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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
Date of decision: 11th November, 2025
+ **W.P.(C) 16970/2025 & CM APPL. 69775/2025**

MANOJ KUMAR NAGARPetitioner
Through: Ms. Riya Soni, Mr. Sunil
Kumar Tripathi and Mr.
AkshayBhambari, Advs.

versus

THE PRINCIPAL COMMISSIONER OF CUSTOMS
& ORS.Respondents

Through: Mr. Badar Mahmood (SPC
for UOI) and Mr. Ammar Ahmad,
Adv.
Mr. Akash Verma, Sr. Standing
Counsel, CBIC with Ms. Aanchal
Uppal Adv. for R-1&4.

64 AND

+ **W.P.(C) 17021/2025 & CM APPL. 70008/2025**

SH NAVEEN KUMAR SHARMAPetitioner
Through: Ms. Riya Soni, Mr. Sunil
Kumar Tripathi and Mr.
AkshayBhambari,
Advs.

versus

PRINCIPAL COMMISSIONER OF CUSTOMS
& ORS.Respondents

Through: Mr. Akash Verma, Sr.
Standing Counsel, CBIC
with Ms. Aanchal
Uppal Adv. for R-1&4.

65 AND

+ **W.P.(C) 17040/2025 & CM APPL. 70119/2025**



SH SHYAM SINGH

.....Petitioner

Through: Ms. Riya Soni, Mr. Sunil
Kumar Tripathi and Mr.
AkshayBhambari, Advs.

versus

THE PRINCIPAL COMMISSIONER OF
CUSTOMS & ORS.

.....Respondent

Through: Ms. Akanksha Gupta, Adv.
for R-3/UOI.

CORAM:

JUSTICE PRATHIBA M. SINGH

JUSTICE SHAIL JAIN

Prathiba M. Singh, J. (Oral)

1. This hearing has been done through hybrid mode.

CM APPL. 70009/2025 & CM APPL. 70010/2025 in W.P.(C) 17021/2025

(for exemption)

CM APPL. 70120/2025 & CM APPL. 70121/2025 in W.P.(C) 17040/2025

(for exemption)

2. Allowed, subject to all just exceptions. The applications are disposed
of

W.P.(C) 16970/2025 & CM APPL. 69775/2025

W.P.(C) 17021/2025 & CM APPL. 70008/2025

W.P.(C) 17040/2025 & CM APPL. 70119/2025

3. These are three writ petitions seeking waiver of the pre-deposit for
filing of the appeal before Customs, Excise & Service Tax Appellate
Tribunal (hereinafter, 'CESTAT') challenging the Order-in-Original dated
01st August, 2025 (hereinafter, 'impugned order') passed by the Office of



Principal Commissioner of Customs, Air Cargo Complex (Import).

4. The background of this matter is that one, Mr. Zakir Khan was found to be controlling various dummy and proxy entities and indulging in huge undervaluation and mis-declaration in imports of various electronic goods and accessories. The allegation against Mr. Zakir Khan was that he had imported several prohibited and restricted items including refurbished laptop, old and used CPUs, mobile phones, hard disc, wallets, etc.

5. The Petitioners, herein, are Customs Housing Agents (hereinafter, 'CHA') license holders whose licenses were misused by Mr. Zakir Khan for enabling the imports. The entities concerned are:

- M/s Expert Cargo Movers, Proprietor -Mr. Manoj Kumar Nagar;
- M/s Phenomenal Logistics, Proprietor -Mr. Naveen Kumar Sharma;
- and
- M/s Shyam Singh, Proprietor -Mr. Shayam Singh

These Petitioners are stated to have permitted their respective CHA licences to be used by Mr. Zakir Khan for enabling these imports where there was gross mis-declaration of goods.

6. During the course of the investigation, the statements were also recorded, including that of the Petitioners. The investigation revealed that one Mr. Sanjeev Kumar was in touch with Mr. Zakir Khan and he was an acquaintance of the Petitioners. The said Sanjeev Kumar, has stated in his statement as under:

*6. Statement of Customs broker **Sh. Sanjeev Kumar** alias Sanjeev Yadav S/o Late Shri N.S. Yadav, Proprietor of Customs broker firm, M/s **Sanjeev Kumar** (CHA Code AQIPK9095MCH001, F- Card No. 29/2006), R/o-K-385/A, Street No. 6. Mahipalpur Extn,*



New Delhi 110037, was recorded under Section 108 of the Customs Act on 19.10.2021 (RUD-8) wherein he inter-alia stated that-

[XXX]

iii. Zakir Khan was introduced to him by his friend Sh. Vaibhav Joshi about 5-6 years ago; that Zakir is an importer of electronics goods; he (Sanjeev) had been providing custom clearing services to Zakir for the past 5-6 years, through his own firm M/s Sanjeev Kumar as well as borrowed CHA licenses such as M/s Expert Cargo Movers of Sh Manoj Nagar and M/s Anurag Tiwari of Sh Anurag Tiwari (CHA code- ADCPT3020ECH001). Apart from that he had also used the CHA license of M/s Phenomenal Logistics (BEVPS0859HCH001), Anubhav Cargo, Shyam Singh and Satish Panjwani for clearance of goods imported in various firms controlled by Zakir Khan.

7. A perusal of the above would show that Mr. Sanjeev Kumar stated that he was introduced to Mr. Zakir Khan by one Mr. Vaibhav Joshi and that he had been providing customs clearance services to Mr. Zakir Khan for 5 to 6 years through his own firm and M/s Sanjeev Kumar. Mr. Sanjeev Kumar had also borrowed the CHA license of the Petitioners and had passed it on to Mr. Zakir Khan. This would show that the allegation against the Petitioners was that they had, through acquaintances, permitted misuse of their CHA licenses for enabling Mr. Zakir Khan to indulge in illegal imports.

8. In view of their conduct, proceedings were initiated against the Petitioners resulting in the issuance of impugned order dated 01st August, 2025. In the said impugned order dated 01st August, 2025, the penalties that have been imposed on the various parties are as under:

“S.13. In respect of Sh. Manoj Kumar Nagar (Proprietor-M/s Expert Cargo Movers) and Noticee



No. 26, I order as under:

S.13.1. I impose a penalty of Rs. 2,50,00,000/- (Rs. Two Crores Fifty Lakhs only) on him under Section 112(a)(i) of the Customs Act, 1962 for his various acts and commissions as discussed supra.

S.13.2. I impose a penalty of Rs. 2,50,00,000/- (Rs. Two Crores Fifty Lakhs only) on him under Section 112(b)(i) of the Customs Act, 1962 for his various acts and commissions as discussed supra.

S.13.3. I impose a penalty of Rs. 5,00,00,000/- (Rs. Five Crores only) on him under Section 114AA of the Customs Act, 1962 for his various acts and commissions as discussed supra.

S.15. In respect of Sh. Shyam Singh (Proprietor- M/s Shyam Singh) and Noticee No. 28, I order as under:

S.15.1. I impose a penalty of Rs. 2,50,00,000/- (Rs. Two Crores Fifty Lakhs only) on him under Section 112(a)(i) of the Customs Act, 1962 for his various acts and commissions as discussed supra.

S.15.2. I impose a penalty of Rs. 2,50,00,000/- (Rs. Two Crores Fifty Lakhs only) on him under Section 112(b)(i) of the Customs Act, 1962 for his various acts and commissions as discussed supra.

S.15.3. I impose a penalty of Rs. 5,00,00,000/- (Rs. Five Crores only) on him under Section 114AA of the Customs Act, 1962 for his various acts and commissions as discussed supra.

S.16. In respect of Sh. Naveen Kumar Sharma (Proprietor- M/s Phenomenal Logistics) and Noticee No. 29; I order as under:

S.16.1. I impose a penalty of Rs. 2,50,00,000/- (Rs. Two Crores Fifty Lakhs only) on him under Section 112(a)(i) of the Customs Act, 1962 for his various acts and commissions as discussed supra.

S.16.2. I impose a penalty of Rs. 2,50,00,000/- (Rs. Two Crores Fifty Lakhs only) on him under Section 112(b)(i)



of the Customs Act, 1962 for his various acts and commissions as discussed supra.

S.16.3. I impose a penalty of Rs. 5,00,00,000/- (Rs. Five Crores only) on him under Section 114AA of the Customs Act, 1962 for his various acts and commissions as discussed supra”

9. The above Petitioners have accordingly imposed the penalties of Rs.10,00,00,000/- each under Sections 122(a)(i), 122(b)(i) and 114AA of the Customs Act, 1962.

10. Ld. Counsel for the Petitioner has approached this Court seeking waiver of pre-deposit or reduction of the pre-deposit. It is further submitted by ld. Counsel for the Petitioner that there has been complete non-application of mind in the imposition of penalties.

11. In *W.P.(C) 16970/2025*, there were 424 bills of entry, in *W.P.(C) 17021/2025*, there were 4 bills of entry and in *W.P.(C) 17040/2025* there were 151 bills of entry. There has been such a disparity in the number of bills of entry. Despite the same, the amount of penalty imposed upon the Petitioners is identical. Ld. Counsel for the Petitioners further submits that the Petitioners are in extremely precarious financial condition and cannot afford the payment of the pre-deposit.

12. Ld. Counsels for the Respondents, however, vehemently object and submit that the investigation *qua* Mr. Zakir Khan was one of the biggest frauds which was unravelled by the Customs Authorities where the kingpin was indulging in mis-declaration, under-declaration and was evading Customs Duty to the tune of Rs.600 crores. The total value of the consignments is stated to be in the range of more than Rs.2,000 crores. It is submitted by ld. Counsels for the Respondents, including Mr. Aakarsh Srivastava, ld. SSC that in such cases, the discretion of the Court under



Article 226 of the Constitution of India ought not to be exercised as under Section 129E of the Customs Act, 1962, the amount of pre-deposit is specifically prescribed.

13. It is further submitted by the Id. Counsel for the Respondents that the CHA license holders have a duty to behave responsibly and not enable such fraudulent activities.

14. The Court has considered the matter. The clear position is that the Customs Brokers have a significant responsibility under the Customs Act as also the Customs Brokers Licensing Regulations, 2018. The CHA ought to perform the same with diligence and commitment. Moreover, this Court in the decision in *Commissioner of Customs (Airport and General) v. M/S Jaiswal Import Cargo Services Ltd., 2025: DHC:7566-DB*, has observed as under:

*“13. The appeal filed by the Department now seeks to reinstate the revocation against the Customs broker which this Court is not inclined to do. **There is no doubt that Customs Brokers do have significant responsibility under the CBLR 2018 which ought to be performed with diligence and commitment. The fact that the Respondent did not oversee the clearance and the warehousing of the goods leading to diversion of the goods in the domestic market is a clear infraction.**”*

15. In the present case, permitting misuse of the CHA licence, that too after receiving monthly remuneration for the same shows that the license itself has been sub-let without any control over the same. The main kingpin *i.e.*, Mr. Zakir Khan, who has been involved in the fraudulent transactions, has used it indiscriminately without any accountability, to which the



Petitioners are also to be blamed.

16. Under these circumstances, the Court is not inclined to entertain these writ petitions. Insofar as the pre-deposit is concerned, in these facts, the Court is not inclined to grant any waiver or reduction of the pre-deposit. However, the Petitioners are free to challenge the impugned order dated 01st August, 2025 in accordance with law before CESTAT along with the requisite pre-deposit of 7.5%. If the appeals are filed by 10th December, 2025, the same shall not be dismissed on the ground of limitations and shall be adjudicated on merits.

17. The petitions are accordingly disposed of in these terms. All pending applications, if any, are also disposed of.

PRATHIBA M. SINGH, J.

SHAIL JAIN, J.

NOVEMBER 11, 2025/pd/ck