



सत्यमेव जयते

आयुक्त, सीमा शुल्क का कार्यालय,
OFFICE OF THE COMMISSIONER OF
CUSTOMS
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DIN: 20251071ML0000888 C20

17-10-2025

Order No. 06/2025-26

M/s. Ambit Shipping Corporation, Shop No. 9, Plot No. 80, Sector 9C, Gandhidham, Kachchh, Gujarat – 370201 (hereinafter referred to as "the Customs Broker") for the sake of brevity is holding Custom Broker Licence No. KDL/CB/06/2016 dt. 05.04.2016 (PAN No. BQVPS5780F) issued by Commissioner of Customs, Kandla Customs Commissionerate for the purpose of presenting of import and export documents on behalf of their clients in terms of provisions contained under Regulation 7 (2) of the erstwhile Customs House Agents Licensing Regulations, 2013. The Custom Broker was also permitted to work as Custom Broker, for the purpose of presenting of import and export documents on behalf of their clients at Mundra Customs, by the Jurisdictional Principal Commissioner/ Commissioner of Customs under erstwhile Regulation 7(3) of CBLR, 2013 (now Regulations 7(4) of Custom Broker Licensing Regulations, 2018) and the said permissions were valid up to till the validity of parent license.

Whereas the Customs Broker M/s. Ambit Shipping Corporation, Gandhidham was granted Custom Broker License under regulation 7(2) of Customs House Agents Licensing, Regulations, 2013. Customs Broker Licensing Regulations, 2018 shall apply to Customs Broker who has been licensed under Customs House Agents Licensing Regulations, 2013 as per Regulation 1(3) of Customs Broker Licensing Regulations, 2018.

Brief Facts of the Case:

1. An offense note (offence report) dated 03.04.2025 was received from the

Special Investigation and Intelligence Branch (SIIB) Customs House, Mundra vide F. No. CUS/SIIB/96/2023-SIIB-CB-O/o Pr Commr-Cus-Mundra. It has identified significant violations involving the Customs Broker concerning the import clearance of goods under Bill of Entry No. 8373930 dated 19.10.2023 on behalf of M/s. AK Industries, New Delhi and outlining the role of the Custom Broker and accordingly for taking necessary action against the Custom Broker under the Customs Brokers Licensing Regulation, 2018.

2. The investigation revealed that the Customs Broker filed the said Bill of Entry declaring goods as "Iron Oxide Desulfurizer." However, a 100% physical examination by Customs Authorities uncovered an undeclared and concealed consignment of 7000 Kgs of "Split Areca Nuts," a restricted/prohibited item under DGFT Notification No. 57/2015-20 dated 14.02.2023. Such concealment and mis-declaration significantly impacted potential government revenue, Basic Customs Duty (BCD) and Integrated Goods and Services Tax (IGST), causing considerable financial risk to the exchequer.
3. During investigations, Shri Deepak Shrikishan Sharma, F-Card Holder and proprietor of the Customs Broker, admitted under Section 108 of the Customs Act, 1962, to accepting documents through informal means (WhatsApp and courier) without physical verification of the importer's business premises. Further, he acknowledged that the Importer Exporter Code (IEC) and GST registrations were newly issued, indicating the necessity for enhanced vigilance which was neglected, thereby compromising regulatory compliance and revenue integrity. It indicates a significant lapse on part of the Customs Broker in verifying the authenticity and legitimacy of their first time client M/s. AK Industries before facilitation of Customs Clearance of the mis- declared / concealed and prohibited Goods found under import consignment vide Bill of Entry No. 8373930 dated 19.10.2023. Also, CC (P), Delhi vide their letter dated 29.03.2024 reported that the address of the importer was verified on 15.03.2024 and was found to be non- existent.
4. In view of above, Show Cause Notice dated 16.05.2025 was issued to M/s Ambit Shipping Corporation under the provisions of the Customs Brokers Licensing Regulations (CBLR), 2018, which proposed action under Regulation 14 read with Regulation 17 and 18 of CBLR, 2018 on the grounds of contravention of Regulation 10(d), 10(k), and 10(n) of the said Regulations ibid. The Show Cause Notice was based on an offence report received from SIIB, Customs House, Mundra, regarding import of goods under Bill of Entry No. 8373930 dated 19.10.2023 on behalf of M/s AK Industries, New Delhi, wherein

the goods declared as 'Iron Oxide Desulfurizer' were found to actually contain 7000 kg of concealed 'Split Areca Nuts,' a restricted item under DGFT Notification No. 57/2015-20 dated 14.02.2023.

5. Shri Haroon Rashid Khan, Deputy Commissioner of Customs, Kandla, was nominated as Inquiry Officer in terms of Regulation 17 of the CBLR, 2018. The Inquiry Officer conducted proceedings, recorded statements, and provided M/s Ambit Shipping Corporation with full opportunity to present written submissions and be heard in person. The Inquiry Report has summarized that although the Custom Broker accepted documents without due diligence and failed to verify the functioning of their client M/s AK Industries at the declared address, there is no evidence of active collusion with the importer or knowledge of the concealment. The Custom Broker neglected his duty and did not act in accordance with the provisions of CBLR, 2018.

6. The Customs Broker's actions specifically contravene Regulation 10 of the CBLR, 2018, as follows:

d. *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;*

(k) maintain up to date records such as bill of entry, shipping bill, transshipment application, etc., all correspondence, other papers relating to his business as Customs Broker and accounts including financial transactions in an orderly and itemized manner as may be specified by the Principal Commissioner of Custom or Commissioner of Customs or the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be;

(n) verify correctness of Importer Exporter Code (IEC) number, Goods and Service 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;

7. As per Regulation 10(d), The Custom Broker shall advise clients to comply with the Customs Act and allied laws and bring non-compliance to the notice of Customs authorities. However, it appears in this particular case Custom Broker failed to advise their client, M/s A.K. Industries, about compliance requirements

under the Customs Act and DGFT import policy. They also failed to alert Customs about potential irregularities, despite clear red flags such as newly issued IEC and unverified business address.

8. As per Regulation 10(k), The Custom Broker shall maintain up-to-date records of Bills of Entry, correspondence, and financial transactions in an orderly and itemized manner. However, it appears in this case Custom Broker did not maintain complete and verifiable documentation relating to the importer. Documents were received informally via WhatsApp and courier without proper recordkeeping.
9. As per Regulation 10(n), The Custom Broker shall verify the correctness of IEC, GSTIN, identity, and functioning of the client using reliable, independent, authentic sources. However, it appears in this particular case The Custom Broker failed to verify the existence or functioning of M/s A.K. Industries at the declared address. Verification by CC(P), Delhi, later confirmed the address was non-existent.

Personal Hearing and Submissions of the Customs Broker:

10. The Custom Broker was granted an opportunity for Personal hearing on 06.10.2025 at 12:00 noon by the Hon'ble Commissioner. Shri Vikas Mehta, Consultant representing Custom Broker, M/s Ambit Shipping Co., appeared for PH via video conferencing. He reiterated all earlier submissions and requested to make additional written submissions in the matter. During PH, Custom Broker was asked as who was the person contacted/ approached them to avail their services for clearance of goods from Customs.

Shri Vikas Mehta, Consultant made submission vide letter dated 10.10.2025 and the submission, which are interalia reproduced as under:

"We are grateful to your Honour for giving us a patient hearing on 06.10.2025.

2. We take this opportunity to reiterate that we have not committed any violation of the provisions of Regulation 10 (d), (k) and (n) of CBLR, 2018, as duly enunciated in our written submission dated 15.09.2025.

3. It is prayed to kindly appreciate that M/s. A. K. Industries, New Delhi was duly advised by Shri Mitesh Garwa, our employee to comply with the provisions of Customs Act and other laws, as required under Regulation 10 (d) of CBLR, 2018. Nothing contrary to this is brought on record during in-person examination of Shri Mitesh Garwa by the Inquiry Officer in the Inquiry Report dated 31.07.2025. Thus,

allegation germane to breach of Regulation 10 (d) is unsubstantiated.

4. *Similarly, the legal requirements of Regulations 10 (k) and (n) were also duly complied with as duly elaborated in our written submission dated 15.09.2025.*

5. *Further, it is submitted that as per our information and understanding, the exporter M/s. A. K. Industries, New Delhi contacted us (by phone call to Shri Mitesh Garwa, our employee) for import of Iron Oxide Desulfurizer owing to the fact that we were already working as Custom Broker for import of Iron Oxide and Iron Oxide Desulfurizer for following importers:*

Sl.	Importer	Item	First Bill of Entry	Total BE filed till date
1.	M/s. Rachana Hydraulic and Engineering, Morbi, Gujarat.	Iron Oxide	19.04.2017	09
2.	M/s. Hemang International	Iron Oxide	04.02.2020	02
3.	M/s. J. V. Industries, Delhi	Iron Oxide Desulfurizer	26.06.2023	02

6. *Thus, we extended our service of Custom Broker to M/s. A. K. Industries as we were already handling clearance of this particular item.*

7. *We pray to your good self to drop the proceedings for punitive action, i.e. revocation of licence under regulation 14, forfeiture of security under regulation 14, penalty under penalty under regulation 18 of CBLR, 2018.*

8. *We reassure your good self of utmost dedication on our part and strict compliance with the Customs law and procedures governing our operations.*

9. *Without prejudice to above, it is submitted that revocation of Custom Broker licence is a direct hit to livelihood of all the dependents and their families. Hence, punishment, if deemed necessary may not be imposed in each and every case, including those deserving leniency.*

And for this act of kindness, the petitioners, as in duty bound, shall ever pray. "

Shri Vikas Mehta, Consultant reiterated the submissions made by their earlier letter dated 15.09.2025 in respect of infringing regulation 10 (d), (k) and (n) of CBLR, 2018 of CBLR, 2018.

Discussion and Findings:

11. The issues that arise are whether the Customs Broker contravened Regulation 10(d), Regulation 10(k) and Regulation 10(n) of CBLR, 2018, and if so, the consequential action warranted under Regulations 14 and 18 read with Regulation 17.

Allegation 1: Breach of Regulation 10(n)

12. The charge alleges that for the first-time importer M/s A K Industries, the Customs Broker failed to verify the IEC and GSTIN, the identity of the client and the functioning of the client at the declared address by using reliable, independent and authentic documents or data. The SCN records that CC(P) Delhi verified the address on 15.03.2024 and found it non-existent as reported by letter dated 29.03.2024, which demonstrates failure of the statutory duty under Regulation 10(n).

13. The SCN records the admission of Shri Deepak Shrikishan Sharma, F-Card holder and proprietor, under Section 108 of the Customs Act, 1962 that he accepted documents "through informal means (WhatsApp and courier) without physical verification of the importer's business premises" and that IEC and GST registrations were newly issued which required enhanced vigilance. This admission is recorded in paragraph 5 of the SCN. I quote the relevant extract: "admitted under Section 108 of the Customs Act, 1962, to accepting documents through informal means (WhatsApp and courier) without physical verification of the importer's business premises."

14. The Inquiry Officer summoned Shri Nitesh Garva and recorded his statement on 21.07.2025. The record of deposing shows that he deposed before the Assistant Commissioner at 12:00 hours on 21.07.2025. The sheet captures his deposition regarding collection of documents for the clearance and interactions with the importer. The Customs Broker requested a certified copy of this statement by letter dated 22.07.2025 which confirms that the statement was recorded on 21.07.2025.

15. The personal hearing sheet dated 23.07.2025 records the representative's position and reproduces his reiteration that all verification related work was done very carefully. I quote the verbatim lines from the record: "they had done all the verification related work in reference to the importer very carefully and fulfilled all the duties entrusted to them and expected from them by the CBLR, 2018. They have never breached the regulations."

16. The defence has relied on a letter dated 07.01.2025 addressed to the Principal Commissioner, Customs House, Mundra, stating that the fact of misdeclaration was brought to notice. The Inquiry Officer's bundle notes enclosure of this letter.

17. The Bill of Entry in question is dated 19.10.2023 and the 100 percent examination found 7,000 kg Split Areca Nuts, which is a restricted or prohibited item under DGFT Notification 57/2015-20 dated 14.02.2023.

Defence version

18. In the written submission dated 13.07.2025 the Customs Broker denied breach and argued inter alia that Regulation 10(n) was complied with. In the further written submission dated 24.07.2025 they asserted that there is no breach of Regulation 10(d) and that they had advised the client, and that they had no prior knowledge about presence of areca nut in the consignment. They highlighted their letter dated 07.01.2025 and the statement of Shri Nitesh Garva on 21.07.2025.

Reasons for upholding the Inquiry Officer's finding

19. On the preponderance of probability the evidence points to a clear breach of Regulation 10(n). The importer was a first-time client with newly issued IEC and GSTIN as admitted by the proprietor under Section 108 of The Customs Act, 1962. The proprietor also admitted to accepting documents through WhatsApp and courier without any verification of the importer's business premises. The regulatory duty is to verify correctness of IEC, GSTIN, identity and functioning at the declared address by using reliable, independent and authentic documents or data. The subsequent verification by CC(P) Delhi on 15.03.2024 found the address to be non-existent, which corroborates failure of KYC at the material time. The explanation that they later informed Customs by letter dated 07.01.2025 does not cure the original breach at the time of accepting the client and filing the Bill of Entry on 19.10.2023.

20. I have considered case law cited in similar contexts. The Honourable CESTAT, New Delhi in the matter of Perfect Cargo and Logistics, while deciding the Customs Appeal No. 50875 of 2021 in its final Order No. 50347/2022 dated 20.04.2022 [as reported in 2022(04)LCX0167], emphasized that the obligation under Regulation 10(n) is verification using reliable and independent sources. Here, no such independent verification is shown, while the admission under Section 108 of Customs Act, 1962 confirms informal acceptance of documents from a first-time importer with newly issued codes. On these facts, the ratio in the decision rendered in the case of Swastik Cargo Agency by the Honourable CESTAT, New Delhi while deciding the customs Appeal No. 52221 of 2019 in its Final Order No. 50133/2023 decided on 16.02.2023 [as reported in 2023(02) LCX0086] and kindred decisions that treat non-existence at the address as failure of the Customs Broker's Regulation 10(n) duly applies. Accordingly, I uphold the charge under Regulation 10(n), *ibid*.

Allegation 2: Breach of Regulation 10(d)

21. Regulation 10(d) obliges the Customs Broker to advise the client to comply with the provisions of the Customs Act and allied laws and, in case of non-compliance, to bring the matter to the notice of the Deputy or Assistant Commissioner. The allegation is that despite red flags of a first-time importer with newly issued IEC and GSTIN and without proper KYC, the Customs Broker failed to so advise and failed to bring non-compliance to notice until after detection by Customs during examination.

22. The personal hearing record dated 23.07.2025 contains the representative's assertion that duties under CBLR were fulfilled. I quote: "They have never breached the regulations." The written submission dated 24.07.2025 claims that they "had immediately brought the factum of mis-declaration to the notice of Customs" by letter dated 07.01.2025. However, the misdeclaration was detected by Customs during examination of the Bill of Entry dated 19.10.2023, well before 07.01.2025.

Defence version

23. The Customs Broker argues in the written submissions dated 13.07.2025 and 24.07.2025 that they advised the importer to comply and that there was no prior knowledge of areca nut in the consignment and hence the second limb of Regulation 10(d) did not arise before detection.

Reasons for upholding the Inquiry Officer's finding

24. On balance of probabilities, I find breach of Regulation 10(d). The obligation to advise compliance arises when a Customs Broker undertakes representation for a first-time importer with newly issued IEC and GSTIN and with KYC not complete. A prudent broker, in discharge of Regulation 10(d), must either decline to act or, at minimum, place Customs on notice of potential non-compliance. The record shows no intimation before detection on or around the examination linked with the 19.10.2023 Bill of Entry. The ex post facto communication on 07.01.2025 does not satisfy the requirement of bringing non-compliance to notice when it mattered. The evidence therefore supports the Inquiry Officer's conclusion that Regulation 10(d) was breached.

Allegation 3: Breach of Regulation 10(k)

25. Regulation 10(k) requires maintenance of up-to-date records including Bills of Entry, correspondence and other papers relating to the Customs Broker's business in an orderly and itemised manner. The charge arises from the admission that documents were received and processed through informal channels and the absence of reliable primary records of KYC and authorisations at the relevant time.

26. The proprietor's Section 108 admission as recorded in the SCN states that documents were accepted "through informal means (WhatsApp and courier)." The Inquiry record shows that an authorisation in favour of the representative was filed on 23.07.2025 for inquiry proceedings, which does not address whether proper client authorisation and KYC records were maintained at the time of filing the Bill of Entry on 19.10.2023.

Defence version

27. The defence contends that records were maintained and that all duties were fulfilled as reflected in their submissions and during the personal hearing on 23.07.2025.

Reasons for upholding the Inquiry Officer's finding

28. The admission of reliance on informal channels coupled with the absence of contemporaneous, itemised KYC and client functioning records persuades me that the Customs Broker did not maintain records in the manner contemplated by Regulation 10(k). The Inquiry Officer's finding on this count is therefore upheld on preponderance of probability.

Conclusions:

29. I hold that the Customs Broker has contravened Regulation 10(n), Regulation 10(d) and Regulation 10(k) of CBLR, 2018. The Inquiry Officer's findings dated 31.07.2025 are upheld in full.

30. Regulation 14 empowers revocation of licence and forfeiture of security for failure to comply with the regulations and for misconduct rendering the broker unfit to transact business. Regulation 18 empowers imposition of penalty not exceeding 50,000 rupees for contravention. The breaches established are grave. The client was a first-time importer with newly issued registrations. The KYC was deficient. Documents were handled informally. The importer was subsequently found non-existent at the declared address. The consignment contained 7,000 kg of a restricted

commodity concealed against a benign declaration. The Customs Broker's lapse facilitated the risk to revenue and integrity of controls.

31. Considering the nature of violations and the need for deterrence and maintenance of the integrity of the customs clearance system, I find that revocation of Custom Broker License is warranted.

Order

32. Accordingly, I pass the following order:

(i) I revoke the Customs Broker Licence No. KDL/CB/06/2016 dated 05.04.2016 (PAN No. BQVPS5780F) issued to M/s. Ambit Shipping Corporation, having its office at Shop No. 9, Plot No. 80, Sector 9C, Gandhidham, Kachchh, Gujarat – 370201 under Regulation 14 of Customs Brokers Licensing Regulations, 2018 read with Regulation 17 of Customs Brokers Licensing Regulations, 2018.

(ii) I also order for forfeiture of the whole security deposit furnished by the Customs Broker for issuance of CB License No. KDL/CB/06/2016 (PAN No. BQVPS5780F) under Regulation 14 of CBLR, 2018.

(iii) I also impose a Penalty of **Rs. 50,000/- (Rupees Fifty Thousand Only)** upon M/s. Ambit Shipping Corporation having its office at Shop No. 9, Plot No. 80, Sector 9C, Gandhidham, Kachchh, Gujarat – 370201 in terms of Regulation 18 of Customs Brokers Licensing Regulations, 2018.

The said Customs Broker, viz., M/s. Ambit Shipping Corporation is directed to surrender all the original Custom Passes issued to their employees/partners immediately.

This order is being issued without prejudice to any other action that may be taken against the Custom Broker or any other persons (s)/ firm (s) etc. under the provisions of the Customs Act, 1962 and Rules/Regulations framed there under or any other law for the time being in force.

NITIN SAINI,
COMMISSIONER,
C.H., Kandla

Digitally signed by
Nitin Saini
Date: 17-10-2025
00:48:43

BYRPAD/SPEEDPOST/E-Mail TO:

M/s. Ambit Shipping Corporation,
Shop No. 9, Plot No. 80,

Sector 9C, Gandhidham,
Kachchh,
Gujarat – 370201

COPY TO:

1. The Chief Commissioner of Customs, Custom Gujarat Zone, Ahmedabad.
2. The Principal Commissioner/Commissioner of Customs, Custom House Mundra/Ahmedabad/ Jamnagar for the information and necessary action.
3. All Section Heads, Custom House, Kandla.
4. Notice Board.