CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
NEW DELHI
PRINCIPAL BENCH - COURT NO. III

Customs Appeal No.52359/2024

[Arising out of Order-in-Original No.63/VPS/Policy/2024 dated 21.10.2024 passed by the Commissioner, Customs (Airport & General), New Delhi]

M/s. Entire Logistics Pvt. Ltd. **...APPELLANT**
[Customs Broker],
207, M.S. Chamber, Laxmi Nagar,
Near Heera Sweets, Main Vikas Marg,
New Delhi-110 092.

Versus

Commissioner of Customs(Airtpot & General), **...RESPONDENT**
New Customs House, New I.G.I. Airport,
New Delhi-110 037.

AND

Customs Appeal No.50591/2025

[Arising out of Order-in-Original No.11/VPS/Policy/2025 dated 28.02.2025 by the Commissioner, Customs (Airport & General), New Delhi]

M/s. Entire Logistics Pvt. Ltd. **...APPELLANT**
[Customs Broker],
207, M.S. Chamber, Laxmi Nagar,
Near Heera Sweets, Main Vikas Marg,
New Delhi-110 092

Versus

Commissioner of Customs(Airport & General), **...RESPONDENT**
New Customs House, New I.G.I. Airport,
New Delhi-110 037.

Appearance:

Shri Salil Arora, Advocate for the appellant.
Shri Shiv Shankar, Authorised Representative for the Department.

CORAM:
HON'BLE MS. BINU TAMTA, MEMBER (JUDICIAL)
HON'BLE MR. P.V. SUBBA RAO, MEMBER (TECHNICAL)

FINAL ORDER NOS.51293-51294 /2026

Date of Hearing:29.07.2026
Date of Decision:07.08.2026

BINU TAMTA:

1. These two appeals arise out of the proceedings initiated pursuant to the show cause notices dated 3.5.2024 and 23.09.2024 for violation of the provisions of the Regulation 10(d) and 10(e) of the Customs Broker Licensing Regulation, 2018[1]. The impugned orders dated 21.02.2024 and 28.02.2025 imposed the punishment of revocation of licence, forfeiture of security deposit and imposition of penalty of Rs.50,000.

2. The appellant, a Customs Broker had filed bill of entry No.2124869 dated 02.12.2020 for M/s. Sym Company[2] for clearance of goods described as "Boiled Beetle Nuts" declaring the assessable value of Rs.44,42,432/- and classified the goods under CTH 21069030 (Beetle Nut Product) known as "Supari". The present show cause notice and the impugned orders have been passed on the basis of the earlier show cause notice dated 30.12.2022 resulting in the order-in-original dated 29.11.2023 holding that the imported goods were mis-classified and under-valued as on examination, it was found that the goods should have been classified under CTH 080280 (Areca Nuts) instead of 21069030 as the goods retained the character of "Beetle Nuts" even after boiling and not "of preparation containing beetle nuts". Secondly, the goods were imported at a price of approximately of Rs.84/- per kg., which was much below the minimum import price of Rs.25/- per kg. prescribed by DGFT Notification No.20/2015 (NT) 20 dated 25.07.2018. The allegation was that the appellant being the customs broker failed to exercise due diligence and did

[1] CBLR, 2018
[2] Importer

not advise the importer properly. The appellant was, therefore, charged for violation of Regulation (b & e) of CBLR.

3. Heard both the sides and perused the records of the case.

4. Shri Salil Arora, learned Counsel for the appellant primarily argued that the show cause notice does not clearly states the allegations as to the violation of the Regulations by the appellant and has left it on to the appellant to interpret the offence report. The show cause notice being silent as to the explicit allegations of violation of Regulations, the impugned order is not sustainable. In support of his argument, he has relied on the following decisions:-

> **(1) Gorkha Security Services Vs. Government (NCT of Delhi) and Others[3]**
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> **(2) Global Links Vs. Pr. Commissioner of Customs, Airport & General, New Delhi[4]**
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> **(3) Commissioner of Customs (Airport and General), New Delhi Vs. Global Links[5]**
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> **(4) Kunal Travels (Cargo) Vs. CC (I & G) , IGI Airport, New Delhi [6]**

5. Learned Counsel has also placed on record the order passed in their own case **M/s. Entire Logistics Vs. Commissioner of Customs (Airport & General), New Delhi[7]** relating to the show cause notice and the order-in-original being passed in similar circumstances, which has been set aside by the Tribunal. The said order has been affirmed by the High Court of Delhi[8] rejecting the appeal filed by the Department.

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[3] (2014) 9 SCC 105
[4] (2025) 33 Centax 334 (Tri.-Del.)
[5] (2025) 20 Centax 53 (Delhi)
[6] 2017 (354) ELT 447 (Del.)
[7] Final Order No.58115/2024 dated 28.02.2024
[8] CUSAA 55/2025 & CM APPL.16510/2025 dated 12.03.2026

6. Per contra, Shri Shiv Shankar, learned Authorised Representative for the Department has reiterated the findings made in the impugned order and prayed that the appeals need to be dismissed.

7. Having examined the show cause notice issued by the Department and also the order-in-original passed by the Adjudicating Authority, we find that they are based basically on the order-in-original dated 29.11.2023. The entire show cause notice as well as the order-in-original has been quoted ***in extenso*** and in so far as the allegations concerning the appellant, if any, have not been substantiated. Comparing the order passed by the Tribunal in respect of the appellant on the earlier occasion **(M/s. Entire Logistics Vs. Commissioner of Customs (Airport & General), New Delhi)** with the order-in-original passed in the present case, there is no doubt that they have been passed in similar circumstances and on identical basis, therefore, the order passed by the Tribunal squarely covers the present controversy and, is, therefore, binding on us. Moreover, the said order was challenged by the Revenue and the High Court of Delhi affirmed the decision of the Tribunal, *inter alia,* observing as under:-

> **"10.** The perusal of the aforesaid para contemplates that the material borrowed from the show cause notice dated 30th December, 2022 issued under the Customs Act, particularly from paras 37-37.4, 38, 38.1, 49 and 50 were relied on. The material in the said show cause notice which is relied on for initiating action against the respondent was for the purpose of the initiation of action under the Customs Act, 1962 wherein the show cause notice pertains to the penalty being imposed under Section 112(a), 112(b), 114AA and 117 of the Customs Act, 1962.
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> **11.** As far as the said material is concerned, the least that was expected of the appellant was to specify in the show cause notice, as to how the said material comes within the ambit and satisfaction of the opinion to be formed for the purpose of prima facie recording violation of the regulations 10(a), 10(d), 10(e) and 10(n). However, the respondent was not provided with any specific allegations explaining the mode or manner in which the alleged violations are attributable to them.

12. Though Order-in-Original in detail considers the violations by the respondent, however, the fact remains that the Order-in-Original has travelled beyond the scope of the show cause notice.

13. One can understand that the appellant at the relevant time, giving a concession before the CESTAT, saying that they be permitted to withdraw the Order-in-Original and causing a fresh show cause notice to the respondent based on the material which was relied on or in which the reasons are recorded against the respondent.

14. However, there is complete failure on the part of the appellant to do so and it is only after the CESTAT allowed the appeal, having recorded that the appellant has travelled beyond the show cause notice, the appellant has tried to justify their show cause notice based on the material which is found to be basis for passing the Order-in-Original.

15. It is a settled position of law that in case if the show cause notice is vague or the order based on the show cause notice considers such material which was never part of the record of the show cause notice, the order can be said to be in violation of the principles of natural justice. The said position is also affirmed by the judgment of the Apex Court in Commissioner of Central Excise, Bangalore vs Brindavan Beverages (P) Ltd. and Ors. (2007) 5 SCC 388, which reads as under:

> **"14.** There is no allegation of the respondents being parties to any arrangement. In any event, no material in that regard was placed on record. The show-cause notice is the foundation on which the Department has to build up its case. If the allegations in the show-cause notice are not specific and are on the contrary vague, lack details and/or unintelligible that is sufficient to hold that the noticee was not given proper opportunity to meet the allegations indicated in the show-cause notice. In the instant case, what the appellant has tried to highlight is the alleged connection between the various concerns. That is not sufficient to proceed against the respondents unless it is shown that they were parties to the arrangements, if any. As no sufficient material much less any material has been placed on record to substantiate the stand of the appellant, the conclusions of the Commissioner as affirmed by CEGAT cannot be faulted."

8. Considering the facts of the present case, the show cause notice is almost identically worded as has been referred by the Tribunal and the High Court. The relevant paras are quoted below as under:-

"**4.** Paragraph 3 of the show cause notice is followed by paragraph 4 which is as follows:

> "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. 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): a Customs Broker shall 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(n): 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.

5. Paragraph 5 of the show cause notice then proceeds to state that from the above it appears that the appellant is found to be contravening the provisions of regulations 10(a), 10(d), 10(e), 10(n) and 13 (12) of the Customs Brokers Licensing Regulations 20183 for the reasons narrated in the preceding paragraphs. It, therefore, calls upon the appellant to join the proceedings before the enquiry officer and the enquiry officer was required to submit his report within 90 days from the date of issuance of the show cause notice."

9. From the reading of the above paragraphs, we are also of the considered opinion that the Revenue has failed to substantiate the allegations against the appellant for violation of the Regulations and, therefore, it can be very well said as noted on the earlier occasions by the Tribunal that it has been left to the wisdom of the appellant to decipher what can be curled out against the appellant in respect of the alleged violation of the Regulations.

10. Following the decision of the Tribunal and the High Court, we set aside the show cause notices on the preliminary ground that the contents thereof are absolutely vague. Consequently, the impugned orders dated 21.02.2024 and 28.02.2025 passed by the Commissioner of Customs are set aside. The appeals are, accordingly allowed.

[pronounced on 7th August, 2026]

(BINU TAMTA)
MEMBER (JUDICIAL)

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

Ckp.