

**CUSTOMS, EXCISE AND SERVICE TAX APPELLATE TRIBUNAL
CHANDIGARH**

REGIONAL BENCH - COURT NO. I

Excise Appeal No. 60265 of 2016

[Arising out of Order-in-Original No. 19-24/CE/CHD-II/2016 dated 13.04.2016
passed by the Commissioner of Central Excise, Chandigarh-II]

Om Sai Ram Industries

New Abadi, House No. 94, Near Water Tank,
Anandpur Road, Pathankot, Punjab

.....Appellant

VERSUS

**Commissioner of Central Excise and
Service Tax, Chandigarh-II**

Central Revenue Building, Plot No. 19,
Sector 17-C, Chandigarh 160017

.....Respondent

WITH

Excise Appeal No. 60266 of 2016

[Arising out of Order-in-Original No. 19-24/CE/CHD-II/2016 dated 13.04.2016
passed by the Commissioner of Central Excise, Chandigarh-II]

Vinay Kumar, Ex-Partner

M/s Om Sai Ram Industries
New Abadi, House No. 94, Near Water Tank,
Anandpur Road, Pathankot, Punjab

.....Appellant

VERSUS

**Commissioner of Central Excise and
Service Tax, Chandigarh-II**

Central Revenue Building, Plot No. 19,
Sector 17-C, Chandigarh 160017

.....Respondent

APPEARANCE:

Mr. Sudhir Malhotra, Advocate for the Appellants

Mr. Aniram Meena and Mr. Goverdhan Dass Bansal, Authorized
Representatives for the Respondent

CORAM: HON'BLE MR. S. S. GARG, MEMBER (JUDICIAL)

HON'BLE MR. P. ANJANI KUMAR, MEMBER (TECHNICAL)

FINAL ORDER NO. 61656-61657/2025

DATE OF HEARING: 18.07.2025

DATE OF DECISION: 13.11.2025

S. S. GARG :

These two appeals are directed against a common impugned Order-in-Original No. 19-24/CE/CHD-II/2016 dated 13.04.2016 passed by the Commissioner of Central Excise, Chandigarh-II, whereby the learned Commissioner confirmed the demand of excise duty of Rs.95,20,206/- under Section 11A of the Central Excise Act, 1944, along with interest under Section 11AB of the Act and imposed an equal penalty under Section 11AC of the Act on M/s Om Sai Ram Industries (Appellant No.1); also imposed a penalty of Rs.1,00,000/- under Rule 26(2) of the Central Excise Rules, 2002 on Shri Vijay Kumar Ex-partner (Appellant No.2). Since both the appeals are arising out of a common impugned order, therefore, both the appeals are taken up together for discussion and decision.

2. Briefly stated facts of the present case are that the appellants were engaged in the manufacture of Menthol Flakes, Menthol Crystals, De-Mentholised Oil falling under Chapters 29 & 33 of Central Excise Tariff Act, 1985. The appellants started production from 20.08.2007 and were availing area based exemption under Notification No. 56/2002-CE dated 14.11.2002. The appellant M/s Om Sai Ram Industries was partnership firm with Shri Vinay Kumar, Shri Vikas and Shri Sunil Kumar as its partners. Shri Vinay Kumar and Shri Sunil Kumar remained partner of M/s Om Sai Ram

Industries, Jammu upto 10.07.2008 and Shri Vikas retired from partnership on 30.09.2008. The appellant firm was transferred to M/s Emsons Organics Pvt Ltd, which later on remained the sole proprietor of the appellant firm since 30.09.2008. The main allegation of the department is based upon the investigation conducted by Commissioner of Central Excise, Meerut-II that the appellants were not procuring the raw material and were not manufacturing the finished goods and had wrongly claimed exemption/refund. On this allegation, a show cause notice dated 27.12.2012 was issued to the appellants alleging that the appellants fraudulently shown procurement of raw material and its use in production and clearance of finished products with an intent to avail illegal monetary benefit under Notification No. 56/2002-CE. After following the due process, the learned Commissioner vide the impugned Order-in-Original confirmed the demand of duty amounting to Rs.95,20,206/- under Section 11A of the Central Excise Act, 1944, along with interest under Section 11AB of the Act and imposed an equal penalty under Section 11AC of the Act on M/s Om Sai Ram Industries (Appellant No.1); also imposed a penalty of Rs.1,00,000/- under Rule 26(2) of the Central Excise Rules, 2002 on Shri Vijay Kumar Ex-partner (Appellant No.2). Aggrieved by the said order, the appellants have filed present appeals before us.

3. Heard both the parties and perused the material on record.
4. The learned Counsel for the appellants submits that the impugned order is not sustainable in law and is liable to be set aside

as the same has been passed without properly appreciating the facts and the law.

4.1 The learned Counsel further submits that the entire case is built on the basis of investigation conducted by Commissioner of Central Excise, Meerut-II in respect of supplier of appellants. He further submits that a copy of sale invoices along with Lakhanpur barrier toll receipts and in few cases where toll barrier receipt not available, the certificate from the Excise and Taxation Authorities Lakhanpur to substantiate clearances of goods by appellants, was submitted by the appellants in order to show *bona fide* that they have received the material through proper invoices and have used the same for manufacturing and subsequently have cleared the goods. He further submits that the issuance of said documents by the competent authority is not in dispute. He also submits that neither any statement/communication nor any evidence was brought on records from the commercial taxes authorities, check post, Lakhanpur to substantiate that goods not crossed Lakhanpur barrier.

4.2 The learned Counsel cites the order-in-original dated 17.09.2008 whereby the refund of Rs.12,07,987/- was sanctioned to the appellants by jurisdictional Deputy Commissioner, Central Excise Division, Jammu (for the month of May 2008) on the basis of the jurisdictional Range Officer report which *inter alia* reads as under:

(i) ----

(ii) the party has infrastructure to carry out in manufacturing activity.

(iii) ----

(iv) ----

(v) the manufacturing activity carried out by the party amounts to manufacture.

(vi) the flow chart of manufacturing activity is enclosed.

He also submits that there is no dispute about infrastructure and installed manufacturing set-up of the appellants and its working/production capabilities. He further submits that the goods contained in vehicles were verified at toll barrier and after due satisfaction, clearance was allowed from commercial taxes check post, Lakhapur.

4.3 The learned Counsel also cites the letter/report dated 21.05.2010 of the jurisdictional Commissioner submitted to the Chief Commissioner, Central Excise, Chandigarh confirming that most of consignments of raw material were found entered at the toll barrier; the officers of District Industry Centre have fixed the capacity of manufacturing unit; have been regularly verifying their purchase consignments; the range office has also been visiting these units for PBC checks and verification of plant/machinery and reported nothing adverse against these units. He further submits that in view of the said letter/report, it may not be strongly alleged with certainty that these units have not purchased crude mentha oil and therefore, have not manufactured any menthol products in their units; the name of the appellant appeared at S.No. 18 in the list of 27 manufacturers attached. He also submits that the jurisdictional

Commissioner has also given the summary of reports received from the concerned Central Excise Ranges confirming the visit of the staff, installation of infrastructure and verification of manufacturing therein, conducting PBC checks and audit by department and further, the buyers of manufacturers at Jammu have exported the goods, as to how goods exported.

4.4 The learned Counsel further submits that the identical issue has been considered by the Chandigarh bench of the Tribunal in the cases of **M/s Swati Methol & Allied Chemicals Ltd [vide Final Order No. 60154-60155/2025 dated 25.02.2025]** and **Nector Lifesciences Limited and Narbada Industries [vide Final Order No. 63193-63196/2018 dated 28.08.2018]**. He also submits that against the Tribunal's Final Order dated 28.08.2018 in Narbada Industries' case, the Revenue filed the appeal [**CEA No. 07/2020**] before the Hon'ble High Court of Jammu & Kashmir and the same has been dismissed by the Hon'ble High Court vide its **Order dated 31.12.2024**. He further relies on the decision of Allahabad bench of the Tribunal in the case of **M/s Arora Aromatics [vide Final Order No. 71939-71959/2017 dated 01.11.2017]** wherein the Tribunal has allowed the appeals of the buyers of goods from Jammu units and dropped the penal proceedings against Jammu units.

4.5 The learned Counsel also submits that the impugned order is bad in law because the appellants were not given the opportunity to cross examine the witnesses whose statements were recorded in

order to issuance of show cause notice. In this regard, he relies on the judgment of Hon'ble Apex Court in the case of **Andaman Timber Industries vs. CCE [2015 (324) ELT 641 (SC)]**.

4.6 The learned Counsel also submits that the impugned order is also bad in law on account of limitation. He further submits that demand has been confirmed by invoking the extended period of limitation without establishing suppression, fraud etc on part of the appellant with intent to evade duty. He further submits that facts were in the knowledge of the department while issuing the show cause notice to M/s Swati Menthol & Allied Chemicals Ltd, Rampur for recovery of fraudulently availed cenvat credit and the appellant M/s Om Sai Ram Industries was one of the co-noticee in that case. He further submits that the extended period cannot be invoked when the department was aware of the facts as held by the Hon'ble Apex Court in the case of **Collector of CE vs. Malleable Iron & Steel Casting Co Pvt Ltd [1998 (100) ELT 8 (SC)]**.

4.7 As regards the imposition of penalties, the learned Counsel submits that the penalty under Section 11AC of the Act on Appellant No.1 is not imposable as there were neither any *mens-rea* nor any *malafide* brought on records on the part of appellant. He also submits that the penalty under 26(2) of the Central Excise Rules on Appellant No.2 is not imposable as the appellant firm lawfully manufactured and cleared the goods against statutory invoices and had infrastructure to manufacture impugned goods.

5. On the other hand, the learned Authorized Representative for the Revenue reiterates the findings of the impugned order.

6. We have considered the submissions made by both the parties and perused the material on record. We find that the issue involved in the present case is whether the appellants had manufactured and cleared finished goods under Notification No. 56/2002-CE and had correctly claimed exemption/refund thereto? We further find that the show cause notice in the present case was issued upon the investigation conducted by the Commissioner of Central Excise, Meerut-II in respect of supplier of the appellants. We also find that the appellants have produced sale invoices and the certificate from the Excise & Taxation Authorities, Lakhanpur and other materials that the goods were manufactured and cleared in the vehicles which crossed the Lakhanpur barrier.

7. Further, we find that the identical issue has been considered by Chandigarh bench of the Tribunal in the case of **M/s Swati Methol & Allied Chemicals Ltd** (supra) and after considering the entire material on record, the Tribunal vide its **Final Order No. 60154-60155/2025 dated 25.02.2025** has held as under:

“6. Heard both sides and perused the records of the case. This Bench had an occasion to decide the case of V.S Industries and others, a case involving the same set of facts and evidences, vide Final Order No. 60328-60330/2023 dated 31.08.2023. This Bench after analyzing the facts and evidences available on record and the decisions of the Tribunal in this regard has found the following:

8. *After carefully considering the submissions of both the parties and perusal of material on record, we find that as per the allegation in the show cause notice, the investigations were undertaken by the Meerut Commissionerate and it was found that the suppliers of raw-material to the appellant were non-existent. Further, we find that the demands have been confirmed only on the basis that there was no alternative source of electricity generation which is factually incorrect. Further, we find that on the basis of the same investigation, the demands were confirmed against many parties and some of the decisions have been rendered by this Tribunal on the same allegations and the demands have been dropped. The issue involved in the present appeals is no more res-integra as this Tribunal as well as the Tribunal at Allahabad has consistently set-aside the demands by considering all the evidences produced before them. We also find that in one of the cases, the department filed appeal before the Hon'ble Allahabad High Court and the same was dismissed as cited (supra).*

9. *Further, we also find that the department has not been able to produce even a single decision arising from the same investigation where the demand has been confirmed by any appellate authority. No evidence whatsoever has been produced by the department to show that even the electricity was disconnected even for hour during the relevant period.*

10. *Further, we find that the evidence produced by the appellant in the form of copies of toll posts at Lakhanpur have not been considered by the appellant. It appears that the show cause notice and the impugned order is solely issued on the basis of the presumption and assumption and no investigation whatsoever have been undertaken at the end of the appellant.*

11. Further, we find that no statements of the transporters have been recorded. It is pertinent to note that the refunds have been sanctioned by the adjudicating authority but the department has not challenged the same till date and as per the decisions relied upon by the appellant cited (*supra*) it has been held by various Courts that in the absence of challenge of the refund order, the demands cannot be made from the appellant.

12. We also find that the impugned order passed without affording an opportunity of cross examining the witnesses in spite of the request made by the appellant for cross examination of the witnesses and in the absence of cross examination, their statements cannot be relied upon as held by the Hon'ble Punjab and Haryana High Court in the case of *Jindal Drugs* cited (*supra*). Here, we would like to reproduce the findings of the Tribunal in the case of *Neeru Enterprises & Ors. Vs. CCE, Chandigarh-II* vide Final Order No. 60368-60373 of 2019 dated 02.04.2019 which is recorded in Para 10 to Para 12 as under:-

"10. We further take note of the fact that, the investigation was not conducted at the end of the appellants and whole case has been based on the investigation conducted at Commissioner Central Excise, Meerut-II. Without investigation, it cannot be held that the appellant was not manufacturer during the impugned period. Moreover, the entries of vehicles at the toll barriers also certified that the movements of raw material and finished goods. We further take note of the fact that the during the period of investigation itself, the appellants were allowed continue their activity by procuring inputs from UP based supplier and selling goods manufacturing to their buyers. During the course of investigation, itself shows that the allegation is only on the basis of the assumption and presumption, therefore, it cannot be held that the appellants were not manufactured the goods during the impugned period. Moreover, as per the report of Jurisdictional Commissioner to Chief Commissioner dated 21.05.2010 reveals as under:

"5. Thus the officers of Meerut-II Commissionerate, instead of selecting the

consignments where no excisable goods were manufactured/supplied, have generalized that all the purchases of crude Mentha oil by these Mentha units located at Jammu were bogus units, these units did not have any infrastructure to manufacture the said products, were nonfunctional and Transporters who did not turn up for tendering statements were declared non-existent etc. however, on close scrutiny of the records, the following facts emerge:

(i) Most of the consignments of raw material were found entered at the Toll barrier.

(ii) The Officers of District Industry Centre, who have assessed and fixed the capacity of manufacturing units, have been regularly verifying their purchase consignments.

(iii) The Range staff had also been visiting these units for PBC Checks/verification of plant/machineries and reported nothing adverse against these units.

6. Therefore, it may not be strongly alleged with certainty that during the period 2005-2006 to 2008-2009, these 27 units have not purchased crude Mentha oil and therefore have not manufactured any Menthol products in their units at all. There is hardly any time left for further investigation to strengthen the case as process is very time consuming and most of these units have closed their factories due to withdrawal of Central Excise Duty on all Mentha products w.e.f 27.02.2010. Thus, the investigation may not be in tune with the investigations conducted by the Central Excise Commissionerate Meerut-II."

11. *We further take of the fact that the similar issue on identical facts came up before this Tribunal in the case of Nanda Mint and Pine Chemicals Ltd. (Supra), wherein this Tribunal observed as under:*

"6. We find that in this case the sole allegation against the appellant is based on the investigation made by Commissioner of Central Excise, Meerut, and as per the investigation, it is alleged that farmers from whom the inputs were purchased were nonexistence. Therefore, commission agents never supplied inputs to the appellant and the appellant did not manufacture the goods. Consequently, they have not sold the goods and it was alleged that the appellant has not manufactured the goods at all.

7. We take a note of the fact that the check post movement of trucks which were carrying inputs as well as finished goods were found entered. We further take note of the fact that the appellant has produced the evidence of the entry of all the transport vehicles i.e. trucks which have entered in the state of Punjab and have left the state of Punjab, as the same has been certified by the Punjab Sales Tax Department having entries of entry and exit all the vehicles, therefore, it cannot be said that the raw material/finished goods have never entered or left in the state of Jammu & Kashmir, therefore, the allegation on the basis of the investigation conducted by the Commissioner of Central Excise, Meerut is not sustainable.

8. Further, we take note of the fact that during the period of investigation itself, the appellant continued their activity by procuring inputs from U.P and selling the goods after manufacturing to the U.P based buyers and the Department allowed to continue the same during the course of investigation which shows that the allegation on the basis of investigation conducted at the end of Commissioner of Central Excise, Meerut is not sustainable that the appellant is not manufacturer the goods. Admittedly, duty is payable on the manufacture of goods and as per the report of the Commissioner of Central Excise, Jammu dated 25.02.2010, it has been revealed as under:

"5. Thus the officers of Meerut-II Commissionerate, instead of selecting the consignments where no excisable goods were manufactured/supplied, have generalized that all the purchases of crude Mentha oil by these Mentha units located at Jammu were bogus units, these units did not have any infrastructure to manufacture the said products, were non-functional and Transporters who did not turn up for tendering statements were declared non-existent etc. however, on close scrutiny of the records, the following facts emerges:

(i) Most of the consignments of raw material were found entered at the Toll barrier.

(ii) The Officers of District Industry Centre, who have assessed and fixed the capacity of manufacturing units, have been regularly verifying their purchase consignments.

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6. Therefore, it may not be strongly alleged with certainty that during the period 2005-2006 to 2008-2009, these 27 units have not purchased crude Mentha oil and therefore have not manufactured any Menthol products in their units at all. There is hardly any time left for further investigation to strengthen the case as process is very time consuming and most of these of units have closed their factories due to withdrawal of Central Excise Duty on all Mentha products w.e.f 27.02.2010. Thus, the investigation may not be in tune with the investigations conducted by the Central Excise Commissionerate Merrut-II."

9. The said report also support the case of the appellant wherein it has been clearly mentioned that during the periodical checks by the departmental officers, the appellant found manufacturing the goods. Moreover, no discrepancy was found and on toll barriers it was found that the vehicles carried inputs/finished goods found entered. Moreover, the District Centre also certified the said fact.

10. We further take note of the fact that the various other departments namely Pollution Control Department, District Industries Department, Electrical Department have visited the factory of the appellant and found functioning. All these facts have not been disputed by the Revenue. As there is no corroborative evidence to show that the appellant were not manufacturing the goods, therefore, the allegation alleged in the show cause notice is not sustainable.

11. We further take note of the fact that on the basis of the same investigation conducted by the Commissioner of Central Excise, Merrut, the case was booked against the various parties namely M/s Arora Aromatic & Others Vide Final Order No. 71939-71959/2017 dated 01.11.2017, this Tribunal observed as under:

"10. Having considered the rival contentions and on perusal of the facts on record, we find that the basic allegations in the Show Cause Notice was that M/s Arora Aromatics did not

receive inputs on which they availed Cenvat credit basically on the contention of Revenue that M/s Ruchi Infotech System, Jammu did not have facility to manufacture the inputs received by M/s Arora Aromatics and that the goods did not move from Jammu & Kashmir to the appellants factory and therefore, Cenvat credit was not admissible. The evidence submitted by the appellant in the form of Order-in-Original passed by Commissioner of Central Excise, Jammu on 31/03/2008, wherein it was held that M/s Infotech System, Jammu was manufacturing the goods was not accepted by the Original Authority stating that the said Commissioner, Jammu did not see himself that the goods have been manufactured. If such a logic is accepted then the basic system of assessment by Authorities under tax statute needs to be concluded to have been not properly understood by the Adjudicating Authority. The present system of assessment in Central Excise is record based. The Officer assessing the duty is not required to be present when the goods are being manufactured to witness the process of manufacture. The adjudication is to be done on the basis of evidence produced before the Adjudicating Authority. As per Evidence Act evidence in totality is to be taken into consideration and therefore, finding recorded in the impugned Order by the Original Authority who passed the said Order dated 29/01/2010 is bad in law. The Original Authority did not understand the process either of assessments or of adjudication. Further the investigations were not undertaken to find out wherefrom the inputs were received by the appellant for the goods they manufactured and on which they paid duty and which were exported, if they had been received the inputs from M/s Ruchi Infotech System, Jammu or the other suppliers of inputs. Further, the additional evidence submitted by the appellant indicated that in respect of units in Jammu, Central Excise Officers visited the factory premises and seen that the manufacturing process going on was evidence by them and such evidences being on record and submitted by the appellant it was the duty of the Original Authority to accept them and not to discard by saying that the Officers have not seen the goods being manufactured by their own eyes. Further, the receipt of inputs was verified by the Officers of Central Excise Department and

sample of the same were also drawn and forwarded for Chemical Examination. Such evidence was also not accepted by the Original Authority, Therefore, it appears that the Original Authority was pre-determined to adjudicate the matter in the manner in which he has decided the issue and he was not just and fair and did not discharge his duty as an independent adjudicator. We, therefore, set aside both the impugned Order-in-Original dated 29/01/2010 & 29/03/2011 and allow all the appeals filed by appellant. The appellant shall be entitled for consequential relief. All the demand and penalties imposed are also set aside. All the Miscellaneous/Stay Applications stand disposed, as infructuous."

12. In view of the above observations, we hold that without bringing any concrete evidence against the appellant on record, the proceedings against the appellant are not sustainable, therefore, the show cause notice issued to the appellant is only on the basis of the assumption and presumption and investigation conducted by the Commissioner of Central Excise, Meerut, but without conducting any investigation at the end of the appellant, therefore, on the basis of evidences available on record, we hold that the appellant were manufacturing unit in the state of Jammu & Kashmir is entitled for benefit of the exemption Notification No. 56/2002-CE dated 14.11.2002 and claimed the refund of duty paid through PLA. In view of this, we set aside the impugned order and allow the appeal with consequential relief if any."

12. *In view of the above analysis, we hold that the appellant M/s Abhay Chemicals was the manufacturer during the impugned period and paid the duty on the goods manufactured by them, therefore, duty cannot be demanded on the allegation that the appellant was not a manufacturer. Consequently, the cenvat credit can't be denied to the recipient of goods located in the State of U.P i.e. M/s Siddhant Chemicals and M/s Neeru Enterprises. Therefore, no penalty is imposable on the appellants. In view of the above, we set aside the impugned orders and allow the appeals with consequential relief."*

7. We find that the evidence available in this regard has already been discussed by the Tribunal in the series of cases and it has been concluded that the evidences are not enough

to sustain the demands. When the allegation of bogus procurement of raw material, manufacture and clearance by the Jammu based units cannot be established, allegation of bogus procurement from these units by Meerut based manufacturers cannot be sustained. We find that Tribunal in the case of Arora Aromatics (supra) held as follows:

Further, the additional evidence submitted by the appellant indicated that in respect of units in Jammu, Central Excise Officers visited the factory premises and seen that the manufacturing process going on was evidence by them and such evidences being on record and submitted by the appellant it was the duty of the Original Authority to accept them and not to discard by saying that the Officers have not seen the goods being manufactured by their own eyes. Further, the receipt of inputs was verified by the Officers of Central Excise Department and sample of the same were also drawn and forwarded for Chemical Examination. Such evidence was also not accepted by the Original Authority; Therefore, it appears that the Original Authority was pre-determined to adjudicate the matter in the manner in which he has decided the issue and he was not just and fair and did not discharge his duty as an independent adjudicator.

8. In view of the above, we are of the considered opinion that the allegation leveled against the appellants do not sustain. The averment by the learned Authorized Representative that some of the supplies made may be fake is of no help at this stage. It was open to the Department to collect all the evidences and make precise allegations while issuing the Show Cause Notice. The bus having been missed, Revenue cannot open a new front to continue the litigation before us on the facts and records which were not part of the impugned proceedings. We find that the charge of clandestine removal is a grave one. It has to be leveled with accuracy though mathematical precision cannot be expected. We find that Co-ordinate Bench of the Tribunal, in the matter of Nova

Petrochemicals v. CCE, Ahmedabad-II, in its Final Order Nos. A/11207-11219/2013, dated 26-9-2013, held as under:

"40. *After having very carefully considered the law laid down by this Tribunal in the matter of clandestine manufacture and clearance, and the submissions made before us, it is clear that the law is well settled that, in cases of clandestine manufacture and clearances, certain fundamental criteria have to be established by Revenues which mainly are the following:*

(i) There should be tangible evidence of clandestine manufacture and clearance and not merely inferences or unwarranted assumptions;

(ii) Evidence in support thereof should be of:

(a) Raw materials, in excess of that contained as per the statutory records;

(b) Instances of actual removal of unaccounted finished goods (not inferential or assumed) from the factory without payment of duty.

(c) Discovery of such finished goods outside the factory

(d) Instances of sales of such goods to identified parties.

(e) Receipt of sale proceeds, whether by cheque or by cash, of such goods by the manufacturers or persons authorized by him;

(f) Use of electricity for in excess of what is necessary for manufacture of goods otherwise manufactured and validity cleared on payment of duty

(g) Statements of buyers with some details of illicit manufacture and clearance;

(h) Proof of actual transportation of goods, cleared without payment of duty

(i) Links between the documents recovered during the search and activities being carried on in the factory of production; etc."

9. In view of the above, both the appeals are allowed."

8. We also find that Chandigarh bench of the Tribunal in the case of **Nector Lifesciences Limited and Narbada Industries** (supra) vide **Final Order No. 63193-63196/2018 dated 28.08.2018** has allowed the appeals of the assesseees. We further find that against the said order of the Tribunal in Narbada Industries' case, the Revenue filed the appeal [**CEA No. 07/2020**] before the Hon'ble High Court of Jammu & Kashmir and the same has been dismissed by the Hon'ble High Court vide its **Order dated 31.12.2024**.

9. In view of our discussion above, we are of the considered opinion that this issue is no more *res integra* and has been settled by the Tribunal as well as by the Hon'ble High Court in the cases cited above, therefore, by following ratios of the above said decisions, we find that the impugned order is liable to be set aside and we do so by allowing both the appeals of the appellants.

(Order pronounced in the open court on 13.11.2025)

(S. S. GARG)
MEMBER (JUDICIAL)

(P. ANJANI KUMAR)
MEMBER (TECHNICAL)