

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

PRINCIPAL BENCH,  
COURT NO. I

**E-HEARING**

**CUSTOMS APPEAL NO. 51157 OF 2022**

[Arising out of the Order-in-Original No. 51/MK/POLICY/2020 dated 15/06/2021 passed by The Commissioner of Customs (General), New Delhi – 110 037.]

**M/s Brightline (C&F) Agency,** .....**Appellant**  
I-876/18, Harinagar Extn., Part-II, Badarpur,  
New Delhi – 110 044.

**Versus**

**The Commissioner of Customs** ....**Respondent**  
**(Airport & General),**  
New Customs House, Near IGI Airport,  
New Delhi – 110 037

**APPEARANCE:**

Dr. G.K. Sarkar, Advocate for the appellant.  
Shri Mukesh Kumar Shukla, Authorized Representative for the  
Department

**CORAM:**

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

**FINAL ORDER NO. 51183/2025**

**DATE OF HEARING : 15.05.2025**

**DATE OF DECISION: 13.08.2025**

**P.V. SUBBA RAO**

The order-in-original dated 15.06.2021 passed by the Commissioner of Customs (Airport & General), New Delhi<sup>1</sup> is assailed by M/s Brightline (C&F) Agency<sup>2</sup> as its customs broker licence was revoked, the security deposit of Rs. 75,000/- was forfeited and the penalty of Rs. 50,000/- was imposed on it on

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**1. impugned order**  
**2. appellant**

the ground that it had violated Regulation 10 (n) of the Customs Broker Licensing Regulations, 2018<sup>3</sup>.

2. The facts which led to the issue of the impugned order are that the Directorate General of Analytics & Risk Management<sup>4</sup> of the Central Board of Excise & Customs and had analyzed the GST registration data and suspected certain registrants did not actually exist. It also found that some of the suspect registrants exported goods and identified the customs brokers who had handled such exports.

3. The DGARM passed this information to the concerned Commissioners who had licensed the customs brokers including the Commissioner of Customs (Airport & General), New Delhi. The Jurisdictional GST officers were asked by DGARM to verify the bonafides of the registrants. Based on the reports of the field formations it was felt that the customs brokers including the appellant herein had filed shipping bills for export of goods by entities who had not existed and thereby violated Regulation 10 (n) of CBLR, 2018.

4. The Commissioner, by order dated 25.08.2020, suspended the appellant's customs broker license and gave post-decisional hearing on 07.09.2020 and thereafter confirmed the suspension by order dated 29.09.2020.

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**3. CBLR, 2018**

**4. DGARM**

5. Thereafter, a show cause notice dated 21.12.2020 was issued to the appellant proposing revocation of its license, forfeiture of its security deposit and imposition of penalty. In the show cause notice, an Enquiry Officer was also appointed who submitted his report on 18.03.2021. Thereafter, the appellant submitted its written statement of defence to the show cause notice and the enquiry report on 03.06.2021. The appellant was also given the personal hearing on this date. Thereafter, the impugned order was passed on 15.06.2021.

6. We have heard Dr. G.K. Sarkar, learned counsel for the appellant and Shri Mukesh Kumar Shukla, learned authorized representative for the Revenue and perused the records.

7. The show cause notice alleged that the appellant is one of the customs brokers who are handled consignments of 89 risky exporters based on the letter of DGARM. In the show cause notice only four verification reports were also enclosed in respect of four exporters. These were enclosed as RUD-1, RUD-4 as follows :-

RUD-1 : M/s Nideux Impex,

GSTIN No. : 07 AFUBA1480M1Z4

RUD-2 : M/s Guru International

GSTIN No. : 07 GELPS6517F1Z2

RUD-3 : GSTIN No. : 07 AIRPA5855C1ZA – no name mentioned

RUD-4 : M/s Lalit Enterprises

GSTIN No. : 07ECTPK8607Q1Z1.

8. Learned counsel for the appellant submits that the appellant had not exported any shipments in respect of the exporters at RUD-1, 2 and 3 at all. It had filed Shipping Bills for exports of goods by M/s Lalit Enterprises (RUD-4). There is nothing in the show cause notice or in the impugned order to show that the appellant had handled exports by the exporters mentioned in RUD-1, 2 and 3. Therefore, the submission of the learned counsel for the appellant must be accepted with respect to RUD 1, 2 & 3. The verification report in RUD-4 reads as follows :-

"1. On physical verification on 25.02.2020, the assessee was found non-existent. Further, letter dated 06.02.2020 written to assessee to submit Annexure-A as per Circular No. 131/1/2020-GST dated 23.01.2020 returned undelivered by postal authority with remarks "left". The party has filed his GSTR 1 and GSTR 3B return upto August, 2019 and their GST Registration has already been cancelled.

2. During analysis of details of suppliers it has been noticed that one main supplier namely M/s Rohan Trading Company GSTIN 07AAXFR9407LIZ3 has filed their GSTR 1 return upto December 2019 but filed GSTR 3B upto June 2019 only. During analysis of data through E-way bills. It has been noticed M/s Rohan Trading Company has supplied/sold item synthetic footwear HSN 6402 amounting to Rs. 1.02 Crores approx. to M/s Lalit Enterprises but there is no inward

supply of this item. M/s Rohan Trading Company has not filed any GSTR returns after December 2019. Thus, one of major supplier of M/s Lalit Enterprises appears to be a doubtful supplier.

3. It has been observed that outward export supply of the assessee shown in E-way Bills is Rs. 15,67,29,688/- but during scrutiny of GSTR 1 and GSTR 3B, same has been found of Rs. 3,13,42,987/-. Thus, it appears that either assessee has generated fake e-way bills or he has shown less supply value in their GSTR 1 and GSTR 3B.

4. In view of the above, the exporter – assessee M/s Lalit Enterprises does not appear to be bonafide”.

9. Learned counsel for the appellant submits that the appellant had obtained all the necessary documents to verify the existence of M/s Lalit Enterprises and thereafter processed their exports through the customs. It is not necessary for appellant to physically visit and verify if the exporter was operating on its place of business. He also submits that the last export which the appellant had handled for M/s Lalit Enterprises was in February, 2019.

10. Learned counsel submits that it was evident from the report that the physical verification was conducted almost a year after the last export on 25.05.2020 and the officers found that the exporter did not exist at the premises on that date. He further submits that the department also states that it had sent a letter on 06.02.2020 to the appellant and it was

returned undelivered by the postal authority with remarks "left". It is evident from the report itself that the exporter was registered with the GST and had been filing returns and the department has been receiving them up to August 2019. The exports were conducted the last export was made in February 2019. Thereafter in February 2020, the department sent a letter to the exporter which was returned by the postal authorities with the remarks "left". Therefore, it appears that the exporter had left sometime between August 2019 and February 2020.

11. It does not show that the exporter had never existed at their premises at all and that the appellant had not verified the exporter's existence. In view of the above, he submits that the impugned order deserves to be set aside.

12. Learned authorized representative for the Revenue vehemently supports the impugned order and asserts that it calls for no interference.

13. We have considered the submissions advanced by the learned counsel for the appellant and learned authorized representative for the Revenue and perused the records.

14. We find that of the alleged 89 exporters who did not exist, verification reports was enclosed only for 4 exporters as RUD-1 to RUD-4. Of these, according to the appellant it had not handled any exports in respect of the exporters indicated

1, 2 and 3. There is no contrary evidence from the Revenue. We, therefore, accept the submission of the appellant.

15. As far as exporter in RUD-4 (M/s Lalit Enterprises) is concerned, the verification report itself states that it was registered with the GST department and the department has been receiving its returns until August 2019. A letter was sent and physical verification was also attempted in February 2020. The letter was returned from the postal authorities with remarks "left" and the officer also found that the exporter did not exist and the shipping bills were filed in February 2019 and before. In fact, report of the postal authorities shows that the exporter had left by February 2020. It implies that he had existed before at the premises. On this ground alone, the impugned order deserves to be set aside.

16. We also find that Regulation 10 (n) of CBLR, 2018 reads as follows :-

"(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"

17. The scope of this was examined by the bench of this Tribunal in **Mauli Worldwide Logistics** versus

**Commissioner<sup>5</sup>**. The relevant portion of this order is as follows :-

"25. We now proceed to examine the scope of the obligations of the Customs Broker under Regulation 10(n). It requires the Customs Broker to **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**. This obligation can be broken down as follows:

- a) Verify the correctness of IEC number
- b) Verify the correctness of GSTIN
- c) Verify the identity of the client using reliable, independent, authentic documents, data or information
- d) Verify the functioning of the client at the declared address using reliable, independent, authentic documents, data or information

26. Of the above, (a) and (b) require verification of the documents which are issued by the Government departments. The IEC number is issued by the Director General of Foreign Trade and the GSTIN is issued by the GST officers under the Central Board of Indirect Taxes and Customs of the Government of India or under the Governments of State or Union territory. The question which arises is has the Customs Broker to satisfy himself that these documents or their copies given by the client were indeed issued by the concerned government officers or does it mean that the Customs Broker has to ensure that the officers have correctly issued these documents. In our considered view, Regulation 10(n) does not place an obligation on the Customs Broker to oversee and ensure the correctness of the actions by the Government officers. Therefore, the verification of documents part of the obligation under Regulation 10(n) on the Customs Broker is fully satisfied as long as the Customs Broker satisfies itself that



the IEC and the GSTIN were, indeed issued by the concerned officers. This can be done through online verification, comparing with the original documents, etc. and does not require an investigation into the documents by the Customs Broker. The presumption is that a certificate or registration issued by an officer or purported to be issued by an officer is correctly issued. Section 79 of the Evidence Act, 1872 requires even Courts to presume that every certificate which is purported to be issued by the Government officer to be genuine. It reads as follows:

**"79. Presumption as to genuineness of certified copies. The Court shall presume to be genuine every document purporting to be a certificate, certified copy or other document, which is by Law declared to be admissible as evidence of any particular fact and which purports to be duly certified by any officer of the Central Government or of a State Government,** or by any officer in the State of Jammu and Kashmir who is duly authorized thereto by the Central Government.

Provided that such document is substantially in the form and purports to be executed in the manner directed by law in that behalf. The Court shall also presume that any officer by whom any such document purports to be signed or certified, held, when he signed it, the official character which he claims in such paper."

27. The onus on the Customs Broker cannot, therefore, extend to verifying that the officers have correctly issued the certificate or registration. Of course, if the Customs Broker comes to know that its client has obtained these certificates through fraud or misrepresentation, nothing prevents it from bringing such details to the notice of Customs Officers for their consideration and action as they deem fit. However, the Customs Broker cannot sit in judgment over the certificate or registration issued by a Government officer so long as it is valid. In this case, there is no doubt or evidence that the IEC,

the GSTIN and other documents were issued by the officers. So, there is no violation as far as the documents are concerned.

28. The third obligation under Regulation 10(n) requires the Customs Broker to verify the identity of the client using reliable, independent, authentic documents, data or information. In other words, he should know who the client is and the client cannot be some fictitious person. This identity can be established by independent, reliable, authentic:

- a) documents;
- b) data; or
- c) information

29. Any of the three methods can be employed by the Customs Broker to establish the identity of his client. It is not necessary that it has to only collect information or launch an investigation. So long as it can find some documents which are independent, reliable and authentic to establish the identity of his client, this obligation is fulfilled. Documents such as GSTIN, IEC and PAN card issued etc., certainly qualify as such documents. However, these are not the only documents the Customs Broker could obtain; documents issued by any other officer of the Government or even private parties (so long as they qualify as independent, reliable and authentic) could meet this requirement. While obtaining documents is probably the easiest way of fulfilling this obligation, the Customs Broker can also, as an alternative, fulfill this obligation by obtaining data or information. In the factual matrix of this case, we are fully satisfied that the appellant has fulfilled this part of the obligation under Regulation 10(n).

30. The fourth and the last obligation under Regulation 10(n) requires the Customs Broker to verify the functioning of the client at the declared address using reliable, independent, authentic documents, data or information. This responsibility, again, can be fulfilled using documents or data or information so long as it is reliable, independent and authentic. Nothing in this clause requires the Customs Broker to physically go to the premises of the client to ensure that they are functioning at the

premises. Customs formations are only in a few places while exporters or importers could be from any part of the country and they hire the services of the Customs Brokers. Besides the fact that no such obligation is in Regulation 10(n), it will be extremely difficult, if not, totally impossible, for the Customs Broker to physically visit the premises of each of its clients for verification. The Regulation, in fact, gives to the Customs Broker the option of verifying using documents, data or information. If there are authentic, independent and reliable documents or data or information to show that the client is functioning at the declared address, this part of the obligation of the Customs Broker is fulfilled. If there are documents issued by the Government Officers which show that the client is functioning at the address, it would be reasonable for the Customs Broker to presume that the officer is not wrong and that the client is indeed, functioning at that address. In the factual matrix of this case, we find that the GSTIN issued by the officers of CBIC itself shows the address of the client and the authenticity of the GSTIN is not in doubt. In fact, the entire verification report is based on the GSTIN. Further, IECs issued by the DGFT also show the address. There is nothing on record to show that either of these documents were fake or forged. Therefore, they are authentic and reliable and we have no reason to believe that the officers who issued them were not independent and neither has the Customs Broker any reason to believe that they were not independent.

31. The responsibility of the Customs Broker under Regulation 10(n) does not include keeping a continuous surveillance on the client to ensure that he continues to operate from that address and has not changed his operations. Therefore, once verification of the address is complete, as discussed in the above paragraph, if the client moves to a new premises and does not inform the authorities or does not get his documents amended, such act or omission of the client cannot be held against the Customs Broker.

32. We, therefore, find that the Customs Broker has not failed in discharging his responsibilities under Regulation 10(n). The impugned order is not correct in concluding that the

Customs Broker has violated Regulation 10(n) because the exporters were found to not exist during subsequent verification by the officers”.

18. In view of the above, we find that the impugned order cannot be sustained and deserves to be set aside and we do so.

19. The appeal is allowed and the impugned order is set aside with consequential relief to the appellant.

(Order pronounced in open court on 13/08/2025.)

**(JUSTICE DILIP GUPTA)**  
**PRESIDENT**

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

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