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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
Date of Decision: 11th November, 2025
+ **W.P.(C) 4455/2025 & CM APPL. 20589/2025**
DEVANSH WIRE AND CABLES PRIVATE
LIMITEDPetitioner

Through: Mr. Antik Majumder, Adv.
versus

JOINT COMMISSIONER, CGST DELHI - EAST
& ORS.Respondents

Through: Mr. Aditya Singla, SSC, CBIC, with
Ms. Arya Suresh Nair, Ms. Shreya
Lamba and Mr. Akhil Sharma, Advs.

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AND

+ **W.P.(C) 16884/2025**
DEVANSH WIRE AND CABLES PRIVATE LIMITED.....Petitioner

Through: Mr. Antik Majumder, Adv.
versus

UNION OF INDIA & ANR.Respondents

Through: Mr. Aditya Singla, SSC, CBIC, with
Ms. Arya Suresh Nair, Ms. Shreya
Lamba and Mr. Akhil Sharma, Advs.
Mr. Izhar Ahmad, SPC for R-1/UOI.

CORAM:
JUSTICE PRATHIBA M. SINGH
JUSTICE SHAIL JAIN

JUDGMENT

Prathiba M. Singh, J.

1. This hearing has been done through hybrid mode.
2. The petition being **W.P.(C) 4455/2025** has been filed by the Petitioner – Devansh Wire and Cables Private Limited under Articles 226 and 227 of the Constitution of India, *inter alia*, seeking to set aside the Show Cause Notice dated 30th July, 2021 (hereinafter ‘*impugned SCN*’) and the Order-in-



Original dated 1st January, 2025 (hereinafter '*impugned order*') passed by the Joint Commissioner, CGST Delhi – East under Section 74 of the Central Goods and Services Act, 2017 (hereinafter, '*CGST Act*').

3. Further, the petition being **W.P.(C) 16884/2025** has been filed by the Petitioner, *inter alia*, assailing the Provisional Attachment Order dated 21st November, 2023 in Form GST DRC-22 issued by the Commissioner of GST, Delhi-East.

4. The brief background of the present case is that on the basis of allegations of wrongful availment of Input Tax Credit (hereinafter, '*ITC*'), a Show Cause Notice (hereinafter, '*SCN*') dated 30th July, 2021 was issued against the Petitioner. The allegation in the said SCN was that Rs.10.70 crores was availed of as ITC by the Petitioner through fictitious firms on bogus invoices without there being actual supply of goods. The said SCN was based upon investigation initiated by the Department against the Petitioner company wherein the Director of the Petitioner company *i.e.*, Mr. Ashish Goyal was, in fact, arrested. He was thereafter granted bail on 18th November, 2020. The Petitioner then filed replies to the SCN on 6th September, 2021 and 12th December, 2023. The impugned order dated 1st January, 2025 was then passed confirming the demand in the following terms:

“i) I hereby order to recover ITC of IGST of Rs.26,26,988/- (Twenty-Six Lakhs Twenty-Six Thousand Nine Hundred and Eighty-Eight) from M/s DEVANSH WIRE AND CABLES PRIVATE LIMITED under Section 74(1) of the CGST Act, 2017 along with interest payable thereon under section 50 of the CGST Act, 2017 read with Section 20 of the IGST Act, 2017 and also impose penalty of Rs. 26,26,988/- (Twenty-Six Lakhs Twenty-Six Thousand Nine Hundred and Eighty-Eight) upon M/s DEVANSH WIRE AND CABLES PRIVATE LIMITED under Section 74(1) of the CGST Act, 2017;



ii) I hereby order to recover ITC of CGST of Rs. 3,86,49,859/- (Three-Crore Eighty-Six Lakhs Forty-Nine Thousand Eight-Hundred and Fifty-Nine only) from M/s DEVANSH WIRE AND CABLES PRIVATE LIMITED under section 74(1) of the CGST Act, 2017 along with interest payable thereon under section 50 of the CGST Act and also impose penalty of Rs. 3,86,49,859/- (Three-Crore Eighty-Six Lakhs Forty-Nine Thousand Eight-Hundred and Fifty-Nine only) upon M/s DEVANSH WIRE AND CABLES PRIVATE LIMITED under Section 74(1) of the CGST Act, 2017;

iii) I hereby order to recover ITC of SGST of Rs. 3,86,49,859/- (Three-Crore Eighty-Six Lakhs Forty-Nine Thousand Eight-Hundred and Fifty-Nine only) from M/s DEVANSH WIRE AND CABLES PRIVATE LIMITED under Section 74(1) of the CGST Act, 2017 along with interest payable thereon under section 50 of the CGST Act and also impose penalty of Rs. 3,86,49,859/- (Three-Crore Eighty-Six Lakhs Forty-Nine Thousand Eight-Hundred and Fifty-Nine only) upon M/s DEVANSH WIRE AND CABLES PRIVATE LIMITED under Section 74(1) of the CGST Act, 2017;

iv) I hereby impose penalty of Rs.50,000/- (Rs.25,000/- each under CGST and SGST Act) upon both Shri Ashish Goyal, Director of M/s Devansh Wire and Cables Private Limited under Section 122(3) of the CGST Act, kjf2017 read with Section 20 of the IGST Act, 2017 in terms of Section 137 of the CGST Act, 2017.”

5. This impugned order was challenged by the Petitioner in **W.P. (C) 4455/2025** on multiple grounds which are recorded below:

“4. The present petition assails the impugned SCN and OIO on multiple grounds, which are as under :-

- i) Issuance of a consolidated Show Cause Notice for various Financial Years.*
- ii) Non-issuance of Demand under Rule 142 of the*



CGST Rules, 2017 in appropriate years.

iii) The demand under Rule 142 being issued for a different Financial Year than the year for which the show cause notice is issued.

iv) The Order in Original does not duly address the reply submitted by the Petitioner.”

6. Thereafter, a counter affidavit was called for from the Department and the same has been filed by Mr. Aditya Singla, Id. SSC for the Respondent.

7. In the meantime, when the investigation had initially commenced, a Provisional Attachment Order was issued to the Petitioner on 18th November, 2020 which was challenged by the Petitioner before this Court in ***W.P.(C) 14860/2023 titled ‘M/s Devansh Wire and Cables Private Limited v. Union of India & Anr.’***. The said writ petition was disposed of by the Co-ordinate bench of this Court on 16th November, 2023 in the following terms:

“3. The petitioner has filed the present petition impugning an order dated 18.11.2020 (hereafter ‘the impugned order’) passed under Section 83 of the Central Goods and Services Tax Act, 2017 (hereafter ‘the CGST Act’) provisionally attaching the petitioner’s property as well as its bank account
4. In terms of Section 83 (2) of the CGST Act, an order passed under Section 83(1) of the CGST Act is not operative after expiry of a period of one year. Thus, the impugned order is no longer operative.

5. The learned counsel for the petitioner submits that no fresh order under Section 83(1) of the CGST Act has been passed. The learned counsel for the respondents seeks time to verify the same.

6. We do not consider the same is necessary as the petitioner’s relief is confined to the impugned order passed under Section 83(1) of the CGST Act. Since the impugned order is not operative by virtue of Section 83(2) of the CGST Act, we consider it apposite to dispose of the present petition by noting the same.



7. The concerned bank (Tamilnad Mercantile Bank Ltd.) shall not interdict the operations of the petitioner's bank account on the basis of the impugned order. The Sub-registrar shall also not interdict the transfer of the petitioner's immovable property on the basis of the impugned order.

8. The petition is disposed of in the aforesaid terms."

8. Immediately thereafter, a second Provisional Attachment Order was passed on 21st November, 2023 directing the attachment of property located at A-10/13, Jhilmil Industrial Area, Shahdara, Delhi – 110032 and two bank accounts of the Petitioner. The bank accounts attached *vide* Provisional Attachment Order dated 21st November, 2023 are as under:

- HDFC Bank bearing account number 05852000006614; and
- Tamilnad Mercantile Bank Ltd. bearing account number 207150350870015.

9. This Provisional Attachment Order dated 21st November, 2023 has been challenged in ***W.P. (C) 16884/2025***. The said writ petition was filed on 11th October, 2025 and was first listed on 7th November, 2025. After the said writ petition was filed, on 24th October, 2025 recovery proceedings were initiated *qua* the Petitioner under Section 79 of the CGST Act to recover the demand in terms of the impugned order dated 1st January, 2025. In addition, the Sub-Registrar has also been issued a communication on 29th October, 2025 for realising the said amount of Rs.7,99,26,706/- as arrears on land revenue and also the said property has been attached.

10. Ld. Counsel for the Petitioner further submits that the impugned SCN was issued for multiple financial years which is not tenable in law, hence, the impugned order is liable to be set aside.



11. Heard. The impugned order dated 1st January, 2025 is an appealable order under Section 107 of the CGST Act. Insofar as the issuance of consolidated SCN for multiple financial years is concerned, the said issue stands settled by this Court in the decision in ***Ambika Traders Through Proprietor Gaurav Gupta V. Additional Commissioner, Adjudication DGGSTI, CGST Delhi North, 2025: DHC:6181-DB***. The relevant portion of the said decision reads as under:

“Consolidated SCN for Multiple Financial Years

43. Insofar as the issue of consolidated notice for various financial years is concerned, a perusal of Section 74 of the CGST Act would itself show that at least insofar as fraudulently availed or utilized ITC is concerned, the language used in Section 74(3) of the CGST Act and Section 74(4) of the CGST Act is “for any period” and “for such periods” respectively. This contemplates that a notice can be issued for a period which could be more than one financial year. Similar is the language even in Section 73 of the CGST Act. The relevant provisions read as under:

“73. Determination of tax [, pertaining to the period up to Financial Year 2023-24,] not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for any reason other than fraud or any wilful-misstatement or suppression of facts.—

XXXX

*(3) Where a notice has been issued **for any period under** sub-section (1), the proper officer may serve a statement, containing the details of tax not paid or short paid or erroneously refunded or input tax credit*



wrongly availed or utilised for such periods other than those covered under sub-section (1), on the person chargeable with tax.

(4) The service of such statement shall be deemed to be service of notice on such person under sub-section (1), subject to the condition that the grounds relied upon for such tax periods other than those covered under sub-section (1) are the same as are mentioned in the earlier notice.

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74. Determination of tax [, pertaining to the period up to Financial Year 2023-24,] not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised by reason of fraud or any wilful misstatement or suppression of facts.—

XXXX

(3) Where a notice has been issued for any period under sub-section (1), the proper officer may serve a statement, containing the details of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for such periods other than those covered under sub-section (1), on the person chargeable with tax.

(4) The service of statement under sub-section (3) shall be deemed to be service of notice under sub-section (1) of section 73, subject to the condition that the grounds relied upon in the said statement, except the ground of fraud, or any wilful-misstatement or suppression of facts to evade tax, for periods other than those covered under sub-section (1) are the same as are mentioned in



the earlier notice.”

44. Some of the other provisions of the CGST Act, which are relevant, include Section 2(106) of the CGST Act, which defines “tax period” as under

“2.[...] (106) “tax period” means the period for which the return is required to be furnished”

45. Thus, Sections 74(3), 74(4), 73(3) and 73(4) of the CGST Act use the term “for any period” and “for such periods”. This would be in contrast with the language used in Sections 73(10) and 74(10) of the CGST Act where the term “financial year” is used. The said provisions read as under:

“73.[...] (10) The proper officer shall issue the order under sub-section (9) within three years from the due date for furnishing of annual return for the financial year to which the tax not paid or short paid or input tax credit wrongly availed or utilised relates to or within three years from the date of erroneous refund”

“74.[...] 10) The proper officer shall issue the order under sub-section (9) within a period of five years from the due date for furnishing of annual return for the financial year to which the tax not paid or short paid or input tax credit wrongly availed or utilised relates to or within five years from the date of erroneous refund.”

The Legislature is thus, conscious of the fact that insofar as wrongfully availed ITC is concerned, the notice can relate to a period and need not to be for a specific financial year.

46. The nature of ITC is such that fraudulent utilization and availment of the same cannot be



established on most occasions without connecting transactions over different financial years. The purchase could be shown in one financial year and the supply may be shown in the next financial year. It is only when either are found to be fabricated or the firms are found to be fake that the maze of transactions can be analysed and established as being fraudulent or bogus.

47. A solitary availment or utilization of ITC in one financial year may actually not be capable of by itself establishing the pattern of fraudulent availment or utilization. It is only when the series of transactions are analysed, investigated, and enquired into, and a consistent pattern is established, that the fraudulent availment and utilization of ITC may be revealed. The language in the abovementioned provisions i.e., the word 'period' or 'periods' as against 'financial year' or 'assessment year' are therefore, significant."

12. The SLP against the decision in ***Ambika Traders Through Proprietor Gaurav Gupta (Supra)*** was also dismissed as withdrawn. The relevant portion of the said order dated 1st September, 2025 in ***SLP(C) No. 023774/2025*** reads as under:

"1. After arguing the matter for some time, the learned counsel appearing for the petitioner states that he does not want to press this petition.

2. The petition is accordingly dismissed as not pressed"

13. Insofar as the other grounds are concerned, the Petitioner is free to always raise the same by way of an appeal before the concerned Appellate Authority. However, the said appeal would be belated.

14. Vide order dated 8th August, 2025 in ***W.P.(C) 11906/2025 titled M/s***



Ganpati Polymers v. Commissioner of Central Goods and Service Tax
Another this Court had permitted the Petitioner therein to file an Appeal, under similar circumstances. The Court had observed as under:

“15. At this stage, ld. Counsel for the Petitioner submits that the Petitioner may be permitted to avail of appellate remedy as the present writ petition was filed within the period of limitation prescribed under Section 107 of the Central Goods and Service Act, 2017. Accordingly, the Petitioner is granted time till 31st August, 2025 to avail of its appellate remedy.

16. If the appeal is filed by 31st August, 2025 along with the requisite pre-deposit, the same shall not be dismissed being barred by limitation and the same shall be decided on merits.”

15. The SLP against the decision in ***M/s Ganpati Polymers (Supra)*** was also dismissed on 13th October, 2025 in ***SLP (C) No. 27867/2025*** titled ***M/s Ganpati Polymers v. Commissioner of Central Goods and Service Tax***
Another. The relevant portion of the said order reads as under:

“1. Exemption Application is allowed.

2. The High Court while rejecting the Writ Petition filed by the petitioner – herein, has observed in Para No. 15 of its impugned order as under:-

“15. At this stage, ld. Counsel for the Petitioner submits that the Petitioner may be permitted to avail of appellate remedy as the present writ petition was filed within the period of limitation prescribed under Section 107 of the Central Goods and Service Act, 2017. Accordingly, the Petitioner is granted time till 31st August, 2025 to avail of its appellate remedy”

3. Thus, the High Court has reserved liberty in favour of the petitioner to prefer appropriate statutory appeal.



4. If any statutory appeal is preferred by the petitioner, the issue of delay may be considered accordingly, more particularly keeping in mind that the petitioner was pursuing its remedy before the High Court and thereafter before this Court.

5. We grant the petitioner time upto 31-10-2025 to prefer the statutory appeal as provided in law.

6. With the aforesaid, the Special Leave Petition stands disposed of.

7. Pending applications, if any, also stand disposed of.”

16. Therefore, considering the fact that the impugned order is dated 1st January, 2025 and the **W.P. (C) 4455/2025** was filed within the limitation period, this Court is of the opinion that the benefit is liable to be given to the Petitioner for the period during which the case remained pending before this Court.

17. Under these circumstances, the Petitioner is permitted to avail of the substantive right of appeal before the Commissioner (Appeals) along with the pre-deposit in terms of the statute. If the appeal is filed along with the requisite pre-deposit by 15th December, 2025, it shall not be dismissed on the ground of limitation and shall be adjudicated on merits.

18. Subject to the said appeal being filed, the communication dated 24th October, 2025 issued in respect of the bank accounts *i.e.*, HDFC Bank and Tamilnad Mercantile Bank Ltd., and the communication issued on 29th October, 2025 in respect of the property *i.e.*, A-10/13, Jhilmil Industrial Area, Shahdara, Delhi – 110032 shall stand set aside. Insofar as the Provisional Attachment Order dated 21st November, 2023 is concerned, the period of one year under Section 83 of the CGST Act has already lapsed, hence, the same is now infructuous. Therefore, the said attachment would no longer be valid



and is accordingly set aside.

19. Both these petitions are disposed of in these terms. Pending applications, if any, are also disposed of.

20. The portal shall be accordingly amended in terms of the above order.

**PRATHIBA M. SINGH
JUDGE**

**SHAIL JAIN
JUDGE**

NOVEMBER 11, 2025/kp/ck