IN THE CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL, KOLKATA

REGIONAL BENCH – COURT NO.1

Customs Appeal No.75662 of 2026

(Arising out of Order-in-Original No.Kol/Cus/A&A/Pr.Commissioner/CBS/31/2023 dated 28.11.2023 passed by Principal Commissioner of Customs (Airport & ACC), Kolkata)

M/s P.S.Shipping & Logistics
[8/2, Kran Shankar Roy Road, 3rd Floor, Room No.20, Kolkata-700001]

Appellant

VERSUS

Principal Commissioner of Customs (Airport & ACC), Kolkata
(15/1, Strand Road, Kolkata-700001)

Respondent

APPERANCE :
Shri Indranil Banerjee & Ms.Shilpita Sen, both Advocates for the Appellant
Shri Amaresh Biswas, Authorised Representative for the Respondent

CORAM:
HON'BLE MR.ASHOK JINDAL, MEMBER (JUDICIAL)
HON'BLE MR.K.ANPAZHAKAN, MEMBER (TECHNICAL)

FINAL ORDER NO.76073/2026

DATE OF HEARING : 07 AUGUST 2026
DATE OF DECISION : 07 AUGUST 2026

Per K.Anpazhakan :

The appellant has filed this appeal against the impugned order wherein the Customs Broker License was revoked and the Security deposit was forfeited under Regulation 17 of the CBLR, 2018.

2. The facts of the case are that during the relevant period the appellant had represented several importers who used to import precious stones like sapphire and ruby, whereon customs duty was payable and which were freely importable. The appellant duly complied with KYC requirements and other formalities under the CBLR in course of its engagement with the said importers. The appellant has always availed First Check Bill of Entry and the goods were subjected to examination by the Officers.

2.1 After physical examination of the imported consignments by the concerned customs group, valuation reports used to be submitted by the government approved valuers engaged in the matter from the panel already constituted. Thereafter, upon due satisfaction recorded by the customs officials, clearance used to be allowed.

2.2 Sometime in the month of April, 2019, a purported intimation was forwarded to the Commissioner of Customs (Airport & Admin.), Customs House, Kolkata by the Additional Director General, DRI, Kolkata Zonal Unit on the subject of alleged fraudulent imports of worthless stone declared as rough/precious/semi-precious stones through Kolkata Airport Cargo by certain unscrupulous importers. It was stated in the said intimation that certain IEC holders of Surat, Mumbai, Jaipur, Tamil Nadu and New Delhi were importing goods declared as rough/precious stone/blue sapphire, ruby etc. mainly from Hong Kong which were highly over-invoiced and in fact, of much inferior quality.

2.3. Based on the said intelligence, searches had been conducted in the premises of the concerned importers, some of which had been found non-existent and it had also come to light that the registered Directors of the importer-companies had denied setting up such entities under their directorship, and the said companies also did not have the financial resources to carry out huge businesses. It was also mentioned that statements of the concerned customs brokers, namely, M/s P. S. Shipping and Logistics and Chatterji & Co. were recorded, wherefrom it appeared that the said Customs Brokers have not contacted the importers directly but through middlemen, who did not possess valid authorization and the said customs broker had admitted to their lapses. It was further mentioned in the said intimation that statements of the defaulting government approved valuers had also been obtained, as per which the said valuers used to be appointed by the aforesaid customs brokers with connivance of the middlemen and the final valuation reports used to be influenced. Thus, it appeared that the said customs brokers had violated the provisions under CBLR, thereby necessitating further action for cancellation of licenses.

2.4. On 01.05.2019 the appellant's license was suspended under Regulation 16(1) of the CBLR by then Commissioner of Customs (Airport & Admin.), which was confirmed by an Order-in-Original dated 23.05.2019**.**

2.5. On 16.07.2019 a show cause notice was issued to the appellant in terms of Regulation 17(1) of CBLR, whereunder the appellant was directed to show cause as to why action should not be taken for having violated Regulations 10(a), 10(d) and 10(n) of CBLR, 2018**.** On 28.08.2023, the appellant- noticee filed its reply to the aforesaid show cause notice, denying the allegations levelled against it. The appellant-noticee also pointed out that the purported statements on the basis of which the show cause notice dated 16.07.2019 had been issued had not been provided. The appellant-noticee also highlighted that it had always filed First Check Bill of Entry, where after assessments had been completed upon 100% examination of the imported consignments in most cases. Denying that the appellant had any role in the government approved valuers providing their reports, the appellant-noticee requested for cross-examination of the said valuers as well as the dealing customs officials.

2.6 An inquiry report dated 29.08.2023 was submitted by the Assistant Commissioner and Inquiry Officer to the Principal Commissioner of Customs (Port), Custom House, Kolkata, wherein it was held that the charges made against the appellant as regards violation of Regulations 10(a), 10(d) and 10(n) of CBLR had been established.

2.7 On 11.10.2023 the appellant filed its representation against the aforesaid inquiry report and denied and disputed the findings and recommendations therein. The appellant again highlighted that it had acted strictly within the confines of the CBLR and, having opted for First Check assessment, should not have been penalized in any manner on the basis of vague and unsubstantiated statements recorded during investigations from the purported defaulting government valuers. The appellant further submitted that it had complied with the mandatory KYC requirements and that it had discharged the responsibilities conferred on customs brokers and the proposed cancellation of license was wholly untenable.

2.8 By the impugned Order-in-Original dated 28.11.2023, the Principal Commissioner of Customs (Airport & ACC), Custom House, Kolkata, amongst others, revoked the appellant's customs broker license.

2.9 Being aggrieved with the said order, the appellant is before us.

3. The ld. Advocate for the appellant submits that it is a settled law that a show cause notice is the basic document wherein the Department is required to precisely set out its case with the help of evidences and the Department cannot be allowed to travel beyond the scope of such notice. Surprisingly, the purported show cause notice dated 16.07.2019 issued under Regulation 17(1) of CBLR omitted to specify which all statements of deponents were being relied upon. It is evident on the face of such show cause notice that the only relied upon document was the purported intimation letter of April, 2019 issued by the Additional Director General, DRI, Kolkata Zonal Unit. Whereas, references had been made in the purported show cause notice to certain incriminating statements recorded from, M/s Chatterjee & Co. which was another customs broker and those given by government approved valuers whose reports had been allegedly influenced. Neither the date of recording of any statement was specified nor any name of a particular deponent was mentioned, meaning thereby that the said show cause notice suffered from patent vagueness. The purported show cause notice of 16.07.2019, accordingly, warrants being declared as a non-starter.

3.1 It is further submitted that apart from reference to purported statements recorded in the course of investigations and the alleged intimation of April, 2019 issued by the Additional Director General, DRI, Kolkata Zonal Unit, no other evidence was adduced to support the Department's allegation that the instant appellant had contravened

Regulation 10(a), 10(d) and 10(n) of CBLR. It is surprising that the show cause notice sought to re-produce the contents of the purported intimation issued by the Additional Director General, DRI, Kolkata Zonal Unit in the month of April, 2019.Such show cause notice cannot be understood as having been issued with due application of mind on the part of the authority concerned.

3.2 Further, it is pertinent to note that the concerned government approved valuers and the concerned customs officials who had undertaken assessment of the disputed imports had not been made parties in the said show cause notice.

3.3 In its reply dated 28.08.2023 the appellant-noticee had requested for being provided with copies of statements recorded from the concerned deponents, especially the concerned government approved valuers whose statements are relied upon in the show cause notice. However, such request was not acceded to. It was also not clarified as to which statement of a particular government approved valuer had been sought to be relied upon by the Customs Department, which is in gross violation of the principles of natural justice. The instant appellant had also requested for an opportunity to cross-examination the concerned deponents and witnesses but such request had been turned down both at the stage of inquiry proceeding and also at the stage of adjudication proceeding, which was in violation of Regulation 17(4) of CBLR. It is also demonstrable from records that the Customs Department sought to straightaway place reliance upon statements recorded under Section 108 of the Customs Act, 1962 without following the safeguards and mandate of Section 138B thereof. In this behalf, the appellant places reliance on the following decisions:

(a) Krishna Shipping and Allied Services v. Commissioner of Customs, Kandala (2024) 22 Centax 352 (Tri.Ahmd.),

(b) M/s Shalom Forwarders v. Commissioner of Customs,Turicorin Vide Final Order No.40700/2026 dated 02.06.2026 (Tri.Chennai) ;

(c) Naman Gupta v. Commissioner of Customs Airport & General 2024 (1) TMI 1421-Delhi High Court.

(d) Principal Commissioner of Customs (General) v. Suswashis Clearing and Forwarding Agency ,2026 (6) TMI 907 – Bombay High Court.

3.4 The Appellant further submits that if the purported intimation issued by the Additional Director General, DRI, Kolkata Zonal Unit dated April, 2019 be compared and contrasted with the CBLR show cause notice and the order under challenge, it would be evident that the order for revocation of license suffers from non-application of mind. The Principal Commissioner of Customs (Airport & ACC) also specified a purported statement dated 16.03.2019 recorded from Sri Ashok Kumar Mishra, one of the partners of the appellant firm, as a statement being relied upon. It was not open to the Principal Commissioner of Customs (Airport&ACC) to do so at the adjudication stage and that too without following the mandate of Section 138B of the Customs Act, 1962.

3.5. The Appellant further submits that there is no discussion of the documentary evidence furnished by it in the course of the impugned CBLR proceedings. The Appellant submits that they have submitted the several documentary evidences such as specimen KYCs of the disputed importers, authorization letters for appointing the instant appellant as Customs House Agent filed with the offices of the concerned Customs Officer and the Traffic Manger/Cargo Manager of Port Trust/AAI, Dum Dum, certification by the importer’s bank bearing attested photograph of the importers dealing personnel/director, GST registration certificate of importer, PAN issued by Income Tax Department, Certificate of Importer-Exporter Code issued by the Ministry of Commerce & Industry, Aadhaar of the dealing personnel/directors, declaration provided to Gems and Jewellery Exports Promotion Counsel, Mumbai bearing certification of Chartered Accountant, importer-companies’ Certificate of Incorporation, Examination and Appraisement Report by the customs authority, report of valuation by government approved valuer, particulars of appointment of director in Form No DRI-12, E-memorandum of Association and E-Articles of Association etc. The said credentials/bonafides have not been proved as fake. These evidences prove that they have done the mandatory verification of KYC details of the importers. It is wholly incorrect and illegal on the part of the authorities concerned to have insisted that the instant appellant should have conducted further independent verification in order to ascertain genuineness of its clients/importers’ businesses so as to comply with Regulations 10(a), 10(d) and 10(n) of CBLR.

3.6 The appellant submits that they had acted as per law and within the confines of CBLR requirements and should not have been penalized even if any dispute as to the worth or valuation of the imported consignments had arisen later. It is also not the respondent-Department's case that the appellant had partaken in the illegitimate gains of the defaulting importers. The appellant states and reiterates that Regulation 10(a) of CBLR does not require obtaining authorization from the importer directly in all cases, just as Regulation 10(d) does not cast vicarious liability upon a customs broker on account of alleged mis-declaration by the importer concerned. Similarly, Regulation 10(n) of CBLR cannot be construed in a manner so as to require every customs broker to personally visit the importers' place of business and go behind government issued credentials/documents.

3.7 Further, he submits that at paragraphs 14.8 to 14.8.3 of the order under challenge, the Principal Commissioner of Customs (Airport & ACC), Customs House, Kolkata erroneously faulted the appellant on the ground that it had not been in a position to advise its clients whereas the truth of the matter is quite the contrary. The appellant was just a facilitator, had duly fulfilled KYC requirements and had opted for First Check assessments in all cases. It cannot be the case that the appellant dealt with middlemen who were not duly constituted attorney holders. The law cannot be interpreted in a manner so as to require performance of an impossible act. There had been no occasion to doubt the authenticity of credentials such as Aadhaar Card, PAN, IECs, bank certification etc.

3.8 It is common knowledge that on filing of First Check Bill of Entry, the entire responsibility for assessment and verification shifts on to Customs officials. In the instant matter, several of the disputed consignments passed through 100% examination, physical verification and submission of valuation report by government approved valuers and no dispute in this regard had been raised contemporaneously. In fact, few imported consignments had been initially detained and released thereof had been granted only with proper satisfaction of the concerned Assistant Commissioner. There remains no scope to fault the appellant for failing to advise its clients properly.

3.9 The Appellant further submits that as to the purported allegations or finding that the errant government valuers had mislead the Customs Department and their valuation reports used to be influenced by the instant appellant, the appellant denies and disputes the same. In any case, no statement of a particular government valuer is on record. The provisions of CBLR do not require a customs broker to sit as a subject matter expert and verify the correctness of a valuation report. The adjudicating authority erred by failing to appreciate this aspect. The Appellant submits that the instant appellant had always discharged its statutory responsibilities to the best of its abilities.

3.10. The Appellant further contended that there is no evidence on record, as there could not have been any, establishing that the appellant had failed to obtain appropriate authorization from the alleged unscrupulous importers or that it had not advised its clients to comply with the provisions of the Customs Act, 1962 or that the appellant had failed to verify the credentials submitted by its clients using reliable means. On a true and proper interpretation of Regulations 10(a), 10(d) and 10(n) of CBLR read with Section 146 of the Customs Act, 1962, it could not have been stated that the appellant had been negligent. Even otherwise, an impossible degree of performance or supervision over its clients' activity could not have been insisted upon. In support of his contention, he relies on the following decisions:

i) M/s Just Logistics 1 v. Pr. Commissioner of Customs (Airport & ACC), Kolkata vide Final Order No.75401/2026 dated 19.03.2026 (Tri.Kolkata) ;

ii) M/s Falcon Air Cargo & Travels Pvt. Ltd. v. Commissioner of Customs (Airport & General), New Delhi vide Final Order No.50650/2026 dated 02.04.2026 (Tri.-Delhi) ;

iii) D S Cargo Agency v. Commissioner of Customs vide its judgement in Appeal No.CUSAA2/2022 dated 25.09.2023,

iv) M/s Auro Logistix v. The Principal Commissioner of Customs & connected matter vide Final Order No.77514-77515/2025 dated 26.09.2025 (Tri.-Kolkata) ;

v) Commissioner of Customs (Admin. & Airport) v. B.K.Clearing Agency (2024) 14 Centax 65 (Cal) ;

vi) I.W.W. Logistics Pvt. Ltd. v. Principal Commissioner of Customs (Airport & ACC), Kolkata (2025) 27 Centax 368 (Tri.Cal.)

vii) Bablani Clearing Forwarding & Logistics Co. Pvt. Ltd. v. Principal Commissioner of Customs (General), Mumbai vide Final Order No.A/85828/2025 dated 02.06.2025 ;

viii) Jyoti Customs Broker Service Pvt. Ltd. v. Principal Commissioner of Customs (Administration & Airport), Kolkata : 2023 (385) ELT 404.

3.11. In view of the above submissions, the Appellant prays for restoration of its Customs Broker license after setting aside the impugned order with consequential benefits.

4. The ld. A.R. for the Revenue has supported the impugned order. He submits that the Appellant has violated the provisions of Regulations 10(a), 10(d) and 10(n) of CBLR, 2018 and hence the license has been rightly revoked.

5. Heard both the parties and considered the submissions.

6. The allegation against the appellant is that they have violated the provisions of Regulations 10(a), 10(d) and 10(n) of the CBLR, 2018 and consequently their CB License was revoked. For better appreciation of facts, the relevant Regulations are extracted below:

6.1. Regulation 10(a) of CBLR, 2018, reads as under :

"A Customs Broker shall obtain an authorization from each of the companies, firms or individuals by whom he is for the time being employed as a Customs Broker and produce such authorization whenever required by the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be".

6.2. From the Regulation 10(a) extracted above, we observe that the Regulation requires a Customs Broker to obtain proper Authorization from their clients. In the present case, we find that the appellant has got proper authorization letter from the importers and copies of the same are available on record. The allegation against the Appellant is that they have not received the Authorization directly from the importers. In this regard, we observe that Regulation 10(a) of CBLR does not require obtaining authorization from the importer directly in all cases. As the Appellant has obtained proper authorization from all the importers concerned, we hold that the allegation against the Appellant that they have violated the provisions of Regulation 10(a) of CBLR. 2018 is not established.

6.3. The next allegation in the impugned order is that the Appellant has violated the provisions of Regulation 10(d) of CBLR,2018. For better appreciation, Regulation of 10(d) of CBLR, 2018, is reproduced under :

> *"A Custom Broker shall advise his client to comply with the provisions of the Act and in case of non compliance, shall bring the matter to the notice of the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be"*

6.4. As per the Regulation 10(d), the Custom Broker has to advise their clients to comply with the provisions of Customs Act, allied Acts and the rules and regulations made thereunder. We did not find anything in the records to prove that the appellant had not advised it's clients to follow the Act and Rules. There is not an iota of evidence to suggest that the appellant had violated the provisions of Regulation 10(d).

6.5. Regulation 10(n) of Customs Broker Licensing Regulations, 2018, reads as under :

> *"A Custom Broker shall 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".

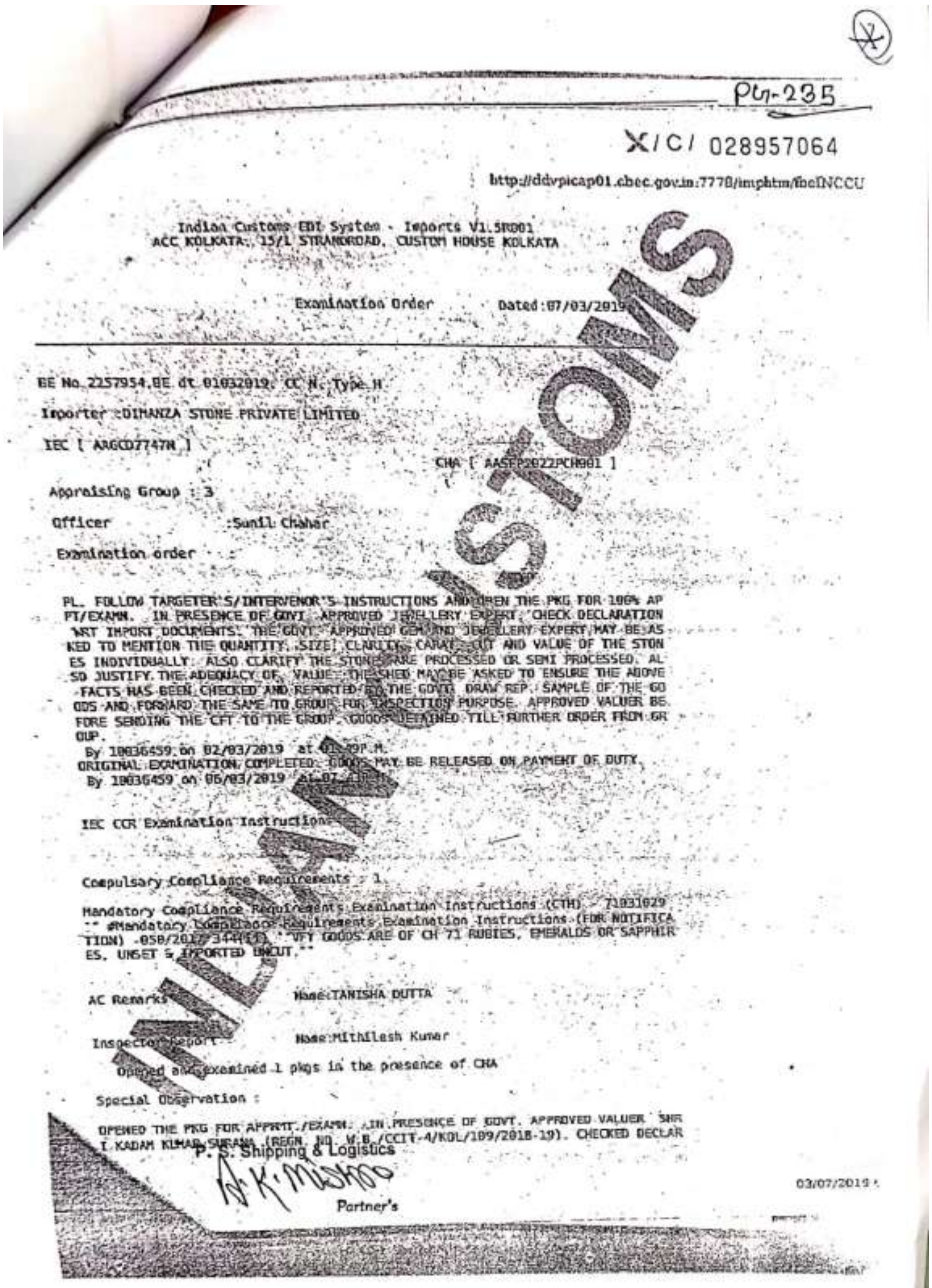
6.6. Regulation 10(n) requires the Customs Broker to verify the correctness of the importer/ exporter port number, goods and service tax identification number and functioning of the client at the declared address by using reliable, independent, authentic documents. In this regard, we find that the appellant has verified the KYC details of the importer and found that the importers have complied with the KYC requirements. In the impugned order, it is alleged that during investigation, it was revealed that the premises of some of the importers were found non-existent on the given address and the concerned Director had denied setting up such entities under their names. Further, such Directors had turned out to be tailors and unemployed youth having little means. In this regard, we observe that the Customs Broker is not expected to verify the correctness of all the documents submitted by the importers. Once the appellant had obtained the IEC, GSTIN, PAN and other KYC documents before filing the Bills of Entry, they have complied with the requirements of Regulation 10(n) of the CBLR. The CB is not required to verify the existence and functioning of the importers at the registered premises, i.e., the premises indicated in the IEC and GSTIN. On subsequent verification by the field formations, if it was found during investigation that some of the importers were not existing at the places, the CB cannot be faulted for their non existence. In this regard, we observe that IEC is issued after verification of the address but the importer may not necessarily inform the authorities about any change in address. The documents such as IEC, GSTIN, etc. were also issued by the appropriate Government authorities after verification of the documents furnished to the respective authorities. Hence, such documents have to be considered as genuine, reliable and authentic. The appellant CB is not expected to independently verify the correctness of all these documents and verify physically the existence and operation of the importers from the premises. As the Appellant CB has obtained all documents to verify the KYC details, we do not find any violation of the Regulation 10(n) of the CBLR, 2018, as alleged in the impugned order.

6.7. Thus, we find that the allegation against the Appellant that they have violated the provisions of Regulations 10(a), 10(d) and 10(n) of the CBLR, 2018, is not established with evidence.

7. In the present case, we find that there has been no controverting evidence available on record to negate the voluminous documentary evidences submitted by the Appellant, such as specimen KYCs of the disputed importers, authorization letters for appointing the instant appellant as Customs House Agent filed with the offices of the concerned Customs Officer and the Traffic Manger/Cargo Manager of Port Trust/AAI, Dum Dum, certification by the importer's bank bearing attested photograph of the importers dealing personnel/director, GST registration certificate of importer, PAN issued by Income Tax Department, Certificate of Importer-Exporter Code issued by the Ministry of Commerce & Industry, Aadhaar of the dealing personnel/directors, declaration provided to Gems and Jewellery Exports Promotion Counsel, Mumbai bearing certification of Chartered Accountant, importer-companies' Certificate of Incorporation, Examination and Appraisement Report by the customs authority, report of valuation by government approved valuer, particulars of appointment of director in Form No DRI-12, E-memorandum of Association and E-Articles of Association etc. The said credentials/bonafides have not been proved as fake. It is wholly incorrect on the part of the authorities concerned to have insisted that the instant appellant should have conducted further independent verification in order to ascertain genuineness of its clients/importers' businesses so as to comply with Regulations 10(a), 10(d) and 10(n) of CBLR.

8. We also find that the appellant has filed for first check Bill of Entry and the goods have been subjected to examination. For ready

reference, the Examination Order given by the concerned authorities are extracted below:



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X/C/ 028957064

http://ddvpicap01.cbec.gov.in:7778/imphtm/fbeINCCU

Indian Customs EDI System - Imports V1.5R001
ACC KOLKATA:, 15/1 STRANDROAD, CUSTOM HOUSE KOLKATA

Examination Order Dated:07/03/2019

BE No 2257954,BE dt 01032019, CC N, Type H

Importer :DIMANZA STONE PRIVATE LIMITED

IEC [AAGCD7747N]

CHA [AASFP2022PCH001]

Appraising Group : 3

Officer :Sunil Chahar

Examination order :

PL. FOLLOW TARGETER'S/INTERVENOR'S INSTRUCTIONS AND OPEN THE PKG FOR 100% APPT/EXAMN. IN PRESENCE OF GOVT APPROVED JEWELLERY EXPERT. CHECK DECLARATION WRT IMPORT DOCUMENTS. THE GOVT. APPROVED GEM AND JEWELLERY EXPERT MAY BE ASKED TO MENTION THE QUANTITY, SIZE, CLARITY, CARAT, CUT AND VALUE OF THE STONES INDIVIDUALLY. ALSO CLARIFY THE STONES ARE PROCESSED OR SEMI PROCESSED. ALSO JUSTIFY THE ADEQUACY OF VALUE. THE SHED MAY BE ASKED TO ENSURE THE ABOVE FACTS HAS BEEN CHECKED AND REPORTED BY THE GOVT. DRAW REP. SAMPLE OF THE GOODS AND FORWARD THE SAME TO GROUP FOR INSPECTION PURPOSE. APPROVED VALUER BEFORE SENDING THE CFT TO THE GROUP. GOODS DETAINED TILL FURTHER ORDER FROM GROUP.
By 10036459 on 02/03/2019 at 01:49P.M.
ORIGINAL EXAMINATION COMPLETED. GOODS MAY BE RELEASED ON PAYMENT OF DUTY.
By 10036459 on 06/03/2019 at 07

IEC CCR Examination Instructions

Compulsary Compliance Requirements : 1

Mandatory Compliance Requirements Examination Instructions (CTH) - 71031029
-- #Mandatory Compliance Requirements Examination Instructions (FOR NOTIFICATION) -050/2017/344(I) "VFY GOODS ARE OF CH 71 RUBIES, EMERALDS OR SAPPHIRES, UNSET & IMPORTED UNCUT."

AC Remarks Name:TANISHA DUTTA

Inspector Report Name:Mithilesh Kumar

Opened and examined 1 pkgs in the presence of CHA

Special Observation :

OPENED THE PKG FOR APPRMT./EXAMN. ,IN PRESENCE OF GOVT. APPROVED VALUER SHRI KADAM KUMAR SURANA (REGN. NO. W.B./CCIT-4/KOL/109/2018-19). CHECKED DECLAR

P. S. Shipping & Logistics
A.K. Mishra
Partner's

03/07/2019

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X/C/ 028957065

http://ddvpicap01.cbec.gov.in:7778/imphtm/theINCC

ATION VIS-A-VIS IMPORT DOCUMENTS, QUERY REGARDING QUANTITY, SIZE, CLARITY, CARAT, CUT, VALUE ADEQUACY, PROCESSED/SEMI-PROCESSED. GROUP MAY REFER THE VALUER'S REPORT BEARING NO NIL DATED 04.03.2019, DULY SIGNED BY SHED OFFICERS; REPRESENTATIVE SAMPLE DRAWN AND SEALED IN PRESENCE OF CHA. NOW, B/E ALONG WITH VALUER'S REPORT DTD. 04.03.2019 AND SEALED SAMPLE ARE BEING SENT TO GROUP FOR INSPECTION PURPOSE. CLEARANCE WITHHELD TILL FURTHER ORDER FROM GROUP

By 10047210 dated 05/03/2019 at 05:16P.M.

Superintendent comments Name:Randhir Kumar

By 10048552 dated 07/03/2019 at 07:51P.M.

[CHA] [EO/Inspector] [Shed AO/Supdt]

P. S. Shipping & Logistics
A.K. Mishra
Partner's

INDIAN CUSTOMS

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8.1. The above examination order extracted above shows that the goods have been examined before clearance, after drawing of the samples and conducting of examination. We agree with the submission of the Appellant that once First Check Bill of Entry has been opted by the Importer, the entire responsibility for assessment and verification shifts on to Customs officials. In the instant matter, it is on record that several of the disputed consignments passed through 100% examination, physical verification and submission of valuation report by government approved valuers and no dispute in this regard had been raised contemporaneously. In fact, few imported consignments had been initially detained and released thereof had been granted only with proper satisfaction of the concerned Assistant Commissioner. Thus, we observe that there remains no scope to fault the appellant for failing to advise its clients properly.

8.2. Regarding the purported allegations that the errant government valuers had mislead the Customs Department and their valuation reports used to be influenced by the instant appellant, we observe that the provisions of CBLR do not require a customs broker to sit as a subject matter expert and verify the correctness of a valuation report. Thus, we observe that the Ld. adjudicating authority has erred in holding that the Appellant failed to inform the over invoicing of the subject goods to the customs authorities. We find that the inferior quality of the goods imported has come to light only after the samples have been tested. Thus, we observe that the Custom Broker cannot be held responsible for not checking the quality and valuation of stones. It is alleged that the Govt. Valuers used to be appointed by the Appellant CB, in connivance with the middle-men and the Customs Broker used to influence the Govt. approved Valuers for the valuation of the said import consignments by asking them to keep the value at par with the declared values. We fail to understand as to how a Custom Broker will be held responsible for overvaluation, since the customs duty payable will be on the higher side when the goods imported are over valued. Thus, we find that the allegations against the Appellant CB are not established in this case.

9. In view of the above findings, we hold that the allegation that the Customs Broker has violated the Regulations of 10(a),10(d) & 10(n) of CBLR, 2018, has not been established. Accordingly, we hold that the revocation of the CB License for the said violations is legally not sustainable and hence we set aside the same. As the allegations against the Appellants are not sustained, the forfeiture of security deposit is also not sustainable and hence we set aside the same.

10. Accordingly, we set aside the impugned order and allow the appeal with consequential relief, if any, as per law.

(Operative part of the order was pronounced in the open court)

(Ashok Jindal)
Member (Judicial)

(K.Anpazhakan)
Member (Technical)

mm