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WP.No.27243 of 2025

In the High Court of Judicature at Madras

Reserved on : 12.9.2025	Delivered on: 18.9.2025
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Coram :

The Honourable Mr.Justice N.ANAND VENKATESH

Writ Petition No.27243 of 2025 &
WMP.Nos.30622 & 30624 of 2025

M/s.Sea Queen Shipping Services
Private Limited, rep.by its Managing
Director Mr.S.Padmanabhan

...Petitioner

Vs

1.The Commissioner of Customs,
Chennai VII (General)
Commissionerate, Custom House,
No.60, Rajaji Salai, Chennai-1.

2.The Inquiry Officer,
Deputy Commissioner of Customs,
Office of the Commissioner of
Customs (General), Chennai
Customs Zone, Custom House,
No.60, Rajaji Salai, Chennai-1.

...Respondents

PETITION under Article 226 of The Constitution of India praying
for the issuance of a Writ of Certiorari to call for the entire records of
the 2nd respondent herein leading to the issuance of the impugned



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order/inquiry report F.No.GEN/CB/ACTN/76/2024-CBS, DIN-20250673MV0000015040, dated 27.6.2025 under Regulation 17 of CBLR, 2018 by the 2nd respondent and quash the same as illegal, arbitrary, unfair, unreasonable, perverse and in clear abuse of process of law and has been in violation of principles of natural justice and beyond limitation.

For Petitioner : Mr.A.K.Jayaraj
For Respondents : Mr.AR.L.Sundaresan, ASG
Assisted by
Mr.K.Mohanamurali, SPC

ORDER

This writ petition has been filed challenging the inquiry report of the second respondent dated 27.6.2025 issued under Regulation 17 of the Customs Brokers Licensing Regulations, 2018 (for short, the CBLR, 2018) as illegal, arbitrary and barred by limitation.

2. Heard both.

3. The facts leading to filing of this writ petition are as follows :



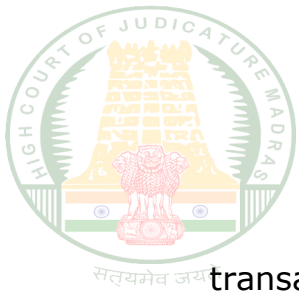
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(i) One M/s.Anomsoft Solutions Private Limited, which is an importer, had imported goods. Pursuant to an investigation initiated against the said importer, the goods were examined and after examination, it was found that the items mentioned in the Bills of Entry had no relation with the business activities mentioned in the GST numbers of the importer. The petitioner filed the Bills of Entry as a customs broker. Thereafter, the investigation was conducted with the importer and their statement was recorded. Searches were also conducted even in the premises of the petitioner.

(ii) The Principal Commissioner of Customs (General), Chennai Customs Zone, Chennai-1 passed an order dated 21.12.2024 suspending the customs broker licence of the petitioner under Regulation 16(1) of the CBLR, 2018. The petitioner filed written submissions stating that they had not violated any of the Regulations. The petitioner also requested for revoking the order of suspension and to allow the petitioner to continue their licence.

(iii) However, the Principal Commissioner of Customs (General), Chennai Customs Zone, Chennai-1, vide order dated 10.1.2025, continued the suspension of transactions of the petitioner only at Delhi Branch until further orders, permitted the petitioner to continue to



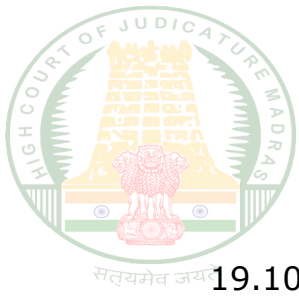
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transact business at other customs stations and ordered that the inquiry proceedings under Regulation 17 of the CBLR, 2018 would follow.

(iv) As a consequence, the show cause notice dated 17.1.2025 came to be issued by the Principal Commissioner of Customs (General), Chennai Customs Zone, Chennai-1 by stating that the petitioner failed to fulfill their responsibilities as per Regulations 10(d), 10(n) and 10(q) of the CBLR, 2018. The petitioner was also called upon to explain as to why (1) the licence issued to them should not be revoked, (2) the security deposit made by them should not be forfeited and (3) the penalty should not be imposed under Regulations 14 and 18 of the CBLR, 2018.

(v) On receipt of the said show cause notice, the petitioner filed a detailed written statement of defence dated 15.2.2025 denying the allegations made in the said show cause notice by taking a stand that the said show cause notice was issued beyond the period of 90 days, which was illegal as per the judgments of this Court. In their reply, the petitioner also requested the second respondent to make available the Examiners, the Appraisers and the Shed Superintendent, who had examined the goods for the Bills of Entry dated 11.10.2022 and



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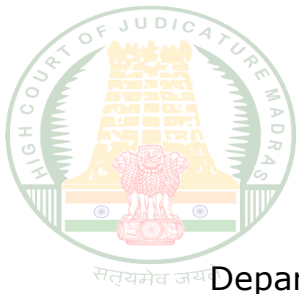
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19.10.2022, one Mr.Vijayakumar, the Director of the importer, the Examiners, the Appraisers and the Shed Superintendent, who had examined the goods for the Bills of Entry dated 29.11.2022, the person, who gave the chemical analysis report in Hyderabad and New Delhi and the Defence Research Development Establishment, Gwalior, which gave test reports. This request was made in line with Regulation 17(4) of the CBLR, 2018.

(vi) Ultimately, the second respondent, through the impugned inquiry report dated 27.6.2025, concluded that the violations of Regulations 10(d) and 10(n) of the CBLR, 2018 could not be established and that the petitioner was found to have violated only Regulation 10(q) of the CBLR, 2018. The said inquiry report is put to challenge in this writ petition.

4. The Assistant Commissioner of Customs in the office of the first respondent filed a counter on behalf of the respondents wherein the following stand has been taken :

(i) The time lines prescribed under Regulation 17 of the CBLR, 2018 are directory and not mandatory. Merely because the time lines have been exceeded, the same will not vitiate the inquiry report. The



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Department did not examine any person and therefore, there is no question of permitting the petitioner to cross examine that person. The reply given by the petitioner was taken into consideration and the further proceedings were going to be conducted only with respect to the violation of Regulation 10(q) of the CBLR, 2018.

(ii) The petitioner was given full opportunity to participate in the inquiry and there is no procedural bias or prejudice during the inquiry proceedings. The above writ petition is devoid of merits and the same is liable to be dismissed by this Court.

5. The learned counsel for the petitioner made the following submissions :

(a) As per Regulation 17(5) of the CBLR, 2018, the report has to be submitted within a period of 90 days from the date of issuance of notice under Sub-Regulation (1). This is a mandatory requirement and if the period is crossed, the proceedings itself will stand vitiated.

(b) To substantiate this submission, the learned counsel for the petitioner relied upon the following decisions:

"(1) of a learned Single Judge of this
Court in the case of **KTR Logistics Solutions**



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Private Limited Vs. Commissioner of Customs, Chennai [reported in 2020 (371) ELT 685];

(2) of a Division Bench of the Delhi High Court in the case of ***Leo Cargo Services vs. Commissioner of Customs, Airport & General, New Delhi [reported in 2022 (382) ELT 30];***

(3) a learned Single Judge of this Court in the case of ***Aristo Shipping Services vs. Principal Commissioner of Customs, Chennai VIII, Chennai-1 [reported in 2021 (377) ELT 562];***

(4) of a learned Single Judge of this Court in the case of ***Patriot Freight Logistics System Vs. Commissioner of Customs, Commissionerate VIII, Chennai-1 [reported in 2017 (350) ELT 59];***

(5) of a Division Bench of this Court in the case of ***Santon Shipping Services Vs.***



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**Commissioner of Customs, Tuticorin
[C.M.A.No.730 of 2016 dated
13.10.2017];**

(6) of a Division Bench of this Court in the case of **Commissioner of Customs (Import), Chennai-1 Vs. M/S.Surpass Freight Forwarders [C.M.A.No.727 of 2018 dated 18.9.2024];**

(7) a learned Single Judge of this Court in the case of **M/s.Jai Logistics Services Pvt.Ltd. Vs. Principal Commissioner of Customs, Chennai VIII Commissionerate, Chennai-1 [W.P.No.9145 of 2020 etc. cases dated 29.1.2024]; and**

(8) of a learned Single Judge of this Court in the case of **Shri.Syed Khalid Ahmed Vs. Principal Commissioner of Customs (General), Chennai-1 [W.P.Nos.577 and 581 of 2025 dated 21.3.2025]."**



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6. Per contra, the learned Additional Solicitor General appearing on behalf of the respondents made the following submissions :

(a) The time lines fixed under Regulation 17 of the CBLR, 2018 are only directory in nature and not mandatory since the provision does not stipulate any consequence if the time lines are not adhered to. The petitioner, by participating during the entire process, has waived their right and therefore, they are estopped from raising the ground of limitation. The case is now at the stage of Sub-Regulation (6) of Regulation 17 of the CBLR, 2018 and as per the inquiry report, the only violation that has been found against the petitioner is under Regulation 10(q) of the CBLR, 2018. This violation would be inquired into and the Principal Commissioner or the Commissioner of Customs would take a final decision.

(b) Even before such a final decision is taken, the above writ petition has been filed before this Court. Hence, the writ petition is premature. An alternate remedy of appeal under Regulation 19 of the CBLR, 2018 is available to the petitioner against the decision to be taken by the Principal Commissioner or the Commissioner of Customs.

(c) On 28.4.2025, personal hearing was fixed. But, the petitioner was repeatedly asking for time and ultimately, the petitioner appeared



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along with their counsel only on 12.6.2025. Therefore, the delay in the proceedings is attributable to the petitioner and as a consequence, the petitioner cannot take advantage of the delay and contend that the proceedings are barred by limitation.

(d) The violations of Regulations 10(d) and 10(n) of the CBLR, 2018 have already been dropped and there is no question of cross examining any witnesses. This is more so since the Department has not examined any witnesses. Ultimately, the learned Additional Solicitor General sought for dismissal of this writ petition.

7. This Court has carefully considered the submissions of the learned counsel on either side and perused the materials available on record and more particularly the impugned inquiry report.

8. The main grounds that have been urged by the learned counsel for the petitioner are as follows :

(a) The mandatory time lines under Regulation 17(5) of the CBLR, 2018 have expired and therefore, the proceedings itself stands vitiated; and



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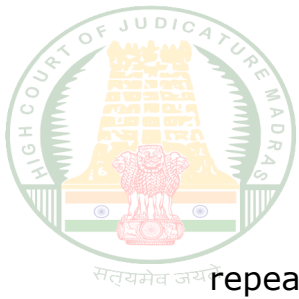
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(b) The petitioner was not afforded sufficient opportunity to cross examine the witnesses, which right is given under Regulation 17(4) of the CBLR, 2018.

9. As per Regulation 17(5) of the CBLR, 2018, the inquiry report must be submitted within a period of 90 days from the date of issuance of the notice under Sub-Regulation (1). In the case in hand, the show cause notice was issued on 17.1.2025 and the petitioner submitted their reply on 15.2.2025. The opportunity of personal hearing was granted from 28.4.2025 and ultimately, the impugned inquiry report dated 27.6.2025 came to be submitted by the second respondent. Obviously, the impugned inquiry report has been given nearly after 161 days.

10. Hence, the question is as to whether the impugned inquiry report given beyond the time lines will vitiate the entire proceedings.

11. The learned Additional Solicitor General appearing on behalf of the respondents submitted that the reason for the delay is attributable to the petitioner since it was the petitioner, which was



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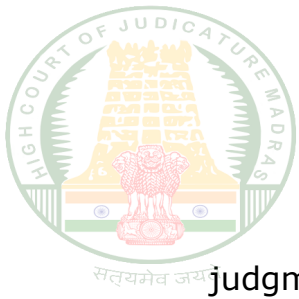
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repeatedly asking for time at the stage of personal hearing i.e. from 28.4.2025 to 12.6.2025. According to him, the petitioner, having participated in the proceedings by submitting a reply and attended the personal hearing, cannot be now allowed to raise the ground of limitation and the petitioner has to necessarily wait for the final decision to be taken by the Principal Commissioner or the Commissioner of Customs under Regulation 17(7) of the CBLR, 2018.

12. All the judgments that were relied upon by the learned counsel for the petitioner have reiterated that the limitation of 90 days prescribed under the CBLR, 2018 is mandatory and once this limitation period is crossed, the proceedings itself will stand vitiated.

13. The learned Additional Solicitor General appearing on behalf of the respondents submitted that the time lines fixed under Regulation 17 of the CBLR, 2018 are directory and not mandatory and that it is not mandatory since it does not prescribe a consequence.

14. In the considered view of this Court, it is too late for the respondents to take such a stand since this Court, in more than one



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judgment, categorically held that the time lines fixed under Regulation 17(5) of the CBLR, 2018 are mandatory, that there is no scope for condoning the delay and that if the time lines are crossed, the proceedings itself will stand abated/vitiated. This Court is bound by the earlier orders passed by both the Division Benches as well as the learned Single Judges. Further, this Court cannot render a different finding in this regard.

15. The learned Additional Solicitor General submitted that the delay is attributable to the petitioner.

16. However, this argument does not hold water since, even as on the date of first hearing namely 28.4.2025, the 90 days' period already expired and therefore, if there is any delay during the personal hearing, that does not, in any way, improve the case of the respondents.

17. It is true that the Principal Commissioner or the Commissioner of Customs will take a final decision under Sub-Regulation (7) of Regulation 17 of the CBLR, 2018. However, the case



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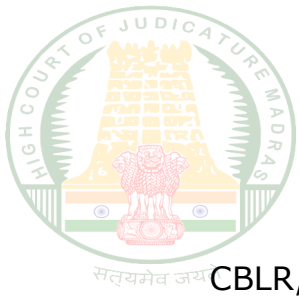
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will not reach that stage so as to enable the Authority to pass final orders since the proceedings have already abated on the expiry of 90 days.

18. It is also seen from the records that the petitioner, while submitting their reply dated 15.2.2025 to the show cause notice dated 17.1.2025, took a stand that the show cause notice itself has not been issued within a period of 90 days from the date of the offence report as is mandated under Regulation 17(1) of the CBLR, 2018. Even thereafter, the inquiry report has been submitted beyond the period of 90 days, which is against the mandate provided under Sub-Regulation (5) of Regulation 17 of the CBLR, 2018.

19. Even assuming that the petitioner had participated in the proceedings, there cannot be any estoppel against law and the judicial pronouncements have settled this proposition of law long back.

20. In the light of the above discussions, this Court has to necessarily hold that the proceedings stands abated since there was a violation in complying with the requirements of Regulation 17(5) of the



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CBLR, 2018 and the copy of the inquiry report was not communicated to the petitioner in time. For all the above reasons, it is not necessary for this Court to go into the second issue regarding the violation of the principles of natural justice arising out of not providing an opportunity to the petitioner to cross examine the witnesses.

21. In the result, the above writ petition is allowed and the impugned inquiry report of the second respondent dated 27.6.2025 is set aside. No costs. Consequently, the connected WMPs are closed.

18.9.2025

To

- 1.The Commissioner of Customs,
Chennai VII (General)
Commissionerate, Custom House,
No.60, Rajaji Salai, Chennai-1.
- 2.The Inquiry Officer,
Deputy Commissioner of Customs,
Office of the Commissioner of
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