सत्यमेव जयते

सीमा शुल्क(अपील) आयुक्त का कार्यालय, अहमदाबाद

OFFICE OF THE COMMISSIONER OF CUSTOMS (APPEALS), AHMEDABAD,

चौथी मंज़िल 4th Floor, हडको भवन HUDCO Bhawan, ईश्वर भुवन रोड़ Ishwar Bhuvan Road

नवरंगपुरा Navrangpura, अहमदाबाद Ahmedabad – 380 009

दूरभाष क्रमांक Tel. No. 079-26589281

DIN – 20260171MN0000654775

क	फ़ाइल संख्या FILE NO.	S/49-283/CUS/MUN/24-25
ख	अपील आदेश संख्या ORDER-IN-APPEAL NO. (सीमा शुल्क अधिनियम, 1962 की धारा 128क के अंतर्गत)(UNDER SECTION 128A OF THE CUSTOMS ACT, 1962)	MUN-CUSTM-000-APP- 803-25-26
ग	पारितकर्ता PASSED BY	Shri Amit Gupta Commissioner of Customs (Appeals), Ahmedabad
घ	दिनांक DATE	30.01.2026
ङ	उदभूत अपील आदेश की सं. व दिनांक ARISING OUT OF ORDER-IN-ORIGINAL NO.	Order-in-Original no. MCH/ADC/AK/88/2024-25 dated 08.07.2024
च	अपील आदेश जारी करने की दिनांक ORDER- IN-APPEAL ISSUED ON:	30.01.2026
छ	अपीलकर्ता का नाम व पता NAME AND ADDRESS OF THE APPELLANT:	M/s. Benchmark Shipping and Logistics, Office no. M-8, Mezzanine Floor, Ratnakala Arcade, Near IDBI Bank, Adani Port Road, Mundra, Kutch, Gujarat-370421.

कार्यालय आयुक्त (अपील), सीमा शुल्क, अहमदाबाद

1	यह प्रति उस व्यक्ति के निजी उपयोग के लिए मुफ्त में दी जाती है जिनके नाम यह जारी किया गया है.
	This copy is granted free of cost for the private use of the person to whom it is issued.
2.	सीमाशुल्क अधिनियम 1962 की धारा 129 डी डी (1) (यथा संशोधित) के अधीन निम्नलिखित श्रेणियों के मामलों के सम्बन्ध में कोई व्यक्ति इस आदेश से अपने को आहत महसूस करता हो तो इस आदेश की प्राप्ति की तारीख से 3 महीने के अंदर अपर सचिव/संयुक्त सचिव (आवेदन संशोधन), वित्त मंत्रालय, (राजस्व विभाग) संसद मार्ग, नई दिल्ली को पुनरीक्षण आवेदन प्रस्तुत कर सकते है.
	Under Section 129 DD(1) of the Customs Act, 1962 (as amended), in respect of the following categories of cases, any person aggrieved by this order can prefer a Revision Application to The Additional Secretary/Joint Secretary (Revision Application), Ministry of Finance, (Department of Revenue) Parliament Street, New Delhi within 3 months from the date of communication of the order.
	निम्नलिखित सम्बन्धित आदेश/Order relating to :
(क)	बैगेज़ के रूप में आयातित कोई माल.
(a)	any goods exported
(ख)	भारत में आयात करने हेतु किसी वाहन में लादा गया लेकिन भारत में उनके गन्तव्य स्थान पर उतारे न गए माल या उस गन्तव्य स्थान पर उतारे जाने के लिए अपेक्षित माल उतारे न जाने पर या उस गन्तव्य स्थान पर उतारे गए माल की मात्रा में अपेक्षित माल से कमी हो.
(b)	any goods loaded in a conveyance for importation into India, but which are not unloaded at their place of destination in India or so much of the quantity of such goods as has not been unloaded at any such destination if goods unloaded at such destination are short of the quantity required to be unloaded at that destination.
(ग)	सीमाशुल्क अधिनियम, 1962 के अध्याय X तथा उसके अधीन बनाए गए नियमों के तहत शुल्क वापसी की अदायगी.
(c)	Payment of drawback as provided in Chapter X of Customs Act, 1962 and the rules made thereunder.
3.	पुनरीक्षण आवेदन पत्र संगत नियमावली में विनिर्दिष्ट प्रारूप में प्रस्तुत करना होगा जिसके अन्तर्गत उसकी जांच की जाएगी और उस के साथ निम्नलिखित कागजात संलग्न होने चाहिए :
	The revision application should be in such form and shall be verified in such manner as may be specified in the relevant rules and should be accompanied by :
(क)	कोर्ट फी एक्ट,1870 के मद सं.6 अनुसूची 1 के अधीन निर्धारित किए गए अनुसार इस आदेश की 4 प्रतियां, जिसकी एक प्रति में पचास पैसे की न्यायालय शुल्क टिकट लगा होना चाहिए.
(a)	4 copies of this order, bearing Court Fee Stamp of paise fifty only in one copy as prescribed under Schedule 1 item 6 of the Court Fee Act, 1870.
(ख)	सम्बद्ध दस्तावेज़ों के अलावा साथ मूल आदेश की 4 प्रतियां, यदि हो
(b)	4 copies of the Order-in-Original, in addition to relevant documents, if any
(ग)	पुनरीक्षण के लिए आवेदन की 4 प्रतियां
(c)	4 copies of the Application for Revision.
(घ)	पुनरीक्षण आवेदन दायर करने के लिए सीमाशुल्क अधिनियम, 1962 (यथा संशोधित) में निर्धारित फीस जो अन्य रसीद, फीस,दण्ड,जब्ती और विविध मदों के शीर्ष के अधीन आता है में रु. 200/-(रूपए दो सौ मात्र)या रु.1000/-(रूपए एक हज़ार मात्र), जैसा भी मामला हो, से सम्ब न्धित भुगतान के प्रमाणिक चलान टी.आर.6 की दो प्रतियां. यदि शुल्क, मांगा गया ब्याज, लगाया गया दंड की राशि और रूपए एक लाख या उससे कम हो तो ऐसे फीस के रूप में रु.200/- और यदि एक लाख से अधिक हो तो फीस के रूप में रु.1000/-
(d)	The duplicate copy of the T.R.6 challan evidencing payment of Rs.200/- (Rupees two Hundred only) or Rs.1,000/- (Rupees one thousand only) as the case may be, under the Head of other receipts, fees, fines, forfeitures and Miscellaneous Items being the fee prescribed in the Customs Act, 1962 (as

	amended) for filing a Revision Application. If the amount of duty and interest demanded, fine or penalty levied is one lakh rupees or less, fees as Rs.200/- and if it is more than one lakh rupees, the fee is Rs.1000/-.	
4.	**मद सं. 2 के अधीन सूचित मामलों के अलावा अन्य मामलों के सम्बंन्ध में यदि कोई व्यक्ति इस आदेश से आहत महसूस करता हो तो वे सीमाशुल्क अधिनियम 1962 की धारा 129 ए (1) के अधीन फॉर्म सी.ए.-3 में सीमाशुल्क, केन्द्रीय उत्पाद शुल्क और सेवा कर अपील अधिकरण के समक्ष निम्नलिखित पते पर अपील कर सकते हैं**	
	In respect of cases other than these mentioned under item 2 above, any person aggrieved by this order can file an appeal under Section 129 A(1) of the Customs Act, 1962 in form C.A.-3 before the Customs, Excise and Service Tax Appellate Tribunal at the following address :	
	सीमाशुल्क, केंद्रीय उत्पाद शुल्क व सेवा कर अपीलिय अधिकरण, पश्चिमी क्षेत्रीय पीठ	**Customs, Excise & Service Tax Appellate Tribunal, West Zonal Bench**
	दूसरी मंज़िल, बहुमाली भवन, निकट गिरधरनगर पुल, असारवा, अहमदाबाद-380016	2nd Floor, Bahumali Bhavan, Nr.Girdhar Nagar Bridge, Asarwa, Ahmedabad-380 016
5.	**सीमाशुल्क अधिनियम, 1962 की धारा 129 ए (6) के अधीन, सीमाशुल्क अधिनियम, 1962 की धारा 129 ए** (1) **के अधीन अपील के साथ निम्नलिखित शुल्क संलग्न होने चाहिए-**	
	Under Section 129 A (6) of the Customs Act, 1962 an appeal under Section 129 A (1) of the Customs Act, 1962 shall be accompanied by a fee of -	
(क)	**अपील से सम्बन्धित मामले में जहां किसी सीमाशुल्क अधिकारी द्वारा मांगा गया शुल्क और व्याज तथा लगाया गया दंड की रकम पाँच लाख रूपए या उससे कम हो तो एक हज़ार रुपए.**	
(a)	where the amount of duty and interest demanded and penalty levied by any officer of Customs in the case to which the appeal relates is five lakh rupees or less, one thousand rupees;	
(ख)	**अपील से सम्बन्धित मामले में जहां किसी सीमाशुल्क अधिकारी द्वारा मांगा गया शुल्क और व्याज तथा लगाया गया दंड की रकम पाँच लाख रूपए से अधिक हो लेकिन रुपये पचास लाख से अधिक न हो तो; पांच हज़ार रुपए**	
(b)	where the amount of duty and interest demanded and penalty levied by any officer of Customs in the case to which the appeal relates is more than five lakh rupees but not exceeding fifty lakh rupees, five thousand rupees ;	
(ग)	**अपील से सम्बन्धित मामले में जहां किसी सीमाशुल्क अधिकारी द्वारा मांगा गया शुल्क और व्याज तथा लगाया गया दंड की रकम पचास लाख रूपए से अधिक हो तो; दस हज़ार रुपए.**	
(c)	where the amount of duty and interest demanded and penalty levied by any officer of Customs in the case to which the appeal relates is more than fifty lakh rupees, ten thousand rupees	
(घ)	इस आदेश के विरुद्ध अधिकरण के सामने, मांगे गए शुल्क के 10% अदा करने पर, जहां शुल्क या शुल्क एवं दंड विवाद में हैं, या दंड के 10% अदा करने पर, जहां केवल दंड विवाद में है, अपील रखा जाएगा ।	
(d)	An appeal against this order shall lie before the Tribunal on payment of 10% of the duty demanded where duty or duty and penalty are in dispute, or penalty, where penalty alone is in dispute.	
6.	**उक्त अधिनियम की धारा 129 (ए) के अन्तर्गत अपील प्राधिकरण के समक्ष दायर प्रत्येक आवेदन पत्र- (क) रोक आदेश के लिए या गलतियों को सुधारने के लिए या किसी अन्य प्रयोजन के लिए किए गए अपील : - अथवा (ख) अपील या आवेदन पत्र का प्रत्यावर्तन के लिए दायर आवेदन के साथ रुपये पाँच सौ का शुल्क भी संलग्न होने चाहिए.**	
	Under section 129 (a) of the said Act, every application made before the Appellate Tribunal- (a) in an appeal for grant of stay or for rectification of mistake or for any other purpose; or (b) for restoration of an appeal or an application shall be accompanied by a fee of five Hundred rupees.	

ORDER-IN-APPEAL

Appeal has been filed by M/s. Benchmark Shipping and Logistics, Office no. M-8, Mezzanine Floor, Ratnakala Arcade, Near IDBI Bank, Adani Port Road, Mundra, Kutch, Gujarat-370421, (hereinafter referred to as the 'Appellant') in terms of Section 128 of the Customs Act, 1962, challenging the Order-in-Original no. MCH/ADC/AK/88/2024-25 dated 08.07.2024 (hereinafter referred to as 'the impugned order') issued by the Additional Commissioner, Customs House, Mundra (hereinafter referred to as 'the adjudicating authority).

2. Facts of the case, in brief, are that M/s Gajwani Global (IEC: BITPM9155N) having address at Bunder Road, Mundra-B, 2/2/96/63, behind Hospital, Mudra Kachchh, Gujarat- 370421 (hereinafter referred to as 'the importer' or 'the Noticee' for sake of brevity) filed a Bill of Entry No. 5790448 dated 04.05.2023 through their CB M/s. Benchmark Shipping and Logistics (PAN No. COSPM1345E) for import and clearance of 'parts and accessories of printing machine' (hereinafter referred to as 'the goods) having declared assessable value of Rs. 6,30,473/-. The subject goods were imported from M/s. Electronic Way Trading LLC, Dubai (UAE). The subject goods were classified under CTH 8443 9990 of Custom Tariff Act, 1975. The total duty was assessed to Rs. 1,74,863/- (Including IGST).

2.1 NCTC has issued alert wherein intelligence conveyed that the consignment appeared to be a risky in relation to mis-declaration, IPR violation, BIS non-compliance etc. On the basis of the said alert, Bill of Entry 5790448 dated 04.05.2023 filed by M/s. Gajwani Global declaring the goods as 'parts and accessories of printing machine' and classifying the same under Chapter Tariff Heading (CTH) 8443 of Custom Tariff Act, 1975, was put up on hold and consignment examined under panchnama dated 15.05.2023 by the officers of SIIB, in the presence of representatives of Customs Broker, empanelled Chartered Engineer, representatives of CFS and Importer. During the examination of the consignment, goods appeared as old and used parts/accessories of photocopier machine and also found hard disc drive which were not declared in Bill of Entry.

2.2 During examination, all the cartons were opened one by one and examined thoroughly goods found as old and used and some cartons contained another small carton and on opening the small cartons, the goods found as hard disc drive in the packaging. The hard disc drive has different storage size and some are manufactured in Thailand and some in China. The goods appear to be old and used. Therefore, some of goods appeared to be mis-declared in terms of description, quantity and country of origin. Further, as the goods appear to be old and used, the goods appear to be prohibited for import under FTP (2015-20) and the Hazardous and Other Waste (Management and Transboundary Movement) Rules, 2016. Further, the empanelled Chartered Engineer vide its report dated 08.12.2023 reported that the goods were old and used and not re-conditioned.

2.3 The said goods were seized vide Seizure Memo dated 24.06.2023 under the provisions of Section 110 (1) of the Customs Act, 1962 under the reasonable belief that the importer has contravened various provisions of Customs Act, 1962, FTP (2015-20), Foreign Trade (Development & Regulation) Act, 1992, Foreign Trade (Regulation) Rules, 1993 etc. which made goods liable for confiscation under the provisions of Section 111 (d) and 111 (m) of the Customs Act, 1962. The goods were seized vide Seizure Memo dated 24.06.2023, said goods were handed over under Supratnama dated 24.06.2023 to the representative of M/s. Empezar Logistics Pvt. Ltd. CFS, APSEZ, Mundra for safe custody and representative of CFS, undertake that they will not remove, sale, part with, deal with the goods without prior permission from the competent authority.

2.4 As the goods were found mis-declared and the goods were liable to confiscation, a search was conducted at the premises of importer as necessary to collect evidences for further investigation. During search, it was found that there is no such office in existence in the name of M/s. Gajwani Global. Thereafter, various summons was issued to Mr. Mahefuzkhan Mahammad Yunus Malek, Proprietor of M/s. Gajwani Global under the provisions of Section 108 of the Customs Act, 1962 directing them to appear before the Investigating Officer to give the evidence in the ongoing investigations on 02.06.2023 & 09.08.2023 but neither anyone appeared on behalf of importer nor any written submission was received by this office against said summons.

2.5 During investigation, as the importer was not responding and found nonexistence, CB namely M/s Benchmark Shipping and Logistics was also summoned directing them to appear before the Investigating Officer to give the evidence in the ongoing investigations on 02.06.2023, 26.06.2023 & 09.08.2023 but neither anyone appeared on behalf of CB nor any written submission received by this office against said summons. Further, a letter was written to CB section that CB, M/s Benchmark Shipping and Logistics is not cooperating in the investigation, hence appropriate action was initiated against said CB.

2.6 As the importer was not responding against summons in respect of the goods covered under Bill of Entry no 5790448 dated 04.05.2023 (having total assessable value of Rs. 6,30,473/-) and as per CE certificate, goods are old and used, there is reasonable doubt to reject the declared Assessable Value under Rule 12 of the Customs Valuation (Determination of value of Imported Goods) Rules, 2007 ibid. Assessable value of the goods has been derived as under of the goods worked out as below:

Sr. No	Description of Goods	Quantity	Total Average C&F Value (approx.)	CIF Value (C&F Value +insurance amount in 1.125% of C&F))	CIF Value in INR (Exchange Rate: 1S-83.15 Rupees)	Duty (7.5% BCD + 10% SWS + 18% IGST)
1	Parts and accessories of Printing Machine	120 Boxes	15,569/-	15.744/-	13,09,114/-	3,63,083/-

2.7 In view of the above it appeared that the importer had deliberately mis-declared the description of the goods against Bill of Entry No. 5790448 dated 04.05.2023 with an intention to import restricted items, viz. old and used parts and accessories of printing machine without obtaining any permission or authorization from Ministry of Electronics & Information Technology or DGFT respectively. Therefore, these acts of omission and commission on the part of the importers have made the goods liable for confiscation under the provisions of Section 111 (d) and 111 (m) of the CA, 1962 and the importing firm has rendered themselves liable for penal action under Section 112 of the Customs Act, 1962.

2.8 It also appeared that the CB firm M/s. Benchmark Shipping and Logistics aided and abetted in clearance of restricted goods in violation of Import Policy and accordingly contravened the provisions of Regulation 10 of CBLR, 2018. Therefore, it appeared that the CB firm M/s. Benchmark Shipping and Logistics also contravened the provisions of Regulation 17 (9) of CBLR, 2018 as they failed to supervise the acts of their employees to ensure the proper conduct of his employees in the transaction of business and he shall be held responsible for all acts or omissions of his employees during their employment.

2.4 Based on the above SCN was issued to the importer, M/s Gajwani Global, for demand of duty, interest, penalty and the appellant was called upon to show cause to the Additional Commissioner, Custom House, Mundra, as to why:-

i. Penalty should not be imposed on M/s. Benchmark Shipping and Logistics under section 117 of the Customs Act, 1962 for violating section 108 of the Customs Act, 1962 and for omission and commission in executing his role as a Custom Broker under Regulations 11 (d), (e), (f), (m) & (n) of CBLR, 2013 by not presenting himself before summons.

2.5 Consequently, the adjudicating authority confirmed the demand against the importer along with applicable interest and penalty and passed the following order with regard to Appellant:

He imposed penalty of Rs. 2,50,000/-(Rs. two lakh Fifty Thousand only) on M/s. Benchmark Shipping and Logistics under section 117 of the Customs Act, 1962.

SUBMISSIONS OF THE APPELLANT:

3. Being aggrieved with the impugned order, the Appellant has filed the present appeal against the order passed by the Additional Commissioner, Custom House, Mundra.

3.1 The appellant asserts that the impugned order is fundamentally flawed as it was passed without considering the written submissions dated October 17, 2023, and March 7, 2024. Furthermore, the adjudicating authority is accused of traveling beyond the scope of the Show Cause Notice (SCN). While the SCN alleged violations under the 2013 regulations, the penalty was ultimately imposed based on the 2018 regulations, a move the appellant claims violates the principles of natural justice and the right to audi alteram partem.

3.2 The appellant contends that they acted with due diligence and fulfilled all legal requirements regarding the verification of importer credentials. Before accepting the assignment, the appellant collected comprehensive Know Your Customer (KYC) documents, including the Import Export Code (IEC), GST registration details, and address proof for M/s Gajwani Global. They argue that as a Customs Broker, their responsibility was to file the Bill of Entry based on the documents provided by the importer, such as the bill of lading and invoice.

3.3 The appeal challenges the adjudicating authority's findings as being based on assumptions and presumptions rather than corroborated documentary evidence. The appellant highlights that they have no role in any mis-declaration, as the discrepancies were identified during examination and immediately reported to the officers. They further argue that there was no mens rea (guilty mind) or deliberate negligence, citing legal precedents where brokers were not held liable for importer mis-declarations when acting as a bona fide facilitator.

3.4 A significant ground for appeal is the importer's own declaration and subsequent response to the SCN. M/s Gajwani Global explicitly stated that they are solely responsible for any irregularities or mis-declarations and that the Customs Broker was not consulted regarding the ordering of goods. In their reply, the importer categorically absolved the appellant of any responsibility, noting that the broker was unaware of the true nature of the commodities and requested that they not be penalized.

PERSONAL HEARING:

4. Personal hearing was granted to the Appellant on 10.12.2025 following the principles of natural justice wherein Shri Vishal Ajay kumar, Consultant appeared for the hearing through virtual mode and re-iterated the submissions made at the time of filing the appeal.

DISCUSSION AND FINDINGS:

5. I have carefully gone through the case records, impugned order passed by the Additional Commissioner, Custom House, Mundra and the defense put forth by the Appellant in their appeal. It is placed on record that one set of the appeal papers was forwarded to the adjudicating authority, namely the Additional Commissioner, Custom House, MP & SEZ, Mundra, vide office letter dated 30.12.2024. However, no reply has been received till date. Accordingly, in the absence of any response, the submissions made by the appellant are being considered for deciding the present appeal.

5.1 A Customs Broker (CB) occupies a unique, highly sensitive, and vital position within the framework of the Customs Act, 1962. They are not merely facilitators of trade or commercial agents representing a client; rather, they are "extended arms" of the Customs Department. The license granted to a CB is a privilege that carries with it a high degree of responsibility, trust, and a mandate for absolute integrity. The Department places significant reliance on the declarations made by a CB. In an era of Self-Assessment and "Fast Track" clearances, the CB serves as the first line of defense against commercial fraud, smuggling, and revenue leakage. If a CB fails to exercise due diligence, the entire automated clearance system becomes vulnerable to exploitation by unscrupulous importers.

5.2 The Appellant's contention that they are not an "investigating agency" is fundamentally flawed. While a CB is not expected to be a detective, the law (CBLR, 2018) imposes a "Standard of Care" that exceeds that of a normal commercial agent. The obligation to verify the "functioning" of a client at a declared address is a proactive duty. The relationship between a CB and the Customs Department is fiduciary. This means the CB has a legal and ethical obligation to act in the best interests of the Revenue when it comes to compliance with the Act. By failing to verify that M/s Gajwani Global was actually operating from the declared premises, the Appellant failed in this fiduciary duty. It shows a complete disregard for the professional standards mandated under Regulation

10 of CBLR, 2018. Such a "hands-off" approach is antithetical to the very purpose of licensing Customs Brokers.

5.3 Regulation 10(n) of the CBLR, 2018, is the cornerstone of the "Know Your Client" (KYC) framework within the Customs ecosystem. It stipulates that a Customs 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." The Appellant's defense rests on the premise that they validated the GSTIN and IEC on the official government portals. However, there is a distinct legal difference between "validating" a document's existence and "verifying" the client's identity and functioning. Validation is a passive check; verification is a proactive obligation.

5.4 The purpose of phrase "functioning of his client at the declared address" in the regulations to ensure that the CB does not deal with "fly-by-night" operators or "paper companies." If a CB merely checks a website to see if a GST number exists, they are not verifying if a business is actually "functioning." In this case, the investigation by the department revealed that the importer was non-existent at the declared premises. This fact alone establishes a prima facie failure of the CB to satisfy the "functioning" limb of Regulation 10(n). By abdicating the KYC process, the Appellant effectively bypassed the security checks intended by the legislature. This "delegation of diligence" is not permissible under the CBLR.

5.5 The Appellant argued that there is no requirement for "physical verification" of the premises. While the regulation does not explicitly use the word "physical," it mandates the use of "reliable, independent, and authentic documents or information" to verify functioning. If documents (like utility bills or rent agreements) are forged—as is common in mis-declaration cases—the CB is expected to look for "independent" corroboration. The failure to verify M/s Gajwani Global led directly to the facilitation of undervalued imports. The KYC norms are not just procedural formalities; they are tools to prevent economic offenses. A CB who fails to identify a non-existent importer provides a "veil of legitimacy" to fraudulent transactions. Therefore, the violation of Regulation 10(n) in the present case is not a "technical" lapse but a substantive failure that warrants the rejection of the appeal.

5.6 Regulation 10(d) of the CBLR, 2018, mandates that a Customs Broker "shall advise his client to comply with the provisions of the Act, other allied Acts and the rules and regulations thereof, 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." The Appellant contends that they were unaware of the mis-declaration and undervaluation, and therefore, could not have advised the client otherwise. This argument is legally fallacious. The duty to "advise" is not a passive one that only arises upon actual knowledge of a crime. It is an ongoing professional obligation to ensure that the documents being filed are in accordance with the law.

5.7 A Customs Broker is a technical expert in Customs law. When an importer presents documents showing a price that is significantly lower than the market value, a diligent CB is expected to query the client, seek supporting evidence (like price lists or catalogs), and advise the client on the legal repercussions of undervaluation. In this case, the Appellant processed the Bill of Entry blindly, acting as a mere "post office" for the importer's fraudulent data. The case records contain an undertaking from M/s Gajwani Global stating: "We further undertake that we are solely responsible and liable for any action... and absolve CHA for any responsibility whatsoever." I find that such "indemnity letters" or "authorizations" have zero legal standing to absolve a Customs Broker of their statutory duties under the CBLR. Statutory obligations under Regulation 10(d) are mandatory and cannot be "contracted out" through private agreements between the importer and the CB.

5.8 The investigation revealed a gross mis-match between the declared value and the actual market value of the imported goods. A Customs Broker, by virtue of their license, is deemed to have specialized knowledge of trade patterns and valuation. The failure to notice and advise against such blatant undervaluation constitutes professional misconduct. By failing to meet the proprietor and relying on an intermediary, the Appellant effectively ensured that no such advice could ever be given, thereby intentionally creating a "knowledge gap" to facilitate the fraud.

5.9 The Appellant has contended that the mis-declaration was carried out by the importer and they had no personal knowledge of the fraud. This defense is legally untenable in the context of the CBLR. A Customs Broker is strictly liable for the acts and omissions of their employees and any person authorized to handle clearance on their behalf. The Appellant's failure to supervise the documentation process and their reliance on scanned copies provided by third parties constitute "passive complicity." The CBLR does not require the Department to prove "mens rea" or active intent to defraud. The mere failure to follow the prescribed "Standards of Conduct" is sufficient for penal action.

5.10 The Adjudicating Authority's finding that the CB acted as a "conduit" is well-founded. When a CB operates in a manner where they merely affix their signature and stamp for a commission, they abandon their role as a professional and become a tool for tax evaders. This behavior degrades the professional standards of the entire Customs Broker community and poses a systemic risk to the automated EDI system. The Appellant has argued that the penalty is too harsh. However, given the gravity of the undervaluation and the fact that the importer was non-existent, the breach of Regulation 10 is absolute. In cases involving the facilitation of non-existent entities, the revocation or suspension of the license is a proportionate response to protect the Revenue and maintain the integrity of the Customs clearance process.

5.11 The Appellant has failed to provide any evidence that they took independent steps to verify the "functioning" of M/s Gajwani Global. The reliance on an intermediary is a violation of the professional conduct expected of a licensed Customs Broker. The mis-declaration of goods has caused a direct loss to the exchequer, and the CB's negligence played a pivotal role in facilitating this. The Adjudicating Authority has correctly applied the law and the judicial precedents regarding CB liability. The arguments of the Appellant regarding "good faith" and "no physical verification requirement" are rejected in light of the specific language of Regulation 10(n). There is no merit in the appeal. The findings of the Adjudicating Authority are well-reasoned and supported by the evidence on record.

6. In view of the above discussion and findings, I pass the following order:

a. The Appeal filed by M/s Benchmark Shipping and Logistics is hereby REJECTED.
b. The Order-in-Original No. MCH/ADC/AK/88/2024-25 dated 08.07.2024 is UPHELD in its entirety.

आयुक्त (अपील) सीमा शुल्क अहमदाबाद

(AMIT GUPTA)
Commissioner (Appeals),
Customs, Ahmedabad

F. No. S/49-283/CUS/MUN/24-25 Dt. 30.01.2026

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Copy to:
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2. The Principal Commissioner of Customs, Mundra.
3. The Additional Commissioner of Customs, Custom, Mundra.
4. Guard File.