

CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
NEW DELHI

PRINCIPAL BENCH - COURT NO. 1

CUSTOMS APPEAL NO. 51310 OF 2025

(Arising out of Order-In-Appeal No. D-I/Export/NCH/2691/2020-21 dated 13.01.2025 passed by the Commissioner of Customs (Appeals), New Customs House, New Delhi.)

M/s A.J. Mill Store Agency Pvt. Ltd., **Appellant**

Auri More, P.O. Anpara,
Sonebhadra, U.P.- 231225

Versus

Commissioner of Customs, **Respondent**

Air Cargo Complex (Export),
New Custom House,
New Delhi- 110037

APPEARANCE:

Shri B.L. Garg, advocate for the appellant

Shri K.K. Basist, authorised representative of the department

CORAM:

HON'BLE MR. JUSTICE DILIP GUPTA, PRESIDENT

HON'BLE MR. C.J. MATHEW, MEMBER (TECHNICAL)

Date of Hearing/decision: December 11, 2025

FINAL ORDER NO. 51860/2025

JUSTICE DILIP GUPTA:

M/s A.J. Mill Store Agency Pvt. Ltd.¹ has sought the quashing of the order dated 13.01.2025 passed by the Commissioner of Customs (Appeals)² by which the appeal that was filed by the appellant to assail the order dated 26.05.2020 passed by the Additional Commissioner of Customs was dismissed. The Commissioner (Appeals) also confirmed the imposition of penalties

1. **the appellant**

2. **the Commissioner (Appeals)**

upon the appellant under sections 114A and 114AA of the Customs Act, 1962.³

2. The appellant had utilized scrips for payment of duty. A show cause notice dated 04.06.2018 was issued to the appellant inter alia alleging that the scrips used by the appellant for payment of customs duty were forged and, therefore, the appellant would be liable to pay customs duty with penalties.

3. The appellant filed a reply to the show cause notice and denied the allegations.

4. The adjudicating authority, by order dated 20.05.2020, confirmed the demand of duty and imposed penalties under sections 114A and 114AA of the Customs Act.

5. Feeling aggrieved by the said order, the appellant filed an appeal before the Commissioner (Appeals). The Commissioner (Appeals) has upheld the order passed by the adjudicating authority.

6. The present is a case where the scrips were found to be forged and it is not a case where the scrips were obtained on the basis of false documents. This issue was examined in **M/s Apar Industries Ltd. Vs. Commissioner of Customs (Export Promotion)**⁴ and it was held that when the scrips were found to be forged, customs duty could be imposed. In view of the aforesaid decision of the Tribunal, there is no error in the order of the Commissioner (Appeals) confirming the demand of customs duty and imposing penalty under section 114A of the Customs Act.

7. Learned counsel for the appellant however, submitted that penalty under section 114AA of the Customs Act could not have been

3. **the Customs Act**

4. **Customs Appeal No. 594 of 2004 decided on 13.05.2025**

imposed upon the appellant as there is no finding in the impugned order that the appellant had knowingly or intentionally used these scrips.

8. It transpires from the records that the adjudicating authority had not dealt with this issue in the body of the order and only the operative part of the imposed penalty under section 114AA of the Customs Act. The Commissioner (Appeals) also has not recorded any finding that the appellant had knowingly or intentionally used the scrips even though he had knowledge that they were forged.

9. All that has been stated is that there was a conscious approach by the appellant in defrauding customs. Unless it is alleged and proved that the appellant had knowledge that the scrips were forged, penalty under section 114AA of the Customs Act could not have been imposed upon the appellant.

10. The appeal is, accordingly, partly allowed. The confirmation of customs duty and imposition of penalty under section 114A of the Customs Act is maintained. However, the imposition of penalty upon the appellant under section 114AA of the Customs Act is set aside.

(Order dictated in the Open court)

(JUSTICE DILIP GUPTA)
PRESIDENT

(C.J. MATHEW)
MEMBER (TECHNICAL)