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

Date of Decision: 15th July, 2025

+ **W.P.(C) 9881/2025 & CM APPL. 41266/2025**

JMD LIGHTENING AND CABLE CO

.....Petitioner

Through: Mr. Ravi Kant Chandhok, Mr. Varinder Singh Oberoi, Mr. Tariq Anwar and Mr. Tushar Sahni, Advocates.

versus

THE ADDITIONAL COMMISSIONER DELHI - WEST CENTRAL GOODS AND SERVICES TAX DEPARTMENT

.....Respondent

Through: Mr. Aakarsh Srivastava, Senior Standing Counsel.

CORAM:

JUSTICE PRATHIBA M. SINGH

JUSTICE RAJNEESH KUMAR GUPTA

Prathiba M. Singh, J. (Oral)

1. This hearing has been done through hybrid mode.
2. The present petition has been filed by the Petitioner– JMD Lightening & Cable Co. challenging the Order in Original dated 25th January, 2025. (*hereinafter, 'the impugned order'*).
3. The impugned order has been challenged by the Petitioner on the ground that the credit ledgers which were summarised by the Petitioner in respect of sundry creditors have, in fact, not been considered by the adjudicating authority.
4. Reliance is placed upon by the Petitioner on the e-mail dated 22nd May, 2024 which was submitted prior to the issuance of the show cause notice dated



31st July, 2024, which eventually culminated into the impugned order itself. Such reliance has been placed to support the submission that the sundry creditors' list was given for the period April, 2018 to March, 2023 and the same has not been considered.

5. Ld. Counsel for the Petitioner has relied upon the observation of the adjudicating authority at Paragraph No. 18.1 of the impugned order to argue that the entire list of sundry creditors has been ignored by the adjudicating authority. The said paragraph is extracted herein below:

*“18.1 During the course of audit, it was observed that creditors were reflecting in financial records/ Trial Balance of the Noticee. The Noticee had been requested vide letters dated 02.04.2024, 05.04.2024, 10.04.2024, 11.04.2024, 24.04.2024, 11.05.2024, 14.06.2024 and 24.06.2024 to provide Creditors' Ledger reflecting in the financial year 2017-18 to till date to examine as to whether the Noticee have made payment to their suppliers for the value of supplies within 180 days or not, **however, the Noticee failed to provide complete Creditors' Ledger from FY 2017-18 to till date for computation of liability for the audit period in spite of repeated requests/communications. In the absence of complete submission of requisite documents, no option is left but to compute the inadmissibility of ITC on the amount of Creditors reflecting in the Balance Sheet.** The Noticee failed to prove eligibility to avail ITC in respect of supplies received from such creditors. The amount pending payment to the creditors and the ITC liability of the Noticee on this count is as under:-*

(Amount in Rs.)

Financial Year	Sundry Creditors	Tax @ 18 %
2017-18	57974074	8843503
2018-19	70316805	10726292
2019-20	77736931	11858176
2020-21	84235977	12849556
2021-22	92419186	14097842



2022-23	113108129	17253782
Total	495791102	75629152

6. Mr. Aakarsh Srivastava, Id. Senior Standing Counsel for the Respondent submits that the Petitioner has chosen to challenge this order belatedly when the order itself was passed in January, 2025 and even the period for filing the appeal has already lapsed.

7. Heard. In the opinion of this Court, the computation, as provided in para 18.1 of the impugned order extracted herein above is the basis of the imposition of tax and penalty upon the Petitioner to the tune of Rs. 80,92,84,99/-.

8. The stand of the Petitioner is also that a sum of approximately Rs. 32,00,000/- which was deposited as Input Tax Credit has also not been given credit for by the adjudicating authority. Considering the quantum of amount which is being demanded from the Petitioner, this Court is of the view that the documents submitted by the Petitioner, including the list of sundry creditors, deserves to be considered by the adjudicating authority.

9. *Prima facie* it appears that the credit leaders for the year 2017-2018 was not submitted but for the year April, 2018 to March, 2023 the same may have been submitted to the audit group. This fact should have been taken into consideration by the adjudicating authority. Under these circumstances, this Court is of the view that the matter deserves to be remanded for reconsideration to the adjudicating authority.

10. Let the Petitioner file a composite reply to the issues raised in the show cause notice dated 31st July, 2024 within a period of thirty days. Upon filing the reply, a personal hearing shall be granted to the Petitioner on the following



e-mail address and mobile number:

e-mail : ravi.k.chandhok@gmail.com

Mobile No. : 9811213677

11. After considering the reply and any submissions made during the hearing, the show cause notice shall be adjudicated afresh. The impugned order shall stand set aside.

12. Accordingly, the present writ petition is disposed of in above terms. Pending applications, if any, are also disposed of.

**PRATHIBA M. SINGH
JUDGE**

**RAJNEESH KUMAR GUPTA
JUDGE**

JULY 15, 2025/MR/ss