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

\+ **SERTA 39/2025, CM APPL. 81729/2025, CM APPL. 81730/2025, CM APPL. 81731/2025 & CM APPL. 81732/2025**

COMMISSIONER CUSTOMS CENTRAL EXCISE DELHI
.....Appellant

Through: Mr. Atul Tripathi, SSC, CBIC, Mr. Akshay Sagar and Mr. Ram Lalit Tiwari, Advs.

versus

M/S AMARNATH INDUSTRIES .....Respondent

Through: None.

CORAM:
JUSTICE PRATHIBA M. SINGH
JUSTICE SHAIL JAIN

O R D E R

% 23.12.2025

1. This hearing has been done through hybrid mode.

CM APPL. 81729/2025 (for exemption)

2. Allowed, subject to all just exceptions. Application is disposed of.

CM APPL. 81730/2025 (for delay) & CM APPL. 81732/2025 (for condonation of delay)

3. These are applications for condonation of delay of 59 days in filing and 52 days in refiling of the appeal.

4. For the reasons stated in the application, the delay is condoned.

5. Applications are disposed of.

SERTA 39/2025 & CM APPL. 81731/2025 (for stay)

6. The present appeal has been filed by the Appellant under Section 35G of the Central Excise Act, 1944 read with Section 83 of the Finance Act, 1994, *inter alia,* assailing the final order dated 16th October, 2024 passed by the Customs, Excise and Service Tax Appellate Tribunal *(hereinafter, 'CESTAT')*

by which the Order-in-Original dated 17th May, 2010 *(hereinafter, 'OIO')* was set aside.

7. A brief background of the present case is that, the Respondent firm- M/s Amarnath Industries was a supplier located in Jammu and Kashmir and was making various supplies to M/s Sharp Aeromatics India Ltd. The allegation is that the Respondent firm had availed of exemptions which were exclusively meant for the State of Jammu and Kashmir and had helped M/s Sharp Aeromatics India Ltd. to avail of various credits in an illegal and unlawful manner.

8. *Vide* the OIO, the Adjudicating Authority had come to the conclusion that the transactions were fraudulent. Under the guise of manufactured products, merely some material was supplied and exemptions were availed of by the Respondent firm.

9. *Vide* the OIO, a demand of Rs. 10.14 crores as Central Excise Duty and Educational Cess, as also Rs.7.92 crores as CENVAT credit and other demands was held to be recoverable and penalties were also imposed upon the Respondent firm, M/s Sharp Menthol India Ltd and M/s Sharp Aeromatics India Ltd. The same has been set aside *vide* final order of CESTAT.

10. Mr. Atul Tripathi, ld. SSC for the Appellant submits that a thorough investigation was conducted, which had revealed that the exemptions claimed by the Respondent firm were totally untenable.

11. The Court has heard ld. Counsel for the Appellant. The matter requires consideration.

12. Issue notice to the Respondent through all modes, upon appropriate steps being taken by the Appellant.

13. The records of the Adjudicating Authority and the CESTAT shall be

placed on record by Mr. Tripathi, ld. SSC, in a convenience volume.

14. List before the Joint Registrar for completion of service on 4th February, 2026.

15. List before Court on 27th April, 2026.

PRATHIBA M. SINGH, J.

SHAIL JAIN, J.

DECEMBER 23, 2025
dj/sm