आयुक्त, सीमा शुल्क का कार्यालय, कांडला.
OFFICE OF THE COMMISSIONER OF CUSTOMS
न्यु कस्टम हाउस, कांडला.
NEW CUSTOMS HOUSE, NEAR BALAJI TEMPLE,
NEW KANDLA-370210
Phone No. 02836-270222 Fax No 02836-271467
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ORDER-IN-ORIGINAL No. 02 /2026

(Under Regulation 17(7) of the Customs Brokers Licensing Regulations, 2018)

1. Brief Facts & Background of the Case

1.1 M/s Ashapura Logistic Solution, having its registered office at Office No. 215, Plot No. 40, Riddhi Siddhi Arcade-II, Chamber of Commerce Road, Gandhidham, Kutch – 370201, holding Customs Broker Licence No. KDL/CB/02/2018-19 dated 19.04.2018 issued by the Commissioner of Customs, Kandla, is hereinafter referred to as the "Customs Broker" or "Noticee".

1.2 An Offence Report dated 06.01.2026 issued by the Directorate of Revenue Intelligence, Gandhidham Regional Unit, was received from Mundra Customs in respect of imports made by M/s Ignite Infraspares, Faridabad, through the above Customs Broker under the following Bills of Entry:

Sr. No.	Bill of Entry No.	Date
1	2282193	26.05.2025
2	2533284	07.06.2025

1.3 The goods were declared as **"Excavator Spare Parts"** under Customs Tariff Heading 84314990. During investigation, the DRI alleged that the goods were actually Hydraulic Rock Breakers and Alloy Chisels, attracting Anti-Dumping Duty under Notification No. 11/2024-Customs (ADD) dated 27.06.2024.

1.4 It was alleged that the Customs Broker had failed to discharge the due diligence obligations prescribed under Regulation 10(n) of the Customs Brokers Licensing Regulations, 2018, particularly in respect of verification of:

- the correctness of the Importer Exporter Code (IEC);
- the GSTIN of the importer;
- the identity of the importer; and
- the actual functioning of the importer at the declared address through reliable, independent and authentic documents, data or information.

1.5 In view of the allegations, Mundra Customs prohibited the Customs Broker from transacting business within the jurisdiction of Mundra Customs Commissionerate under Regulation 15 of the CBLR, 2018. The Offence Report was thereafter forwarded to the Commissioner of Customs, Kandla, being the licensing authority.

1.6 Accordingly, Show Cause Notice dated 17.04.2026 was issued to the Customs Broker under Regulation 17(1) of the CBLR, 2018, proposing:

(i) revocation of the Customs Broker Licence and forfeiture of the security furnished by the Customs Broker under Regulation 14 read with Regulation 17 of the CBLR, 2018; and

(ii) imposition of penalty under Regulation 18 of the CBLR, 2018 for alleged contravention of Regulation 10(n).

2. Defence of the Customs Broker

2.1 The Customs Broker submitted a written reply dated 15.05.2026, denying the allegations and requesting that the proceedings be dropped.

2.2 The Customs Broker submitted that it had obtained the prescribed KYC documents of the importer, including:

- IEC Certificate;

- GST Registration Certificate;
- PAN;
- Aadhaar Card of the proprietor;
- bank verification documents; and
- authority letter issued in favour of the Customs Broker.

2.3 It was submitted that the above documents were issued by competent Government authorities and were reliable and authentic for the purpose of Regulation 10(n) of the CBLR, 2018.

2.4 The Customs Broker further submitted that the Bills of Entry were filed on the basis of the import documents and declarations furnished by the importer through the authorised Multimodal Transport Operator/Freight Forwarder. It was contended that the Customs Broker was not required to physically inspect the premises of the importer or conduct an independent field investigation into the business activities of the importer.

2.5 The Customs Broker also submitted that there was no evidence of its collusion, conspiracy, prior knowledge, active participation or deliberate involvement in the alleged misdeclaration of goods or evasion of Anti-Dumping Duty.

2.6 The Customs Broker relied upon the decision of the Hon'ble CESTAT in *Anax Air Services Pvt. Ltd. v. Commissioner of Customs* and submitted that physical verification of the importer's premises was not mandatory where verification had been undertaken through authentic Government-issued documents.

2.7 The Customs Broker requested that the allegation under Regulation 10(n) be held to be unsustainable and that the proceedings be dropped.

3. Inquiry Proceedings

3.1 In terms of Regulation 17(5) of the CBLR, 2018, an inquiry was conducted by the Inquiry Officer after examining the Show Cause Notice, the DRI Offence Report, the relied upon documents, the written reply of the Customs Broker and the records available on file.

3.2 The Inquiry Officer submitted the **Inquiry Report dated 15.07.2026** under Regulation 17(5) of the CBLR, 2018. The Inquiry Officer observed that the Customs Broker had substantially complied with the documentary KYC requirements by obtaining the prescribed Government-issued documents.

3.3 However, the Inquiry Officer observed that the Customs Broker had accepted the documents through an intermediary and had not undertaken independent verification of the actual functioning of the importer at the declared address.

3.4 The Inquiry Officer further observed that although Regulation 10(n) does not expressly mandate physical verification of the importer's premises, the degree of due diligence expected from a licensed Customs Broker requires reasonable independent verification wherever circumstances so warrant.

3.5 Accordingly, the Inquiry Officer held that the charge under Regulation 10(n) was partly proved, limited to inadequate due diligence in verifying the functioning of the importer at the declared address.

3.6 The Inquiry Officer also recorded that there was no evidence of collusion, conspiracy, prior knowledge, active participation, fraud, abetment or any undue benefit derived by the Customs Broker in relation to the alleged misdeclaration of goods or evasion of Anti-Dumping Duty.

3.7 Considering the documentary compliance undertaken by the Customs Broker, the absence of mala fide intention and the technical nature of the lapse, the Inquiry Officer recommended that:

the proposal for revocation of the Customs Broker Licence be dropped;

the proposal for forfeiture of the security deposit be dropped; and

an appropriate minor penalty or warning be considered for ensuring future compliance with KYC obligations.

4. Personal Hearing and Subsequent Representation

4.1 A personal hearing was granted to the Customs Broker on 10.09.2026.

4.2 During the personal hearing, the authorised representative of the Customs Broker reiterated the submissions made in the written reply and requested that the proceedings be dropped.

4.3 The Customs Broker also submitted a written representation/reply in connection with the personal hearing. The submissions made therein have been taken into consideration while deciding the present proceedings.

5. Discussion and Findings

5.1 I have carefully gone through the Show Cause Notice dated 17.04.2026, the DRI Offence Report dated 06.01.2026, the relied upon documents, the written reply dated 15.05.2026, the Inquiry Report submitted under Regulation 17(5) of the CBLR, 2018, the submissions made during the personal hearing held on 10.09.2026 and the subsequent representation submitted by the Customs Broker.

5.2 The issue for determination is whether the Customs Broker contravened Regulation 10(n) of the CBLR, 2018 and, if so, what action is warranted under Regulations 14, 17 and 18 of the CBLR, 2018.

5.3 Regulation 10(n) of the CBLR, 2018 requires a Customs Broker to verify the correctness of the IEC number, GSTIN, identity of the client and functioning of the client at the declared address by using reliable, independent, authentic documents, data or information.

5.4 In the present case, the records establish that the Customs Broker had obtained the IEC, GST registration, PAN, Aadhaar, bank verification documents and authority letter of the importer before undertaking the customs clearance work.

5.5 Thus, the Customs Broker had undertaken substantial documentary KYC compliance. However, the evidence on record also indicates that the Customs Broker relied upon documents received through an intermediary and did not independently verify the actual functioning of the importer at the declared address.

5.6 I find that the Customs Broker was required to exercise reasonable and appropriate due diligence while verifying the antecedents and functioning of the importer. The mere possession of certain documents, without reasonable independent verification wherever circumstances so warrant, cannot by itself be treated as complete compliance with Regulation 10(n).

5.7 Accordingly, I concur with the finding of the Inquiry Officer that the charge under Regulation 10(n) is partly proved, limited to inadequate due diligence in verifying the actual functioning of the importer at the declared address.

5.8 At the same time, there is no material on record to establish that the Customs Broker knowingly facilitated the alleged misdeclaration, connived with the importer, had prior knowledge of the alleged evasion of Anti-Dumping Duty, or derived any undue benefit from the transactions.

5.9 The lapse established against the Customs Broker is therefore procedural and technical in nature. The same does not appear to be deliberate, fraudulent or motivated by mala fide intention.

5.10 I have also taken into consideration that the Customs Broker had obtained various Government-issued KYC documents and that the Inquiry Officer has recommended dropping of the proposals for revocation of licence and forfeiture of security deposit.

5.11 Having regard to the facts and circumstances of the case, the nature of the lapse, the extent of documentary compliance, the absence of evidence of collusion or deliberate misconduct and the principle of proportionality, I find that revocation of the Customs Broker Licence and forfeiture of the security deposit are not warranted in the present case.

5.12 However, the established lapse in the verification of the importer's functioning at the declared address cannot be completely disregarded. A monetary penalty under Regulation 18 of the CBLR, 2018 is therefore warranted to ensure strict compliance with the obligations prescribed under

Regulation 10(n) in future.

Order

In view of the foregoing discussion and findings, and in exercise of the powers conferred upon me under the Customs Brokers Licensing Regulations, 2018, I hereby pass the following order:

6.1 Finding on the Charge

The charge of contravention of Regulation 10(n) of the CBLR, 2018 against M/s Ashapura Logistic Solution, Customs Broker Licence No. KDL/CB/02/2018-19, is held to be partly proved, limited to inadequate due diligence in independently verifying the actual functioning of the importer at the declared address.

6.2 Revocation of Licence & Forfeiture of Security Deposit

The proposal for revocation of Customs Broker Licence No. KDL/CB/02/2018-19 under Regulation 14 read with Regulation 17 of the CBLR, 2018 is hereby **dropped**. The proposal for forfeiture of the security deposit furnished by the Customs Broker is hereby **dropped**.

6.3 Imposition of Monetary Penalty

In terms of Regulation 18 of the CBLR, 2018, I impose a monetary penalty of **Rs.25,000/-(Rupees Twenty Five Thousand only)** upon **M/s Ashapura Logistic Solution**, Customs Broker Licence No. KDL/CB/02/2018-19, for failure to exercise the required due diligence under Regulation 10(n) of the CBLR, 2018 in verifying the actual functioning of the importer at the declared address.

6.4 The Customs Broker is hereby directed to strictly comply with all obligations prescribed under Regulation 10(n) of the CBLR, 2018 in future and to undertake proper, reasonable, independent and verifiable KYC due diligence before accepting customs clearance work from any client.

6.5 This order is issued without prejudice to any other action that may be taken under the Customs Act, 1962 or any other law for the time being in force.

7. Right to Appeal

7.1 An appeal against this order may be filed before the Hon'ble Customs, Excise and Service Tax Appellate Tribunal in terms of Regulation 19 of the Customs Brokers Licensing Regulations, 2018 read with Section 129A of the Customs Act, 1962, within the prescribed period and in the manner provided under the said Act and the applicable rules.

7.2 The appeal should be filed in accordance with the statutory requirements relating to limitation, form, fee and pre-deposit, wherever applicable.

Digitally signed by
Dinesh Singh
Date: 24-09-2026
16:43:52

(DINESH SINGH)
Commissioner of Customs
Custom House, Kandla

F.NO. **GEN/CB/SUS/4/2026-CB**

M/s Ashapura Logistic Solution
Office No. 215, Plot No. 40,
Riddhi Siddhi Arcade-II, Chamber of Commerce Road,
Gandhidham, Kutch – 370201.

Copy to:

1. The Chief Commissioner of Customs, Customs Gujarat Zone, Ahmedabad.
2. The Principal Commissioner/Commissioner of Customs, Mundra Customs, for information.
3. The Assistant Commissioner, Customs Broker Section, Custom House, Kandla.
4. The Inquiry Officer concerned.
5. EDI Section, Custom House, Kandla, for uploading on the official website.
6. Notice Board.
7. Guard File.