CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
NEW DELHI

PRINCIPAL BENCH - COURT NO. 1

CUSTOMS APPEAL NO. 51608 OF 2025
(Arising our of Order-in-Original No. 74/VPS/POLICY/2024 dated 31.12.2024 passed by the Commissioner of Customs (Airport & General), New Delhi)

Sadagati Clearing Services Pvt Ltd ..... **Appellant**
A-13, Okhla Industrial Area, Phase I,
New Delhi-110020

Versus

Commissioner of Customs (Airport & General)- New Delhi ..... **Respondent**
New Customs House, Near IGI Airport,
New Delhi-110037

APPEARANCE:
Shri Devesh Tripathi and Shri Shivendu Sharma, advocates for the appellant
Shri K.K. Bashisht, authorized representative of the department

CORUM:
HON'BLE MR. JUSTICE DILIP GUPTA, PRESIDENT
HON'BLE MR. P.V. SUBBA RAO, MEMBER (TECHNICAL)

Date of hearing/decision: April 10, 2026

FINAL ORDER NO. 50781/2026

JUSTICE DILIP GUPTA:

Sadagati Clearing Services Pvt Ltd[1] has filed this appeal to assail the order dated 31.12.2024 passed by the Commissioner of Customs (Airport & General)[2] by which the Customs Brokers' License of the appellant has been revoked; the whole amount of security deposit has been forfeited and penalty of Rs. 50,000/- has been imposed on the appellant.

2. The aforesaid order passed by the Commissioner adjudicates the show cause notice dated 09.07.2024, that was issued to the appellant under the provisions of the Customs Brokers' Licensing Regulations, 2018[3].

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1. **the appellant**
2. **the Commissioner**
3. **the 2018 Regulations**

3. The submission that has been advanced by Shri Devesh Tripathi, learned counsel for the appellat, is that the order impugned deserves to be set aside for the sole reason that the show cause notice dated 09.07.2024 is vague. To support this contention, learned counsel has placed the show cause notice that runs from page numbers 678 to 817 of the Appeal Memo. Learned counsel pointed out that paragraph 20 of the show cause notice has merely called upon the appellant to show cause as to why an appropriate order may not be passed for violation of provisions of regulations 10(d), 10(e) and 10(q) of the 2018 Regulations without even mentioning why the appellant has violated the provisions of these regulations.

4. Shri K.K. Bashisht, learned authorised representative appearing for the department has, however, supported the impugned order and has submitted that it does not call for any interference in this appeal.

5. To examine the contention that has been advanced by the learned counsel for the appellant, it would be necessary to examine the show casue notice dated 09.07.2024 which has been adjudicated upon by the impugned order. Paragraph number 1 of the show cause notice merely refers to the description of the appellant. Paragraph number 2 states that a letter dated 27.09.2023 was received from the appellant for surrendering F-card and on receipt of the said letter, information was sought from various ICDs/ports as to whether any case or dues were pending against the F-card holder. It has further been stated in the paragraph that the appellant was issued a show cause notice dated 11.07.2023 by the Additional Commissioner of Customs. Paragraph number 4 of the show cause notice mentions that as the copy of the said show cause notice dated 11.07.2023 was not provided, a

request was made to the Assistant Commissioner of Customs to provide the copy of the said show cause notice. It also mentions that a copy of the show cause notice dated 11.07.2023 was provided on 26.03.2024. Paragraph number 5 of the show cause notice, which begins at page number 679 of the Appeal Memo, merely reproduces the show cause notice dated 11.07.2023 and this paragraph runs upto page number 809. Paragraph number 6 of the show cause notice mentions that from the aforesaid show cause notice dated 11.07.2023, it appears that the appellant had violated the provisions of the 2018 Regulations. Paragraph number 7 mentions that the license of the appellant was suspended. Paragraph number 8 of the show cause notice mentions that an opportunity of hearing was granted to the appellant regarding the suspension of license. Paragraph number 9 of the show cause notice relates to the records of personal hearing. Paragraph number 10 of the show cause notice refers to the submissions of the appellant in respect of suspension of licence. Paragraph numbers 11 to 19 relate to discussions and findings regarding the order passed on the suspension of license and the confirmation of the suspension order on 29.05.2024.

6. Paragraph number 20 of the show cause notice, which is the only relevant paragraph, is reproduced below:

> "**20**. Whereas from the above, it appears that the CB M/s Sadagati Clearing Services Pvt Ltd. has violated the following regulations of CBLR. 2018 read with Regulation 13 (d) and 13 (c) of CBLR. 2004 and Regulation 11 (d) and 11 (e) of CBLR. 2013 for the reasons narrated in preceding paras:-
>
> Regulation 10(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:

> Regulation 10(e): exercise due diligence to ascertain the correctness of any information which he imparts to a client with reference to any work related to clearance of cargo or baggage:
> Regulation 10(q): co-operate with the Customs authorities and shall join investigations promptly in the event of an inquiry against them or their employees"

7. Paragraph number 21 of the show cause notice appoints an Inquiry Officer and directs the appellant to appear before the Inquiry Officer and submit his representation within 30 days of the issue of this show cause notice.

8. Paragraph number 22 of the show cause notice calls upon the appellant to show cause as to why the appellant should not be held liable for contraventions of the provisions of regulations 10(d), 10(e), and 10(q) of the 2018 Regulations and why his license should not be revoked; security be forfeited and penalty be imposed. The said paragraph is reproduced below:

> "**22**. M/s Sadagati Clearing Services Pvt. Ltd., (PAN No AAVCS2245K), A-l3, Okhla Industrial Area. Phase-I. New Delhi 110020, having CB License No. 05/DEL/CUS/2016, valid up to 26.05.2025, in terms of Regulation 17 of CBLR. 2018 read with Regulation 22, of CHALR. 2004 and Regulation 20 of CBLR. 2013 are hereby called upon to Show Cause to the Commissioner of Customs (Airport & General), New Customs House, New Delhi within thirty days of the receipt of the Inquiry Report, that in terms of the above paras and the Inquiry Report as to why:
> (I) they should not be held responsible for contravention of provisions of Regulation 10(d), 10(e) & 10(q). of Customs Broker Licensing Regulation. 2018 read with Regulation 13 (d) and 13 (e) of CHALR, 2004 and Regulation !! (c) and I1 (e) ol CBLR. 2013:
> (II) their Customs Broker License No. 05/DEL/CUS/2016 (PAN No AAVCS2245K) valid upto 26.05.2025 should not be revoked and part or whole of the security submitted at the time of issue of their Registration, should not be forfeited in terms of Regulation 14 and 17 of CBLR, 2018

> read with Regulation 20 and 22 of CHALR. 2004 and Regulation 18 and 20 of CBLR, 2013.
> (II) penalty should not be imposed on them under the provisions of Regulation 17 and 18 of CBLR. 2018 read with Regulation 22 of CHALR. 2004 and Regulation 20 and 22 of CBLR. 2013."

9. It, therefore, clearly transpires that after reproducing the show cause notice dated 11.07.2023 issued to the appellant under the provisions of the Customs Act and the proceedings relating to confirmation of the suspension order of the appellant, the show cause notice in paragraph 20 mentions that from the aforesaid it appears that the appellant has violated regulations 10(d), 10(e) and 10(q) of the 2018 Regulations. The show cause notice does not mention as to why the appellant has violated these provisions. Learned counsel for the appellant is, therefore, justified in contending that the show cause notice is absolutely vague and the order impugned deserves to be set aside for this reason.

10. This issue was examined at length by this Bench in **Customs Appeal No. 50020 of 2025**[4] which was decided on 19.03.2026. The Tribunal examined a similar show casue notice that was issued to M/s Entire Logistice Pvt. Ltd. and the impugned order was set aside for the reason that the show cause notice did not even make an attempt to state the allegations concerning the five regulations of which the violations had been alleged. The order, further holds that it was imperative for the officer issuing the show cause notice to precisely spell out the allegations pertaining to the regulations of which violations were alleged.

11. The show cause notice dated 09.07.2024 that was issued to the appellant is similar to the show cause notice that was issued to M/s Entire Logistics Pvt. Ltd. and M/s Vogue Logistics Pvt. Ltd.

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4. M/s Vogue Logistics Pvt. Ltd vs Commissioner of Customs (Airport & General), New Delhi

12. Against order of the Tribunal in **M/s Entire Logistics Pvt. Ltd.**[5], the department filed an appeal before the Delhi High Court which was numbered as **CUSAA 55/20253**[6]. This appeal was dismissed by the Delhi High Court by judgment dated 12.03.2026 and the relevant portion of the judgment is reproduced below :-

> "**9**. Since the counsel for the appellant has specifically relied on para 4 of the show cause notice, it is necessary for us to refer to the said para. For the convenience, we have reproduced the said para, which reads thus: "4. Whereas from the above and facts conveyed through the above said Show Cause Notice No. GEN/ ADJ/ COMM /410/2022-Adjn/O/o-Commr-Cus-Prev-Jodhpur dated 30.12.2022, it appears that the CB has violated provisions of Regulation 10(a), 10(d),10(e), 10(n) & 13(12) of CBLR 2018 read with Regulation 11(a),11(d), 11(e), 11(n) & 17(9) of CBLR 2013 respectively for the reasons narrated in preceding paras and in order to establish the contravention as detailed above, an enquiry/examination is essential. Therefore, in terms of Regulation 17 of CBLR 2018 read with Regulation 20 of CBLR 2013, Ms Bullo Mamu, Deputy Commissioner of Customs, IGI Airport, New Delhi is being appointed as an Inquiry officer in the above discussed case. M/s Entire Logistics Pvt. Ltd., the authorized Customs Broker is required to join the proceedings before the Inquiry officer and to submit his representation, if any, to the inquiry officer within thirty days of the issuance of this Show Cause Notice. The Inquiring authority shall submit a report within ninety days of the issuance of this Show Cause Notice to the Commissioner of Customs (Airport & General), New Custom House, New Delhi."

13. The present case is squarely covered by the decision of the Tribunal in **M/s Entire Logistics Pvt. Ltd.** and the decision of the Delhi High Court in the matter of **M/s Entire Logistics Pvt. Ltd.**.

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5. Customs Appeal No. 50374 of 2024 decided on 28.08.2024
6. Commissioner of Customs, Airport and General, New Delhi vs M's Entire Logistics Pvt. Ltd.

14. In the present case as noticed above, the F-card holder had applied for surrender of his license. The proceedings that have been initiated against the appellant are as a result of the application submitted by the F-card holder for surrender of his license.

15. The impugned order dated 31.12.2024 adjudicating the show cause notice, therefore, deserves to be set aside for the reason that the show cause notice that was issued to the appellant was vague. The order is, accordingly, set aside and the application submitted by the F-card holder for surrender of his license should be accepted. The appeal is, accordingly, allowed.

(Dictated and pronounced in open court)

(JUSTICE DILIP GUPTA)
PRESIDENT

(P.V. SUBBA RAO)
MEMBER (TECHNICAL)

Apoorva