other official documents generated under the Customs Act.

From the available records, it is observed that the license of M/s. Mac Trans-Oceanic Pvt. Ltd. legally ceased to be in force from 09.07.2024, following the demise of their authorized 'F' Category signatory, late Shri Mulshankar Narshi Joshi. It appeared that despite the license being inoperative, the Customs Broker appointed a 'G' Category pass holder as both an employee and Power of Attorney (PA) holder, and subsequently obtained a 'G'/PA pass from the Customs authorities.

Since the foundational license was not legally in force due to the absence of a qualified authorized signatory, it appeared that the basis for the issuance and utilization of the 'G'/PA pass was invalid. Furthermore, it was brought on record that the Customs Broker filed 242 Bills of Entry and 840 Shipping Bills at various Customs stations (INNSA1 and INBOM4) during this period. Consequently, it appeared that the CB engaged in customs clearance activities and authorized the filing of statutory documents without an operative license, thereby acting in contravention of the provisions of Regulation 13(7) of the CBLR, 2018.

5.3 Violation of Regulation 13(8) of the CBLR, 2018:

Regulation 13(8) of the CBLR, 2018 stipulates that:

“Where the Customs Broker has authorized any person employed by him in accordance with sub-regulation (7) to sign documents relating to his business on his behalf, he shall file with the Deputy Commissioner of Customs or Assistant Commissioner of Customs of each Customs Station, as the case may be, a written authority in this behalf and give prompt notice in writing if such authorization is modified or withdrawn.”

This regulation mandates that a Customs Broker must promptly notify the Deputy Commissioner or Assistant Commissioner of Customs if there is any modification or withdrawal of an employee's authorization to sign official documents on their behalf.

Following the demise of their authorized 'F' Category employee, it was incumbent upon the Customs Broker to promptly intimate the Customs authorities regarding the consequent withdrawal or modification of the said authorization. However, it is observed from the records that the CB failed to promptly inform the department regarding this material change in authorization. Furthermore, the CB proceeded to obtain a 'G'/PA pass during a period when the underlying license was not legally in force and continued customs clearance operations at various Customs stations. Accordingly, it appeared that the acts of omission and commission by the CB were in contravention of the provisions of Regulation 13(8) of the CBLR, 2018.

5.4 Violation of Regulation 13(11) of the CBLR, 2018:

Regulation 13(11) of the CBLR, 2018 stipulates that:

“Any change in the persons issued a F card or G card or H card and actually engaged in the work in the Customs Station on behalf of a licensee firm or company shall be communicated forthwith by the firm or the company, as the case may be, to the Deputy Commissioner of Customs or Assistant Commissioner of Customs, and no new person other than 'F', 'G' or 'H' card holders, shall be allowed to work in the Customs Station as a duly authorized employee on behalf of that firm or company”.

This regulation clearly mandates that any change regarding the 'F', 'G', or 'H' card holders actually engaged in work at a Customs Station on behalf of the Customs Broker

must be communicated immediately to the relevant Customs authorities. Additionally, it restricts customs clearance work exclusively to individuals holding valid 'F', 'G', or 'H' cards.

From the facts on record, following the demise of late Shri Mulshankar Narshi Joshi, the CB failed to promptly notify the Deputy Commissioner or Assistant Commissioner of Customs regarding the change in their authorized signatory. Furthermore, by procuring a 'G'/PA pass during a period when the foundational license had effectively ceased to be in force, and by continuing customs operations without a valid 'F' card holder, it appeared that the actions of the CB were in contravention of the provisions of Regulation 13(11) of the CBLR, 2018.

6. The evidence on record indicated that the Customs Broker failed to exercise the requisite standard of care and did not fulfill the statutory obligations cast upon them under the CBLR, 2018. The investigative findings brought on record that the CB continued to undertake customs clearance operations without a valid authorized 'F' Category signatory or a legally approved 'G'/PA. Furthermore, the appointment of a 'G'/PA and the subsequent procurement of the said pass during a period when the foundational license was no longer in force rendered the pass inherently invalid, as the prerequisite license for its issuance had effectively ceased to operate. Additionally, the filing of 242 Bills of Entry and 840 Shipping Bills at various Customs stations (INNSA1 and INBOM4) without a valid license appeared to constitute a clear contravention of the statutory mandate of the CBLR, 2018.

7. In view of the findings of the investigation, action under the CBLR, 2018 was initiated against the CB M/s. Mac Trans-Oceanic Pvt. Ltd. (CB License No. 11/2661). Further, in view of the Board's Instruction No. 24/2023 dated 18.07.2023, the case was not considered appropriate for immediate suspension of the CB license under Regulation 16 of the CBLR, 2018. However, action under Regulation 17 of CBLR, 2018 was initiated against the CB M/s. Mac Trans-Oceanic Pvt. Ltd. and accordingly, based on the investigation report, the following articles of charge were framed against the CB:

- (i) Article of Charge-I: Violation of Regulation 11(3) of the CBLR, 2018.

- (ii) Article of Charge-II: Violation of Regulation 13(7) of the CBLR, 2018.
- (iii) Article of Charge-III: Violation of Regulation 13(8) of the CBLR, 2018.
- (iv) Article of Charge-IV: Violation of Regulation 13(11) of the CBLR, 2018.

7.1 In light of the above, a Show Cause Notice was issued to the CB M/s. Mac Trans-Oceanic Pvt. Ltd. (CB License No. 11/2661) 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. 11/2661 issued to them should not be revoked under Regulation 14 read with Regulations 17 & 18 of the CBLR, 2018;
- b. Security deposited by them should not be wholly 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.

7.2 Smt. Medha Tiwary, Deputy Commissioner of Customs, was appointed as the Inquiry Officer (IO) to conduct the inquiry proceedings against the CB M/s. Mac Trans-Oceanic Pvt. Ltd. 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 26.12.2025, wherein all the charges levelled against the CB of violation of Regulations 11(3), 13(7), 13(8) and 13(11) of the CBLR, 2018 were held as "Proved". Further, the IO stated that the prescribed timeline under Regulation 17 for completion of inquiry proceedings could not be adhered to as she was appointed as an Inquiry Officer in another case being conducted simultaneously, and apart from her own charge, she was also handling additional charges of Group 2A, Legal, Licence, and AEO.

FINDINGS OF THE INQUIRY OFFICER: -

9. The IO submitted that she had gone through the Show Cause Notice No. 22/2025-26 dated 30.07.2025, the records of the Personal Hearings and Defence submissions made

during the personal hearings. The IO submitted that she had also gone through the alleged Articles of Charges or contraventions mentioned in the Show Cause Notice as well as legal provisions reflected in CBLR, 2018.

9.1 The IO submitted that she had taken on record the submissions made by the CB and proceeded to discuss all these submissions & examine their merits.

9.2 Article of Charge -I- Violation of Regulation 11(3) of CBLR, 2018:

The IO found that the CB submitted that they were totally unaware of the demise of their 'F' category authorized signatory, Late Shri Mulshankar Narshi Joshi, on 09.07.2024, that they only came to know about it on 10.03.2025 via a WhatsApp message from an acquaintance, and immediately informed the department on the next working day, i.e., 12.03.2025. Thus, the CB contended that there was no intentional failure on their part to comply with the provisions of Regulation 11(3) of the CBLR, 2018, citing the Doctrine of Impossibility as the event was allegedly beyond their control.

The IO found that the charged CB M/s. Mac Trans-Oceanic Pvt. Ltd. had appointed Late Shri Mulshankar Narshi Joshi as their Regulation 6 qualified person. The IO found from the records that the said 'F' category pass holder expired on 09.07.2024. Consequently, the CB's license legally ceased to be in force from 09.07.2024 as per the strict provisions of Regulation 11(3) of the CBLR, 2018. The IO found that despite the license ceasing to be in force, the CB continued their customs clearance operations and filed a total of 840 Shipping Bills and 242 Bills of Entry at INNSA1 and INBOM4 ports during the period between the demise of the 'F' card holder and the date of intimation to the department.

The defence submission stated that they had regularly deposited the salary in Late Shri Mulshankar Joshi's account up to February 2025, which they claimed proved their bona fide lack of knowledge. The IO found that while the CB relied on a WhatsApp chat dated 10.03.2025 as proof of their first knowledge of the death, this did not constitute verified or acceptable evidence to absolve them of their statutory obligations. The IO found that it was mandatory under CBLR, 2018 to report any change in the status of the

authorized signatory, including death or retirement, promptly. The IO submitted that the CB's previously suspended license was restored on 01.11.2024, and during this restoration process, the CB failed to inform the Customs authorities about the demise of their signatory. Thus, it is apparent that the CB operated without meeting the necessary regulatory requirements, making the restoration and subsequent operations invalid.

The IO submitted that the CB's argument regarding their lack of awareness for eight months due to the employee's old age and health issues is legally unacceptable. The IO found that the monitoring of the presence or absence of office staff, and the supervision of the work conducted under the firm's name, is the fundamental responsibility of the Customs Broker. The IO found that the fact that regular customs clearance work was carried out over a span of eight months in the name of a deceased pass holder could not happen without the CB's knowledge or severe negligence. The IO also found that the CB had improperly proceeded to appoint a 'G' category pass holder (Shri Uttam Hiranman Gaikwad) and obtained a 'G'/PA pass in January 2025, despite the foundational license being invalid. Hence, the IO submitted that the CB's reliance on equitable principles and the Doctrine of Impossibility was not applicable in the instant case.

The IO found that it was the statutory responsibility of the CB to promptly inform the department regarding the demise of their authorized signatory and seek approval for a replacement to ensure continuity of operations. Thus, the IO found that the CB had completely failed to fulfill this mandatory obligation, suppressed material facts, and actively engaged in unauthorized customs clearance activities. Accordingly, the IO held the Article of Charge alleging violation of Regulation 11(3) of the CBLR, 2018 as "Proved".

9.3 Article of Charge –II– Violation of Regulation 13(7) of CBLR, 2018:

The IO stated that the defence submission stated that the SCN alleged that the CB engaged in customs clearance activities without a valid license; that the CB contended they had completely followed the laid down procedure for the issuance of a 'G'/PA pass for their employee Shri Uttam Hiranman Gaikwad; that they were totally unaware of the demise of

their 'F' category signatory on 09.07.2024 and only came to know about it on 10.03.2025, thereby filing the subject Bills of Entry and Shipping Bills without any malafide intent. The IO found that the article of charge II, i.e., violation of Regulation 13(7) of the CBLR, 2018, was intricately linked to Article of Charge-I, i.e., violation of Regulation 11(3) of the CBLR, 2018. Hence, the IO submitted that her findings on this article of charge were similar and stated her findings as under:

The IO found from the records that the license of M/s. Mac Trans-Oceanic Pvt. Ltd. had legally ceased to be in force from 09.07.2024, the date of the death of their authorized 'F' category signatory, Late Shri Mulshankar Narshi Joshi. The IO found that despite the license being inoperative, the Customs Broker improperly appointed a 'G' category pass holder as both an employee and Power of Attorney holder, and obtained a 'G'/PA pass from the Customs authorities in January 2025. The IO found that in the absolute absence of a qualified authorized signatory, the foundational license itself was not in force, thereby rendering the issuance of the 'G'/PA pass inherently invalid. Furthermore, the IO found that the CB's claim of being unaware of the demise for eight months was unacceptable, as regular customs clearance work was continuously carried out over this long span, which could not have occurred without the CB's knowledge and supervision.

The IO found that it was the statutory responsibility of the CB to authorize only validly issued identity card holders to sign declarations under an actively functioning license. Thus, the IO found that the CB had engaged in customs clearance activities and filed 242 Bills of Entry and 840 Shipping Bills at various Customs stations without a valid operative license. Accordingly, the IO submitted that the CB failed to comply with the statutory mandates while authorizing the clearance of the subject consignments and accordingly, the Article of Charge alleging violation of Regulation 13(7) of the CBLR, 2018 was "Proved".

9.4 Article of Charge –III– Violation of Regulation 13(8) of CBLR, 2018:

The IO stated that the defence submission stated that the SCN alleged that the CB failed to notify the Customs authority promptly regarding the change in authorization of

their employee; that the CB contended they had promptly informed the department on 12.03.2025, immediately on the next working day after allegedly becoming aware of the demise of Late Shri Mulshankar Narshi Joshi on 10.03.2025; and that they had regularly deposited his salary up to February 2025, which they claimed established their bona fide lack of knowledge. The IO found that the article of charge III, i.e., violation of Regulation 13(8) of the CBLR, 2018, was intricately intertwined with the findings of the preceding charges. Hence, the IO submitted that her findings on this article of charge were similar and stated her findings as under:

The IO found from the records that following the demise of their authorized 'F' category employee on 09.07.2024, the CB was legally mandated to give prompt notice in writing to the Deputy Commissioner or Assistant Commissioner of Customs regarding the withdrawal or modification of such authorization. The IO found that the CB's contention of relying on a WhatsApp chat from an acquaintance after a lapse of eight months to establish their "date of knowledge" is completely unacceptable. The IO submitted that the responsibility of informing the Customs department of any change or demise of the pass holder lies squarely with the Customs Broker. The IO found that the monitoring of the presence or absence of office staff is the fundamental duty of the CB, and the fact that regular clearance work was carried out in the firm's name over a span of eight months without the CB's supervision or knowledge constitutes a severe regulatory lapse.

The IO found that it was the strict statutory responsibility of the CB to promptly notify the department regarding any change in the authorization of an employee to sign documents on their behalf. Thus, the IO found that the CB had not only failed in their mandatory duty to inform the department about the cessation of authorization but also improperly continued operating at various Customs stations without a validly authorized signatory. Accordingly, the IO submitted that the CB failed to comply with the prescribed regulatory procedures and accordingly, the Article of Charge alleging violation of Regulation 13(8) of the CBLR, 2018 was "Proved".

9.5 Article of Charge –IV– Violation of Regulation 13(11) of CBLR, 2018:

The IO stated that the defence submission stated that the SCN alleged that the CB failed to promptly notify the Customs authorities regarding the change in their authorized signatory and continued operations without a valid 'F' card holder; that the CB contended they had communicated the change "forthwith" on 12.03.2025 immediately after allegedly discovering the demise on 10.03.2025; and that there was no procedural deviation as they had appointed a 'G' card holder to carry on the business following the laid down procedures. The IO found that the article of charge IV, i.e., violation of Regulation 13(11) of the CBLR, 2018, was factually connected to the prior charges. Hence, the IO submitted her findings on this article of charge as under:

The IO found from the records that following the death of their 'F' category signatory, Late Shri Mulshankar Narshi Joshi, on 09.07.2024, the CB was legally required to communicate the change in the person actually engaged in the work at the Customs Station "forthwith" to the Deputy Commissioner or Assistant Commissioner of Customs. The IO found that the CB failed to notify this crucial change for over eight months. The IO submitted that the CB's defence regarding their delayed date of knowledge, based on a WhatsApp message from an acquaintance, could not be accepted. The IO found that it is the fundamental duty of the CB to monitor their staff and operations, and the fact that regular customs clearance work was carried out over an extended period under a deceased person's pass cannot be excused by a claim of ignorance.

The IO found that the CB not only failed to communicate the change forthwith but also improperly allowed customs clearance work to continue without a valid 'F' card holder, thereby filing numerous Bills of Entry and Shipping Bills. Furthermore, by procuring a new 'G'/PA pass during a period when the underlying license had effectively ceased to be in force, they allowed a person to act as an authorized employee under an invalid license. Accordingly, the IO submitted that the CB failed to adhere to the strict compliance requirements regarding authorized personnel and accordingly, the Article of Charge alleging violation of Regulation 13(11) of the CBLR, 2018 was "Proved".

10. SUMMARY OF THE FINDINGS:

The IO concluded the findings of the inquiry as under:

| | | |
|----|--|--------|
| 1. | Violation of Regulation 11(3) of CBLR, 2018 | Proved |
| 2. | Violation of Regulation 13(7) of CBLR, 2018 | Proved |
| 3. | Violation of Regulation 13(8) of CBLR, 2018 | Proved |
| 4. | Violation of Regulation 13(11) of CBLR, 2018 | Proved |

10.1 Under the provisions of Regulation 17(6) of the CBLR, 2018, a copy of the Inquiry Report dated 26.12.2025 was shared with the CB vide letter dated 06.01.2026 and further, to uphold the Principle of Natural Justice, an opportunity of personal hearing was granted to the CB on 10.02.2026.

RECORDS OF PERSONAL HEARING: -

11. An opportunity for a Personal Hearing was granted to the CB, M/s. Mac Trans-Oceanic Pvt. Ltd., on 10.02.2026 at 12:30 p.m. Adv. Shri Prashant Kubal, Consultant, and Shri Manish Chatwani, Director of the CB firm, appeared for the Personal Hearing before the Commissioner of Customs (Gen.). During the hearing, they submitted a written reply and reiterated the facts of the same. Their submissions were taken on record. Consequently, the matter was taken up for final adjudication based on the facts of the case, the Inquiry Officer's report, their written submissions, and the evidence available on record.

WRITTEN SUBMISSION OF THE CB: -

12. The CB made written submissions during the personal hearings and through their correspondence, the main contentions and defence of which are summarized below:

12.1 Firstly, the CB submitted that the inquiry under Regulation 17 of the CBLR, 2018 was completely unwarranted. They argued that a plain reading of Regulation 17(1) indicates that inquiry proceedings can only be instituted after the receipt of an "offence report." The CB contended that in the impugned Show Cause Notice (SCN), an offence report had neither been quoted nor provided to them. Hence, they asserted that the issuance of the SCN proposing revocation, forfeiture of security, and penalty is bad in law, as the

fundamental prerequisite an offence report was missing, rendering the entire SCN liable to be dropped.

12.2 Further, the CB submitted that the allegation pertained to an administrative delay of around eight months in intimating the death of their authorized 'F' category signatory, Late Shri Mulshankar Narshi Joshi. They argued that such delays are typically dealt with by issuing a Show Cause Notice and passing an administrative order, often waiving the need for a formal inquiry or personal hearing. The CB cited previous orders passed by the Principal Commissioner of Customs (General) in the cases of M/s. Damco India Pvt. Ltd., M/s. Hind Ship Airways, and M/s. VS Logistics, where delays ranging from six months to three years in intimating the death/resignation of 'F' card holders were adjudicated summarily with minor penalties (Rs. 5,000/- to Rs. 25,000/-) without resorting to Regulation 17 proceedings. The CB stated that the department cannot adopt different practices for similar issues and must maintain uniformity.

12.3 The CB submitted that in the aforementioned past cases, the department had levelled charges of violation of Regulation 7(2)(b) of the CBLR, 2018 (which mandates at least one qualified person to hold a license). However, they highlighted that no such article of charge under Regulation 7(2)(b) was levelled against them in the present SCN. Therefore, they argued that the department's allegation that their license had become invalid "does not hold water" and was outside the scope of the inquiry proceedings.

12.4 The CB further contended that the mandatory timeline stipulated under Regulation 17(5) of the CBLR, 2018 was not maintained. They pointed out that the SCN was issued on 30.07.2025, and the Inquiry Officer was bound to submit the report within 90 days, i.e., by 28.10.2025. However, the Inquiry Report was dated 26.12.2025, reflecting a delay of two months without any recorded reasons for the delay in the report itself. In this context, the CB placed reliance on judgments from the Hon'ble High Courts of Delhi and Madras (e.g., LEO Cargo Services vs. Commissioner of Customs, KTR Logistics Solutions) to argue that the SCN is liable to be dropped due to the breach of statutory timelines.

12.5 The CB mentioned that the inquiry conducted by the IO was an "empty formality." They argued that while the IO held the charges under Regulations 11(3), 13(7), 13(8), and 13(11) as "Proved," the detailed findings and discussions in the report were exclusively focused on Regulation 11(3). The CB stated that there were absolutely no specific findings, discussions, or conclusive statements regarding Regulations 13(7), 13(8), and 13(11) in the IO's report, rendering the conclusions inconsistent and legally flawed.

12.6 With respect to charge of violation of Regulation 11(3) of CBLR, 2018:

The CB submitted that Late Shri Mulshankar Narshi Joshi, their authorized 'F' category signatory, passed away on 09.07.2024 at the age of 94 years. Due to his old age and health issues, he was not visiting their office for a few months. The CB submitted that they were totally unaware of his demise and had regularly deposited his salary into his account up to February 2025, which they claimed proved their bona fide lack of knowledge. Therefore, the CB submitted that there was no intentional failure in complying with the provisions of Regulation 11(3), as they only came to know about the death on 10.03.2025 at 12:45 p.m. via a WhatsApp message from an acquaintance. The CB submitted that they immediately informed the department on the next working day, i.e., 12.03.2025, and also requested permission to carry on the business by allowing their 'G' card employee, Shri Uttam Hiranman Gaikwad, to appear for the Regulation 6 exam.

The CB further submitted that the non-compliance with the law occurred due to a lack of knowledge, was beyond their control, and there was no malafide intention to continue the work without an 'F' card holder. Therefore, they argued that the charge under Regulation 11(3) of CBLR, 2018 does not sustain and merits to be withdrawn. For this proposition, the CB submitted that they placed reliance upon the "Doctrine of Impossibility," arguing that it has been treated as a principle of equity in taxation matters by various courts.

12.7 With respect to charge of violation of Regulation 13(7) of CBLR, 2018:

The CB submitted that Regulation 13(7) of the CBLR, 2018 is a laid-down procedure regarding the authorization of 'F' and 'G' card holders. They contended that they

had specifically requested the issuance of a 'G'-card Customs Pass for their employee, Shri Uttam Hiranman Gaikwad, and the Customs Broker Section, New Custom House, Mumbai, issued the said pass after due scrutiny of documents and following the proper procedure. Therefore, the CB submitted that any Customs Broker can appoint a 'G' card holder to carry on business, and there was no procedural deviation on their part.

Regarding the allegation of operating under an invalid license, the CB submitted that they were totally unaware of the death of Late Shri Mulshankar Narshi Joshi on 09.07.2024 and only discovered it on 10.03.2025. The CB stated that they had regularly deposited his salary up to February 2025, proving their bona fide lack of knowledge. Hence, the CB submitted that the question of improperly appointing a 'G'/PA employee or filing Bills of Entry and Shipping Bills under an invalid license does not arise. Furthermore, the CB submitted that the Inquiry Officer had not given any specific observations regarding Regulation 13(7) in the report. Therefore, the charge is based on assumption and presumption and merits to be dropped.

12.8 With respect to charge of violation of Regulation 13(8) of CBLR, 2018:

The CB submitted that Regulation 13(8) mandates notifying the Customs Department regarding a change in the authorization of an employee. The CB contended that they came to know about the sad demise of Late Shri Mulshankar Narshi Joshi on 10.03.2025 (Saturday) and immediately, on the next working day (12.03.2025), they promptly informed the Customs authority. Hence, the CB submitted that there is no question of a failure in their duty to inform the department about the change in authorization.

The CB further submitted that the onus is on the department to show that the CB had prior knowledge of the death, and the department has provided no documentary or oral evidence to establish the exact date of knowledge. The CB argued that in order to count the delay in intimation, the factor of "knowledge of death" is vital, which they established via the WhatsApp chat dated 10.03.2025. The CB also stated that since the department did not level an article of charge under Regulation 7(2)(b) of the CBLR, 2018 for operating an

invalid license, the charge of violation of Regulation 13(8) cannot sustain. Therefore, the allegation should be dropped.

12.9 With respect to charge of violation of Regulation 13(11) of CBLR, 2018:

The CB submitted that Regulation 13(11) requires any change in 'F', 'G', or 'H' card holders to be communicated "forthwith" to the department. The CB contended that they completely complied with this by immediately informing the department on 12.03.2025, right after learning of the demise on 10.03.2025. Thus, the CB stated there was no failure in their duty to inform the department about the change.

The CB reiterated that due to his old age (94 years) and health issues, the deceased 'F' card holder was not visiting the office, and they had continued to deposit his salary in good faith. The CB submitted that they had lawfully appointed a 'G' card holder after following all laid-down procedures, meaning there was no procedural deviation or unauthorized personnel working on their behalf. The CB further submitted that the Inquiry Officer failed to provide any specific findings on Regulation 13(11) in the Inquiry Report. Lastly, the CB submitted that the punishment meted out should be commensurate and proportionate to the offence, and revoking the license would be too harsh and threaten their livelihood. Accordingly, they requested the Adjudicating Authority to drop the proceedings.

12.10 The CB submitted that the SCN is unsustainable in law and the CB is liable to be discharged and the SCN dropped and Your Honour is requested to do so.

DISCUSSIONS AND FINDINGS: -

13. I have gone through the facts and records of the case; the investigative findings regarding the unauthorized operation of the license; Show Cause Notice No. 22/2025-26 dated 30.07.2025 issued under Regulation 17(1) of the CBLR, 2018; the Inquiry Report dated 26.12.2025 and the CB's written submission dated 10.02.2026.

14. Briefly stating, the case involved an investigation into the continued operations and customs clearance activities by M/s. Mac Trans-Oceanic Pvt. Ltd. (CB License No. 11/2661) during a period when their license had legally ceased to be in force. The records

establish that the CB's authorized 'F' Category signatory, late Shri Mulshankar Narshi Joshi, passed away on 09.07.2024. Consequently, in terms of Regulation 11(3) of the CBLR, 2018, the license ceased to be in force from the date of the said demise. However, the CB failed to intimate the department regarding this material change for a period of eight months, providing the information only via a letter dated 12.03.2025. During this interim period, the CB's previously suspended license was restored on 01.11.2024 without the CB disclosing the demise of the 'F' card holder to the competent authority. Furthermore, the investigation revealed that the CB filed 242 Bills of Entry and 840 Shipping Bills at INNSA1 and INBOM4 ports while operating without a valid Regulation 6 qualified signatory or a duly authorized 'G'/PA holder. While the CB contended they had no knowledge of the death until 10.03.2025 and continued to deposit salary in good faith, the SCN alleges a gross failure in their statutory responsibility to monitor their staff and ensure the validity of their authorization. Consequently, the CB is charged with violating Regulations 11(3), 13(7), 13(8), and 13(11) of the CBLR, 2018.

14.1 I observe that the Inquiry Officer, in the report dated 26.12.2025, has meticulously examined the CB's defense, including the "Doctrine of Impossibility" and the claim of bona fide ignorance. The IO has observed that a Customs Broker is legally obligated to maintain an operative license by ensuring at least one qualified person is present, and the responsibility of informing the department of any change in status lies solely with the CB. The IO further noted that regular work was conducted using the credentials of a deceased person for eight months, which indicates a serious lapse in supervision and monitoring of office staff. Although the CB eventually appointed an 'F' Category signatory (Shri Harish Prabhashanker) in December 2025 and requested the condonation of the delay, the IO concluded that the charges of operating without valid authorization and failing to notify the department promptly stand proved. For the various acts of omission and commission by the CB, which appear to have resulted in the unauthorized filing of 1,082 customs documents, the CB has rendered themselves liable for penal action under the provisions of the CBLR, 2018.

15. I find that 04 articles of charges have been framed against the CB, namely the violation of Regulations 11(3), 13(7), 13(8), and 13(11) of the CBLR, 2018. Now, I proceed to discuss the articles of charges, sequentially.

15.1 Violation of Regulation 11(3) of the CBLR, 2018:

(a) I find that the charge of violation of Regulation 11(3) of the CBLR, 2018 has been levelled against the CB on the grounds that the investigative findings and EDI data revealed a failure to promptly inform the department regarding the demise of their 'F' Category authorized signatory, late Shri Mulshankar Narshi Joshi, who passed away on 09.07.2024. The investigation brought on record that the CB continued customs clearance operations and filed 840 Shipping Bills and 242 Bills of Entry during a period when the license had effectively ceased to be in force due to the absence of a Regulation 6 qualified person. Furthermore, it appeared the CB withheld this material information at the time their previously suspended license was restored on 01.11.2024, thereby securing the restoration without meeting the necessary regulatory requirements. In the instant case, the CB appeared to have failed to perform their obligation under Regulation 11(3) of the CBLR, 2018, which provides for the continuity of operations only through a prescribed transition process following the death of a qualified person.

(b) I find that the Inquiry Officer (IO), in this regard, has observed that the responsibility of informing the Customs department regarding any change or demise of a pass holder lies squarely with the Customs Broker and not the department. The IO found that the CB's contention of being unaware of the demise for eight months was legally unacceptable, as the monitoring of office staff and supervision of work conducted under the firm's name is a fundamental duty of the CB. The IO noted that regular customs clearance work carried on over a span of eight months under the credentials of a deceased person could not have occurred without the CB's knowledge or severe negligence. Furthermore, the IO observed that the CB's reliance on a WhatsApp chat dated 10.03.2025 did not constitute verified or acceptable evidence to justify the delay in intimation. Accordingly, the IO held the Article of Charge alleging violation of Regulation 11(3) of the CBLR, 2018 as proved.

(c) The CB in this regard submitted that they were totally unaware of the demise of Shri Mulshankar Narshi Joshi until 10.03.2025, when they received a death certificate via a WhatsApp message from an acquaintance. They contended that they had regularly deposited salary into the deceased employee's account up to February 2025, which they claimed established their bona fide lack of knowledge and lack of malafide intent. The CB further invoked the "Doctrine of Impossibility," arguing that the event was beyond their control and that they had promptly informed the department on the next working day, 12.03.2025, immediately after gaining knowledge. The CB submitted that they had complied with the proviso to Regulation 11(3) by requesting permission for a 'G' card holder to appear for the Regulation 6 examination to maintain the license.

(d) Regulation 11(3) of the CBLR, 2018 provides a transition mechanism when a license ceases to be in force because of the death of an authorized employee, requiring the firm to promptly apply for a replacement. Having gone through the facts and records of the case, I find it established that the license of M/s. Mac Trans-Oceanic Pvt. Ltd. legally ceased to be in force on 09.07.2024 upon the death of their only Regulation 6 qualified signatory. I find that the CB's plea of ignorance is difficult to accept, given that they are professionals expected to maintain active supervision over their authorized signatories and the statutory documents filed under their license. The failure to disclose this material fact during the restoration of the license on 01.11.2024 is a serious omission that vitiated the restoration process. The proactive duty to notify the department of such a change is absolute and cannot be contingent upon information received from third-party acquaintances months later. Consequently, the operation of the license and the filing of 1,082 documents during this period was unauthorized. Accordingly, I am of the firm opinion that the CB failed to discharge their statutory obligations under Regulation 11(3) of the CBLR, 2018, and I uphold the charge.

15.2 Violation of Regulation 13(7) of the CBLR, 2018:

(a) I find that the charge of violation of Regulation 13(7) of the CBLR, 2018 was levelled against the CB on the grounds that they authorized the filing of 242 Bills of Entry

and 840 Shipping Bills at various Customs stations (INNSA1 and INBOM4) during a period when their license was effectively inoperative. The investigation revealed that following the demise of the authorized 'F' Category signatory on 09.07.2024, the CB improperly appointed a 'G' Category person as a Power of Attorney holder and obtained a 'G'/PA pass under a license that had already ceased to be in force. In the absence of a qualified authorized signatory, it appeared the CB engaged in customs clearance activities and continued filing statutory declarations without a valid license, which constitutes a contravention of the professional obligations mandated under Regulation 13(7).

(b) I find that the Inquiry Officer (IO), in this regard, has observed that the license of M/s. Mac Trans-Oceanic Pvt. Ltd. ceased to be in force from the date of the death of their authorized 'F' Category signatory. The IO found that despite the license being invalid, the CB continued to file a substantial number of customs documents, which cannot be justified by a claim of ignorance regarding the status of their own authorized personnel. The IO noted that the issuance and use of a 'G'/PA pass under an inoperative license is legally untenable, as the foundational license required for such authorization had expired. Accordingly, the IO held the Article of Charge alleging violation of Regulation 13(7) of the CBLR, 2018 as proved.

(c) The CB in this regard submitted that they followed the established procedure for the issuance of a 'G' Category pass for their employee, Shri Uttam Hiranman Gaikwad, and that the department issued the pass after due scrutiny of their documents. They contended that there was no procedural deviation and that any Customs Broker is entitled to appoint 'G' card holders to carry on business. The CB reiterated that they were unaware of the demise of their 'F' card holder for eight months and therefore lacked any malafide intent. Furthermore, they argued that since the department had not explicitly charged them with a violation of Regulation 7(2)(b), the allegation of operating under an invalid license was outside the scope of the inquiry.

(d) Regulation 13(7) mandates that a Customs Broker shall authorize only such employees who have been issued valid identity cards to sign declarations on Bills of Entry

and Shipping Bills. Having meticulously perused the records, I find that the core of this violation lies in the fact that these authorizations were granted and utilized under a license that had legally ceased to exist. A 'G'/PA pass is an extension of a valid and operative license, once the license becomes inoperative due to the absence of a Regulation 6 qualified person, any subsequent authorization or document filing becomes unauthorized. The CB's argument that they followed the procedure for the 'G' pass does not cure the defect that the primary license itself was not in force. The filing of over a thousand customs documents without a validly authorized signatory is a serious regulatory lapse that cannot be overlooked. Accordingly, I disagree with the CB's contention and uphold the charge of violation of Regulation 13(7) of the CBLR, 2018.

15.3 Violation of Regulation 13(8) of the CBLR, 2018:

(a) I find that the charge of violation of Regulation 13(8) of the CBLR, 2018 was levelled against the CB on the grounds that they failed to give prompt notice in writing to the Deputy or Assistant Commissioner of Customs regarding the modification or withdrawal of the authorization of their 'F' Category signatory. The investigation established that although the authorized signatory, late Shri Mulshankar Narshi Joshi, passed away on 09.07.2024, the department was only notified of the cessation of this authorization on 12.03.2025, after a delay of eight months. This failure to provide prompt intimation appeared to be a direct contravention of the notification requirements stipulated under Regulation 13(8).

(b) I find that the Inquiry Officer (IO), in this regard, has observed that the responsibility of informing the Customs department of any change or demise of a category pass holder is the absolute duty of the Customs Broker. The IO found that the CB's claim of only learning of the death eight months later via a WhatsApp message did not constitute a valid legal excuse for the failure to provide prompt notice. The IO reasoned that the monitoring of office staff and the supervision of work conducted on behalf of the firm is a primary responsibility of the CB, and a lapse of eight months cannot be overlooked. Consequently,

the IO held the Article of Charge alleging violation of Regulation 13(8) of the CBLR, 2018 as proved.

(c) The CB in this regard submitted that they provided prompt notice on 12.03.2025, which was the next working day after they allegedly discovered the demise on 10.03.2025. They contended that the "knowledge of death" is a vital factor in calculating any delay, and they provided salary ledgers up to February 2025 to establish their bona fide ignorance of the event. The CB argued that in the absence of evidence showing they had earlier knowledge of the death, they cannot be charged with a failure to provide "prompt" notice.

(d) Regulation 13(8) mandates that a Customs Broker shall give prompt notice in writing if an authorization for an employee to sign documents is modified or withdrawn. Having perused the records, I find that "promptness" is an essential statutory requirement designed to ensure that only validly authorized individuals operate within the Customs Station. The CB's failure to be aware of the status of their only qualified 'F' card signatory for a period of eight months reflects a serious lack of internal control and supervision. A delay of eight months between the death of the signatory and the intimation to the department cannot, under any reasonable interpretation, be considered "prompt" notice as required by the regulations. Accordingly, I uphold the charge of violation of Regulation 13(8) of the CBLR, 2018.

15.4 Violation of Regulation 13(11) of the CBLR, 2018:

(a) I find that the charge of violation of Regulation 13(11) of the CBLR, 2018 was levelled against the CB on the grounds that they failed to communicate forthwith the change in the personnel issued an 'F' card following the demise of Shri Mulshankar Narshi Joshi. The investigation established that the CB continued clearance work without a valid 'F' card holder and improperly obtained a 'G'/PA pass during a period when the license had effectively ceased to be in force. It appeared the CB allowed personnel to act as authorized employees under an invalid license, contrary to the restrictive requirements of the regulation.

(b) I find that the Inquiry Officer (IO), in this regard, has observed that any change in the persons issued an 'F', 'G', or 'H' card and engaged in customs station work must be communicated forthwith to the Deputy or Assistant Commissioner. The IO found that the CB's reliance on the date they received a death certificate via a third-party WhatsApp chat could not be accepted as a valid legal reason for the eight-month delay in notification. The IO reasoned that the CB is responsible for monitoring the presence or absence of office staff and that carrying on work under a deceased person's pass for an extended period constitutes a clear regulatory violation. Accordingly, the IO held the Article of Charge alleging violation of Regulation 13(11) of the CBLR, 2018 as proved.

(c) The CB in this regard submitted that they complied with the regulation by informing the department on 12.03.2025, immediately after learning of the demise on 10.03.2025. They contended that the deceased signatory, aged 94, was not visiting the office due to health issues and that they had continued to deposit his salary in good faith up to February 2025. The CB argued that they had lawfully appointed a 'G' card holder after following proper department procedures and that there was no procedural deviation or use of unauthorized personnel on their part.

(d) Regulation 13(11) mandates that any change in the persons issued an 'F', 'G', or 'H' card shall be communicated forthwith to the relevant Customs authorities. Having perused the records, I find that the statutory requirement to communicate such changes "forthwith" is an essential safeguard to ensure that only authorized individuals conduct customs business. The CB's failure to report the death of their only 'F' card holder for eight months, while filing over a thousand statutory documents, represents a significant breakdown in professional supervision. The subsequent procurement of a 'G'/PA pass under a license that was no longer legally in force further confirms the CB's failure to ensure they were operating with valid authorization. Accordingly, I uphold the charge of violation of Regulation 13(11) of the CBLR, 2018.

17. I find that a Customs Broker occupies a very important position in the Custom House and is expected to safeguard the interests of both the trade and the Customs

Department. A significant degree of trust is placed in a licensed Customs Broker by Government Agencies. However, by their acts of omission and commission, the Customs Broker, M/s. Mac Trans-Oceanic Pvt. Ltd. (CB License No. 11/2661), has violated Regulations 11(3), 13(7), 13(8), and 13(11) of the CBLR, 2018. I find that for the violation of these statutory obligations specifically the unauthorized operation of the license for eight months following the demise of their 'F' card holder and the subsequent filing of 242 Bills of Entry and 840 Shipping Bills without a validly authorized signatory the Customs Broker has rendered itself liable for penal action under Regulations 14, 17, and 18 of the CBLR, 2018. Hence, while deciding the matter, I rely on the following case laws:

- 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 CB 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 CB is supposed to safeguard the interest of both the importers and the Customs. A lot of trust is kept in CB 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 CB Licensing Regulations lists out obligations of the CB. Any contravention of such obligations even without intent would be sufficient to invite upon the CB 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 advise the client accordingly. Though the CB 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 CB, 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."

18. As discussed above, I conclude that the CB, M/s. Mac Trans-Oceanic Pvt. Ltd. (CB License No. 11/2661), is guilty of violating Regulations 11(3), 13(7), 13(8), and 13(11) of the CBLR, 2018. In view of the detailed discussion and analysis above, it is established that the CB has failed to discharge the professional and statutory obligations mandated under the Customs Brokers Licensing Regulations, 2018. The evidence on record confirms that the Customs Broker failed to promptly inform the department regarding the demise of their 'F' Category authorized signatory, late Shri Mulshankar Narshi Joshi, which occurred on July 9, 2024. Furthermore, by continuing customs clearance operations and filing 242 Bills of Entry and 840 Shipping Bills during the eight-month period when the license was effectively inoperative due to the absence of a Regulation 6 qualified person, the Customs Broker failed to exercise the requisite degree of supervision and monitoring of their staff.

Further, the records indicate that the CB continued to deposit salary into the bank account of the deceased employee up to February 2025, which suggests that the failure to intimate the death may not have been a case of systemic fraud or malafide intent, but rather a severe lapse in administrative judgment and internal control. Thus, the unauthorized operation appears to be a consequence of diminished diligence rather than deliberate connivance. I also take note of the CB's submission regarding previous administrative orders in cases such as M/s. Damco India Pvt. Ltd., M/s. Hind Ship Airways, and M/s. VS Logistics, where delays in intimating changes to authorized signatories were adjudicated by imposing penalties rather than the extreme step of revocation. Considering that the CB has now appointed a new 'F' Category qualified person (Shri Harish Prabhashanker) to regularize their operations, I find the extreme action of revocation of the Customs Broker's License or the forfeiture of the security deposit to be unwarranted. Hence, under the factual matrix of the case and applying the Principle of Proportionality, I am not inclined to revoke the License or forfeit the security deposit, as such punishments would be disproportionately

harsh compared to the administrative nature of the primary infraction. However, I am of the considered view that the ends of justice will be met by imposing a penalty on the CB under Regulation 18 of the CBLR, 2018, which suffices both as a corrective measure for the regulatory breach and as a deterrent to future lapses in statutory compliance. In this regard, I place reliance on the following case laws:

a) **Delhi High Court has, in the case of Falcon Air Cargo and Travels (P) Ltd [2002 (140) ELT 8 (DEL)] held as follows:**

"13. By order dated 15-7-2000, licence was revoked. It is not clear how there could be revocation when the licence itself was not functional after 13-1-2000. Licence can be suspended or revoked on any of the grounds as mentioned in Regulation 21. It is, therefore, clear that if any of the grounds enumerated existed, two courses are open to the Commissioner. One is to suspend the licence and the other is to revoke it. Suspension would obviously mean that licence would be for a particular period inoperative. An order of revocation would mean that licence is totally inoperative in future, it loses its currency irretrievably. Obviously, suspension/revocation, as the case may be, has to be directed looking to the gravity of the situation in the background of facts. For minor infraction or infraction which are not of very serious nature order of suspension may suffice. On the contrary, when revocation is directed it has to be only in cases where infraction is of a very serious nature warranting exemplary action on the part of the authorities, otherwise two types of actions would not have been provided for. Primarily it is for the Commissioner/Tribunal to decide as to which of the actions would be appropriate but while choosing any of the two modes, the Commissioner/Tribunal has to consider all relevant aspects and has to draw a balance sheet of gravity of infraction and mitigating circumstances. The difference in approach for consideration of cases warranting revocation or suspension or non-renewal has to be borne in mind while dealing with individual cases. In a given case the authorities may be of the view that non-renewal of licence for a period of time would be sufficient. That would be in a somewhat similar position to that of suspension of licence though it may not be so in all cases. On the other hand, there may be cases where the authorities may be of the view that licensee does not deserve a renewal either. Position would be different there. Though we have not dealt with the question of proportionality, it is to be noted that the authorities while dealing with the consequences of any action which may give rise to action for suspension, revocation or nonrenewal have to keep several aspects in mind. Primarily, the effect of the action vis-a-vis right to carry on trade or profession in the background of Article 19(l)(g) of the Constitution has to be

noted. It has also to be borne in mind that the proportionality question is of great significance as action is under a fiscal statute and may ultimately lead to a civil death."

b) Delhi High Court has in case of Ashiana Cargo Services [2014 (302) ELT 161 (DEL)] held as follows:

"11. Viewing these cases, in the background of the proportionality doctrine, it becomes clear that the presence of an aggravating factor is important to justify the penalty of revocation. While matters of discipline lie with the Commissioner, whose best judgment should not be second-guessed, any administrative order must demonstrate an ordering of priorities, or an appreciation of the aggravating (or mitigating) circumstances. In this case, the Commissioner and the CESTAT (majority) hold that —there is no finding nor any allegation to the effect that the appellant was aware of the misuse of the said G cards, but do not give adequate, if any weight, to this crucial factor. There is no finding of any mala fide on the part of the appellant, such that the trust operating between a CB and the Customs Authorities (as a matter of law, and of fact) can be said to have been violated, or be irretrievably lost for the future operation of the license. In effect, thus, the proportionality doctrine has escaped the analysis".

c) In the case of ACE Global Industries [2018 (364) ELT 841 (Tri Chennai)], Hon'ble Tribunal observed as follows:

"6. We are unable to appreciate such a peremptory conclusion. The CBLR, 2013 lays down that stepwise procedures are to be followed before ordering any punishment to the Customs broker. True, the said regulations do contain provisions for revocation of the license and for forfeiture of full amount of security deposit, however these are maximum punishments which should be awarded only when the culpability of the Customs broker is established beyond doubt and such culpability is of very grave and extensive nature. In case of such fraudulent imports, for awarding such punishment, it has to be established without doubt that the Customs broker had colluded with the importer to enable the fraud to take place. No such culpability is forthcoming in respect of the appellant herein....."

d) Hon'ble CESTAT, Mumbai in the matter of Setwin Shipping Agency Vs. CC (General), Mumbai – 2010 (250) E.L.T 141 (Tri.-Mumbai) observed:

"it is a settled law that the punishment has to be commensurate and proportionate to the offence committed".

19. I find that the Inquiry Report against the SCN dated 30.07.2025 in the present case was received on 29.12.2025. The IO attributed the delay in submitting the Inquiry Report to the fact that she was handling multiple sensitive charges, including Group 2A, Legal, Licence, and AEO, alongside being an Inquiry Officer in another simultaneous case. Further, upon receipt of the Inquiry Report, a Personal Hearing was granted to the CB on 10.02.2026. Adv. Shri Prashant Kubal and Shri Manish Chatwani, Director of the CB firm, appeared for the hearing, submitted a written reply, and reiterated their earlier contentions. Consequently, the matter was taken up for adjudication based on the facts, written submissions, and evidence available on record. With respect to the timelines prescribed under Regulation 17 of the CBLR, 2018, and the CB's contention regarding the delay in the submission of the Inquiry Report, I observe, while relying on the following case laws, that the timelines under CHALR/CBLR are directory in nature and not mandatory:

a) **Hon'ble High Court of Judicature at Bombay in the case of Principal Commissioner of Customs (General), Mumbai Versus Unison Clearing P. Ltd.** reported in 2018 (361) E.L.T. 321 (Bom.), observed that:

"15. In view of the aforesaid discussion, the time limit contained in Regulation 20 cannot be construed to be mandatory and is held to be directory. As it is already observed above that though the time line framed in the Regulation need to be rigidly applied, fairness would demand that when such time limit is crossed, the period subsequently consumed for completing the inquiry should be justified by giving reasons and the causes on account of which the time limit was not adhered to. This would ensure that the inquiry proceedings which are initiated are completed expeditiously, are not prolonged and some checks and balances must be ensured. One step by which the unnecessary delays can be curbed is recording of reasons for the delay or non-adherence to this time limit by the Officer conducting the inquiry and making him accountable for not adhering to the time schedule. These reasons can then be tested to derive a conclusion whether the deviation from the time line prescribed in the Regulation, is "reasonable". This is the only way by which the provisions contained in Regulation 20 can be effectively implemented in the interest of both parties, namely, the Revenue and the Customs House Agent."

b) **The Hon'ble High Court of Telangana, in the matter of M/s. Shasta Freight Services Pvt Ltd vs Principal Commissioner of Customs, [Writ Petition No. 29237 of 2018] held that: -**

“42. Therefore, if the tests laid down in *Dattatreya Moreshwar*, which have so far held the field, are applied, it would be clear (i) that the time limit prescribed in Regulation 20 (7) is for the performance of a public duty and not for the exercise of a private right; (ii) that the consequences of failure to comply with the requirement are not spelt out in Regulation 20(7) (iii) that no prejudicial consequences flow to the aggrieved parties due to the non-adherence to the time limit; and

(iii) that the object of the Regulations, the nature of the power and the language employed do not give scope to conclude that the time limit prescribed is mandatory. Hence, we hold that the time limit prescribed in Regulation 20 (7) is not mandatory but only directory.”

(c) The Hon’ble High Court of Karnataka, in the matter of The Commissioner of Customs vs M/s. Sri Manjunatha Cargo Pvt Ltd on 12 January [C.S.T.A. No. 10/2020] held that: -

“13. A reading of Regulation 17 of the C.B.L.R., 2018 makes it very clear that though there is a time limit stipulated in the Regulations to complete a particular act, non-compliance of the same would not lead to any specific consequence.

14. A reading of the Regulation 17 would also go to show that the Inquiry Officer during the course of his inquiry is not only required to record the statement of the parties but also to give them an opportunity to cross-examine and produce oral and documentary evidence. In the event of the respondents not co-operating, it would be difficult for the Inquiry Officer to complete the inquiry within the prescribed period of 90 days, as provided under Regulation 17(5). Therefore, we find force in the argument of the learned counsel for the appellant that the Regulation No.17 is required to be considered as directory and not mandatory. Though the word "shall" has been used in Regulation 17, an overall reading of the said provision of law makes it very clear that the said provision is procedural in nature and non-compliance of the same does not have any effect. If there is no consequence stated in the Regulation for non-adherence of time period for conducting the inquiry or passing an order there afterwards, the time line provided under the 22 statute cannot be considered as fatal to the outcome of inquiry.

15. Under the circumstances, we are of the considered view that the provisions of Regulation 17 of the C.B.L.R., 2018 is required to be considered as directory and not mandatory and accordingly, we answer the substantial questions of law Nos.1 to 3 in favour of the appellant and against the respondent.”

(d) The Hon'ble CESTAT Mumbai in the matter of M/s. Muni Cargo Movers Pvt. Ltd. Vs. Commissioner of Customs (General), Mumbai [Order No. A/996/13CSTB/C-I dated 23.04.2013] held that: -

“Para 4.2:- As regards the third issue regarding non-adherence to the time-limit prescribed in CBLR, there is some merit in the argument. But nevertheless, it has to be borne in mind that time-limit prescribed in the law though required to be followed by the enforcement officers, at times could not be adhered to for administrative reasons. That by itself does not make the impugned order bad in law”.

20. Having gone through the facts of the case and evidence on record, it is noted that the role of the CB, although marked by negligence and a significant lapse in professional caution regarding the monitoring of their authorized personnel, appears to be one of administrative omission and failure to adhere to prescribed standards rather than a premeditated *modus operandi* to bypass Customs laws. This distinction is of material importance while determining the proportionality of punishment under the licensing regulations. The objective of action under the CBLR is not punitive alone but also corrective and deterrent, aimed at ensuring that Customs Brokers adhere to the high standards of diligence and responsibility expected of them as licensed intermediaries. In the present case, the regulatory lapses established on record regarding the unauthorized filing of 1,082 documents while the license was legally inoperative justify the imposition of a monetary penalty under Regulation 18 of the CBLR, 2018, so as to underscore the seriousness of the obligations violated and to deter recurrence of such lapses in future. However, having regard to the nature of the violations and the fact that revocation of the license would have severe and disproportionate consequences on the livelihood of the CB and its employees, the extreme penalty of revocation or forfeiture of security deposit is not warranted.

21. In view of the above considerations and the “Doctrine of Proportionality,” which propagates the idea that a punishment for an offence should be proportional to the gravity of the offence, I am not inclined to revoke the license or forfeit the security deposit of the CB. However, for their acts of omission and commission, the Customs Broker, M/s. Mac

Trans-Oceanic Pvt. Ltd. (CB License No. 11/2661) , is held liable and guilty for violating the provisions of Regulations 11(3), 13(7), 13(8), and 13(11) of the CBLR, 2018, as mentioned above. I hold that the CB has failed to discharge the duties cast upon them, and the interest of justice would be met by the imposition of a penalty under Regulation 18 of the CBLR, 2018. Accordingly, I pass the following order:

ORDER

22. I, 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 impose a penalty of Rs. 50,000/- (Rupees Fifty Thousand only) on the Customs Broker M/s. Mac Trans-Oceanic Pvt. Ltd. (CB License No. 11/2661) under Regulation 18(1) of the CBLR, 2018.

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.


 29/3/26
(Shraddha Joshi Sharma)
 Commissioner of Customs (Gen.)
 NCH, Mumbai-I

To,
 M/s. Mac Trans-Oceanic Pvt. Ltd. (CB License No. 11/2661)
 B-40, 1st Floor, Ashoka Complex,
 Sector-18, Vashi,
 Navi Mumbai - 400705.

Copy to:

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