

**CUSTOMS, EXCISE & SERVICE TAX APPELLATE
TRIBUNAL
BANGALORE**

REGIONAL BENCH - COURT NO. 1

Customs Appeal No. 20039 of 2024

(Arising out of Order-in-Original No. 77/2021-22 dated 23.11.2021
passed by the Commissioner of Customs (Preventive), Cochin.)

**M/s. Casino Air-Caterers &
Flight Services,**

(a unit of Anjali Hotels Pvt. Ltd.)
Building No. VIII/2B-06,
Pallickal Village,
Kumminiparamba P.O.,
Calicut International Airport,
Karipur, Kondotty, Malappuram – 673
647.
Kerala.

Appellant(s)

VERSUS

**Commissioner of Customs
(Preventive)**

5th Floor, Catholic Centre, Broadway,
Cochin – 682 031, Kerala.

Respondent(s)

APPEARANCE:

Mr. Abraham Joseph Markos, Advocate for the Appellant

Mr. Vikalp Jain, Superintendent (AR) for the Respondent

CORAM:

HON'BLE MR P.A. AUGUSTIAN, MEMBER (JUDICIAL)

HON'BLE MRS R. BHAGYA DEVI, MEMBER (TECHNICAL)

Final Order No. 20828 /2026

DATE OF HEARING: 23.06.2026

DATE OF DECISION: 23.06.2026

PER : P.A. AUGUSTIAN

Issue involved in the present appeal is regarding demand
of 'cost recovery charges'. Appellant is providing in-flight
catering services to various airlines and holding Special Bonded

Warehouse License. Alleging that as per the Notification No.72/2016-Customs (NT) dated 14.05.2016, appellant is liable to pay cost of customs supervision and alleging non-payment of the same, proceedings were initiated by issuing a show-cause notice No.28/2021-22-Cus. dated 14.06.2021. Adjudicating authority as per the impugned order confirmed the differential amount for the period from April 2017 to March 2019 and cancelled the Special Bonded Warehouse Licence issued to the appellant. Aggrieved by the said order, present appeal is filed.

2. When the appeal came up for hearing, learned counsel for the appellant submits that when the impugned order was issued, appellant failed to notice the cancellation of the licence and paid the differential cost recovery charges as confirmed in the impugned order and in spite of such cancellation of the licence, appellant used to pay cost of supervision, even pursuant to the impugned order which have been accepted by the Revenue. However, on 31.05.2023, when enquiry was made regarding the appeal filed by the appellant challenging the impugned order, appellant had approached the Hon'ble High Court of Kerala and the High Court vide Order dated 23.06.2023 in WP(C) No.20484 of 2023 directed the Department not to implement the cancellation of the licence till the petition for COD and stay petition are considered by this Tribunal. Present appeal is filed with a petition for condonation of delay. Learned counsel further submitted that the impugned order was stayed by this Tribunal vide order dated 21.08.2023. Regarding the issue on merit, the learned counsel submitted that they have a strong case on merit, since they paid the entire amount as per the impugned order, not challenged the demand confirmed by the impugned order and the limited prayer of the appellant is to set aside the cancellation of the licence.

3. Learned AR for the Revenue reiterated the findings of the Commissioner.

4. Heard both sides and perused the records.

5. We find that the appellant is not contesting the demand of Rs.14,05,290/- being the difference between the cost recovery charges leviable and the MOT charges remitted for the period April 2017 to March 2019, since said amount has already paid by the appellant on 31.12.2021. We also find that there is no breach of license condition prescribed under Notification No.72/2016-Cus.(NT) dated. 14.05.2016. Accordingly, appellant's prayer is allowed by modifying the impugned order confirming the demand. The cancellation of the Special Bonded Warehouse Licence is set aside. Appeal is partly allowed.

(Operative part of this Order was pronounced in Open Court on conclusion of the hearing.)

(P.A. AUGUSTIAN)
MEMBER (JUDICIAL)

(R. BHAGYA DEVI)
MEMBER (TECHNICAL)

Raja...