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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

Date of decision: 8th April, 2025

+ **CUSAA 82/2022 and CM APPL. 30316/2022**

PRINCIPAL COMMISSIONER Appellant

Through: Mr. Aditya Singla, SSC, CBIC with
Ms. Arya Suresh, Adv.

versus

M/S VENUS INDUSTRIES Respondent

Through: Mr. Rohit Oberoi & Mr. Umang
Bhatia, Advs. (Mob: 9810383816)

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WITH

+ **CUSAA 83/2022 and CM APPL. 30487/2022**

PRINCIPAL COMMISSIONER Appellant

Through: Mr. Aditya Singla, SSC, CBIC with
Ms. Arya Suresh, Adv.

versus

ARUN KUMAR AGARWAL Respondent

Through: Mr. Rohit Oberoi & Mr. Umang
Bhatia, Advs. (Mob: 9810383816)

CORAM:

JUSTICE PRATHIBA M. SINGH

JUSTICE RAJNEESH KUMAR GUPTA

Prathiba M. Singh, J. (Oral)

1. This hearing has been done through hybrid mode.
2. In the present appeals, the Appellant has sought the setting aside of the following Final Orders passed by the Customs Excise and Service Tax Appellate Tribunal ('CESTAT'):

- *Final Order No. C/A/50006/2022-CU [DB] dated 04th January, 2022 in Appeal No. C/50196/2020;*
- *Final Order No. C/A/50005/2022-CU [DB] dated 04th January, 2022*



in Appeal No C/50195/2020.

3. In these matters, CESTAT had quashed the Order-in-Original dated 13th November, 2019 passed in Customs Appeal Nos. C/50196/2020 and C/50195/2020 by following the decision in ***Canon India Private Limited v. Commissioner of Customs, 2021 SCC OnLine SC 563 (Canon-I)***.
4. However, the ***Canon-I*** decision has been reviewed in ***Review Petition (Civil) No. 400/2021*** titled '***Commissioner of Customs v. M/s Canon India Private Limited***', (hereinafter, '***Canon-II***').
5. In ***Canon-II***, the following findings have been rendered by the Supreme Court:

“168. In view of the aforesaid discussion, we conclude that: [...]

(vi) Subject to the observations made in this judgment, the officers of Directorate of Revenue Intelligence, Commissionerates of Customs (Preventive), Directorate General of Central Excise Intelligence and Commissionerates of Central Excise and other similarly situated officers are proper officers for the purposes of Section 28 and are competent to issue show cause notice thereunder. Therefore, any challenge made to the maintainability of such show cause notices issued by this particular class of officers, on the ground of want of jurisdiction for not being the proper officer, which remain pending before various forums, shall now be dealt with in the following manner:

a. Where the show cause notices issued under Section 28 of the Act, 1962 have been challenged before the High Courts directly by way of a writ petition, the respective High Court shall dispose of such writ petitions in accordance with the observations made in this judgment and restore such notices for adjudication by the proper officer under Section 28.

b. Where the writ petitions have been disposed of by the respective High Court and appeals have been preferred



against such orders which are pending before this Court, they shall be disposed of in accordance with this decision and the show cause notices impugned therein shall be restored for adjudication by the proper officer under Section 28.

c. Where the orders-in-original passed by the adjudicating authority under Section 28 have been challenged before the High Courts on the ground of maintainability due to lack of jurisdiction of the proper officer to issue show cause notices, the respective High Court shall grant eight weeks' time to the respective assessee to prefer appropriate appeal before the Customs Excise and Service Tax Appellate Tribunal (CESTAT).

d. Where the writ petitions have been disposed of by the High Court and appeals have been preferred against them which are pending before this Court, they shall be disposed of in accordance with this decision and this Court shall grant eight weeks' time to the respective assessee to prefer appropriate appeals before the CESTAT.

e. Where the orders of CESTAT have been challenged before this Court or the respective High Court on the ground of maintainability due to lack of jurisdiction of the proper officer to issue show cause notices, this Court or the respective High Court shall dispose of such appeals or writ petitions in accordance with the ruling in this judgment and restore such notices to the CESTAT for hearing the matter on merits.

f. Where appeals against the orders-in-original involving issues pertaining to the jurisdiction of the proper officer to issue show cause notices under Section 28 are pending before the CESTAT, they shall now be decided in accordance with the observations made in this decision. ”

6. In view of the decision of the Supreme Court in **Canon-II**, the present appeals are allowed and the Final Orders passed by CESTAT are set aside.



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Accordingly, the matters are remanded to CESTAT in terms of para 168(vi)(e).

7. Customs Appeal No. C/50196/2020 and Customs Appeal No. C/50195/2020 are restored to their original position before CESTAT and the same shall be adjudicated, on merits, in accordance with law.

8. Accordingly, list before the CESTAT on 22nd July, 2025.

9. A copy of this order be communicated to the Registrar, CESTAT.

10. The present appeals are disposed of in the above terms. Pending applications, if any, are also disposed of.

**PRATHIBA M. SINGH,
JUDGE**

**RAJNEESH KUMAR GUPTA
JUDGE**

APRIL 8, 2025

Rahul/ss