

C/51745/2017-DB

IN THE CUSTOMS, EXISE AND SERVICE TAX APPELLATE TRIBUNAL,  
NEW DELHI, PRINCIPAL BENCH NEW DELHI

Date of Hearing: 29.01.2018

Date of Pronouncement: 02.02.2018

**Appeal No. C/51745/2017**

[Arising out of Order-in-Original No. 48/KB/Policy/2017 dated 10.08.2017  
passed by the Commissioner of Customs (General), New Delhi]

Sadanand Chaudhary

...Appellant

Vs.

C.C., New Delhi

...Respondent

**Appearance:**

Rep by Shri Vaibhav Singh, Advocate for the appellant.

Rep by Shri R.K. Manjhi, AR for the respondent.

**Coram: Hon'ble Mr. Justice (Dr.) Satish Chandra, President**  
**Hon'ble Mr. V. Padmanabhan, Member (Technical)**

**Final Order No. 50446/2018****Per V. Padmanabhan:**

The present appeal is filed against the Order-in-Original No. 48/2017 dated 10.08.2017. M/s Sadanand Chaudhary is a holder of Customs Broker licence, valid upto 24.02.2021. They filed shipping bills and other documents for export of polyester knitted skirts on behalf of the following two exporters:

- (i) M/s Guru Exports; and
- (ii) M/s SRL Exim.

The Customs authorities investigated these consignments, following the intelligence that the goods were overvalued with the intention of fraudulently collecting additional amount of drawback. Both the consignments were found to be overvalued and proceedings were initiated for confiscation of the same separately. This also resulted in proceedings being initiated against the Customs Broker for revocation of their licence through issue of show cause notice dated 21.02.2017. The adjudicating proceedings resulted in the issue of impugned order in which the Customs Broker licence of the appellant was revoked and the whole amount of security deposit of Rs. 50,000/- was ordered to be fortified. Aggrieved by the impugned order, the present appeal has been filed.

2. With the above background, we heard Shri Vaibhav Singh, learned Advocate on behalf of the Appellant, and Shri R.K. Manjhi, learned D.R. on behalf of the Revenue. The learned Advocate submitted that the appellant has filed the shipping bills for export of the various consignments on the basis of the documents made available by the exporters. Consequently, they cannot be held responsible for any overvaluation detected by the

Customs in the said consignments. Accordingly, he prayed that the revocation may be set aside.

3. The learned D.R. justified the impugned order. He argued that the exports consignments have been deliberately over-valued with the intention of making fraudulent drawback claims. Violation of various Regulations under CBLR, 2013, have been highlighted by the adjudicating authority, for which the revocation of Customs Broker licence has been ordered.

4. We heard both sides and perused the records. The appellant – Customs Broker has filed shipping bills on behalf of the two exporters. The investigations undertaken by the Customs established that the goods were significantly overvalued with the objective of fraudulently claiming inadmissible drawback. The Inquiry Authority found that the Customs Broker has facilitated and abetted the exporters in the fraudulent export through his unauthorized employee, Shri Manpreet Singh. Shri Manpreet Singh was found to have acted in the exports facilitation without possessing “H-Card” or “G-Card”, issued by the appellant.

5. The appellant was held to have failed to verify to antecedents, correctness of the Import-Export Code No., identity of his client and functioning of his client at the declared address. The adjudicating authority has concluded that the appellant has contravened Regulations 11(a), 11(b),

11(d), 11(e), 11(j), 11(n) and 14 of the CBLR, 2013. After perusing the records of the case, we are of the view that in the facts and circumstances of the case, the allegations established against the Customs Broker are not so grave as to revoke the Customs Broker licence. The ends of justice will be made by ordering forfeiture of the whole amount of security deposit of Rs. 50,000/-.

6. In the view of the above discussions, the impugned order is modified and the appeal is partially allowed.

[Pronounced in Open Court on 02.02.2018]

(Justice (Dr) Satish Chandra)  
President

(V. Padmanabhan)  
Member (Technical)

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