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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

**% Date of decision: 02.11.2026**

\# **CNR No. DLHC010403812025**

\+ CUSAA 89/2025, CM APPL. 38958/2025

COMMISSIONER OF CUSTOMS (AIRPORT AND GENERAL), NEW DELHI

.....Appellant

Through: Mr. Aakarsh Srivastava, SSC with Mr. Dhananjay Parth, Adv.

versus

M/S MAULI WORLDWIDE LOGISTICS

.....Respondent

Through: Ms. Shikha Spra & Mr. Umang Srivastva, Advs.

**CORAM:**
**HON'BLE MR. JUSTICE AVNEESH JHINGAN**
**HON'BLE MS. JUSTICE SHAIL JAIN**

**AVNEESH JHINGAN, J. (ORAL)**

1. This is an appeal filed under Section 130 of the Customs Act, 1963 (for short 'the Act') against the order dated 24.02.2025 (hereinafter referred to as 'the impugned order') passed by the Principal Bench of the Customs, Excise & Service Tax Appellate Tribunal (for brevity 'the tribunal').

2. The brief facts are that the appellant/department received an Analytics Report dated 04.05.2023 (for short 'the AR') from the Additional Director General, NCTC-DGARM, Mumbai, regarding

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fraudulent exports by non-existent entities. The name of the respondent appeared in the AR with allegations of violation of the Customs Brokers Licensing Regulations, 2018 (for brevity 'the 2018 Regulations') particularly Regulation 10(n) thereof. Pursuant to the issuance of the Show Cause Notice dated 23.08.2023 (for short 'the SCN'), an Inquiry Officer (for short 'IO') was appointed to inquire into the allegations contained in the AR and submit a report. Vide inquiry report dated 15.11.2023, it was concluded that the respondent had failed to comply with the obligations cast under Regulation 10(n) of the 2018 Regulations as alleged in the SCN and was liable to action under the 2018 Regulations.

2.1 Vide Order-in-Original dated 31.01.2024 (for short 'O-I-O'), the Commissioner of Customs (Airport & General)/Adjudicating Authority (for short 'AA') noted that the AR stated that the exporters were found to be non-existent. The respondent took a stand that before processing the consignment, enquiry was conducted at the field level to verify the existence of the address of the exporters. The undisputed facts noted by the AA were that the AR did not contain any physical verification report, the exporters had filed GST returns even after the period of export and as part of the KYC protocol the respondent had submitted the IEC and GST registration certificates of the exporters.

2.2 The violation pointed out by the AA was that in the case of a proprietorship concern, at least two documents prescribed under Circular No. 09/2010-Cus were required to be submitted by the exporters. On this basis, it was held that the respondent violated

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Regulation 10(n) of the 2018 Regulations and the Customs Broker licence was revoked, the security deposit was forfeited and a penalty of Rs.50,000/- was imposed.

2.3 The respondent succeeded before the tribunal and the order dated 31.01.2024 passed by the AA was set aside. Hence, the present appeal.

3. On 12.10.2026, the following substantial question of law was formulated:

> "Whether in the facts and circumstances, the finding recorded by the tribunal that the PAN card and Aadhar card produced before the enquiry officer and were rejected for the reason that the respondent had not met the exporter is perverse?"

4. Learned counsel for the appellant contends that the tribunal erred in setting aside the O-I-O despite the violations of Regulation 10(n) being detailed therein. It is submitted that the reply of the respondent before the AA indicates that KYC documents of the exporters were not produced before the AA. The grievance is that the tribunal erred in considering the KYC documents produced for the first time before it.

4.1 The submission is that the documents annexed to the reply of the respondent filed before this Court bear different signatures and do not match.

5. *Per contra*, the tribunal recorded findings of fact and that the scope of interference under Section 130 of the Act is confined to substantial questions of law.

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6. Before proceeding further, it would be apposite to reproduce the relevant portions of Circular dated 08.04.2010 and the inquiry report:

**Circular dated 08.04.2010**

| S.No. | Form of organisation | Features to be verified | Documents to be obtained |
|---|---|---|---|
| 1 | Individual | (i) Legal name and any other names used<br>(ii)Present and Permanent address, in full, complete and correct. | (i) Passport<br>(ii) PAN card<br>(iii) Voter's Identity card<br>(iv)Driving Licence<br>(v)Bank account statement<br>(vi) Ration card<br>Note: Any two of the documents listed above, which provides client/ customer information to the satisfaction of the CHA will suffice. |

**Inquiry report**

> "19. In view of above, I find that the claim being made by the CB that before taking assignment of instant clearance of Exporter, Noticee had obtained all KYC documents from them. They had verified IEC from the site of DGFT, PAN from the site of Income Tax Department and GSTIN from the site of GST Department. It is amply clear that they even did not meet with the exporter nor any communication to exporter was made, therefore, they failed to do proper KYC. It can also be safely concluded that they were not in a position to advise the exporter to comply with the provisions of Customs Act. Thus, contravened the provisions of Regulation 10(n) of Customs Broker Licensing regulations 2018."

7. The Circular dated 08.04.2010 was modified on 12.02.2015 to include Aadhaar card as one of the prescribed documents.

8. The proceedings were initiated on the basis of the AR flagging export transactions by non-existent entities. Pursuant to the AR the SCN was issued and an IO was appointed. It is an admitted fact that

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the authority preparing the AR had not conducted any physical verification. The respondent in reply to the SCN claimed that KYC documents of the exporters were obtained before processing the consignments, the IEC was verified from the DGFT website, the PAN from the Income Tax Department website and the GSTIN from the GST website. The IO concluded that in the absence of verification of KYC documents from the exporter and failure of respondent to meet the exporter, there was no proper KYC and Regulation 10(n) of the 2018 Regulations was violated.

9. The Tribunal rightly held that by obtaining the PAN card and Aadhaar card, the respondent had complied with the Circular dated 08.04.2010 as modified on 12.02.2015. The appeal was allowed considering that the IO had not rejected the submissions of the respondent that the PAN card and Aadhaar card along with the authorisations were submitted. It was further held that these documents could not have been rejected merely on the ground that the respondent had failed to meet the exporter more so, when the department had not alleged that these documents were forged. On the basis of these factual findings, the tribunal held that there was no violation of Regulation 10(n) of the 2018 Regulations.

10. The contention of learned counsel for the appellant that these KYC documents were produced for the first time before the tribunal is misconceived. The tribunal did not allow the appeal on the basis of documents produced before it but on the ground that the very foundation of the case of the department regarding violation of

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Regulation 10(n) of the 2018 Regulations was not made out in the absence of finding in the inquiry report that KYC documents were not produced or were forged. It is pertinent to note that the appellant had accepted and relied upon the inquiry report.

11. The valiant attempt made by learned counsel for the appellant to invite us to compare the signatures on the documents annexed to the reply filed would amount to this Court acting as an appellate authority on facts rather than exercising its jurisdiction under Section 130 of the Act.

12. No substantial question of law arises. The conclusion arrived at by the tribunal is based on factual findings and suffer from no legal or factual error much less perversity.

13. The appeal is dismissed.

14. The pending application also stands dismissed.

**AVNEESH JHINGAN, J**

**SHAIL JAIN, J**

**NOVEMBER 2, 2026**
**'ha'**

Reportable: **Yes**

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