

**Customs, Excise & Service Tax Appellate Tribunal
West Zonal Bench At Ahmedabad**

REGIONAL BENCH- COURT NO. 02

Customs Appeal No. 10188 of 2018

[Arising Out Of OIO-AHM-CUSTM-000-15-16-17 Dated- 07/03/2017 passed by
Commissioner of Central Excise, Customs and Service Tax-AHMEDABAD)

Shri Haresh Gadhiya

Manager 18, Dharma Jivan Row House Near Bridge,
Mota Varachha, Plot No. A/1-2, Block No.57,
Pipodara, Industrial Estate, Pipodara, Taluka - Mangrol,
SURAT, GUJARAT

.....Appellant

VERSUS

C.C.-Ahmedabad

Custom House, Near All India Radio Navrangpura,
Ahmedabad, Gujarat

.....Respondent

APPEARANCE:

Shri. P. P Jadeja, Consultant for the Appellant
Ms. Sunita Menon, Superintendent (AR) for the Respondent

CORAM: HON'BLE MR. SOMESH ARORA, MEMBER (JUDICIAL)

Final Order No. 10131/2026

DATE OF HEARING: 23.02.2026
DATE OF DECISION: 23.02.2026

SOMESH ARORA

In this case, the allegation of illegal importation has been raised against the main accused M/s. Rudrani Impex Pvt Ltd. Against the present appellant a penalty of Rs. 1,00,000/- under Section 112(a) and Rs. 20,000/- under Section 114AA of Customs Act, 1962 has been imposed for diversion of imported computerized Embroidery Machines against dummy IEC and EPCG Licences Holders, On payment of zero duty and duty of 3% concessional on customs duty. The present appellant, Shri. Harish Gadhiya was employee of the CHA at the relevant time and worked for two months and dealt with 12 Bills of Entry out of a total number of more than 5,000

Bills of Entry. He has been subjected to penalty for his alleged knowledge that the diversion was taking place to dummy units. The Advocate also submits that in the instant case no penalty has been imposed on CHA firm as well as the G-Card holder who has signed the documents.

3. Penalty in view of knowledge is therefore sustainable. The same is being reduced however, with consent of both sides, the penalty imposed under Section 112(a) of 1,00,000/- is being reduced to Rs. 50,000/- and of Rs. 20,000/- under Section 114AA is being reduced to Rs. 10,000/-

4. Appeal partly allowed.

(Dictated & Pronounced in the open court)

(SOMESH ARORA)
MEMBER (JUDICIAL)

Prachi