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

Date of Decision: 16th September, 2025

+ **W.P.(C) 14279/2025 & CM APPL. 58470/2025**

M/S R.U. OVERSEAS THROUGH ITS PROPRIETOR
SH. UJALA GOEL

.....Petitioner

Through: Mr. Vineet Bhatia, Adv.
versus

DIRECTORATE GENERAL OF GOODS AND SERVICES TAX
INTELLIGENCE DGGI AND ORS.

.....Respondents

Through: Mr. Piyush Beriwal, Ms. Jyotsana Vyas,
Ms. Ruchita Srivastava & Ms. Amisha
P Dash, Advs. for R-1,2,5&6.
Mr. Shashank Sharma, Senior Standing
Counsel and Ms. Malika Kumari, Adv.
R-3&7.
Mr. Sumit K. Batra, Advocate for
GNCTD.

CORAM:
JUSTICE PRATHIBA M. SINGH
JUSTICE SHAIL JAIN

Prathiba M. Singh, J. (Oral)

1. This hearing has been done through hybrid mode.
2. The present petition has been filed under Articles 226 and 227 of the Constitution of India, *inter alia*, challenging the following impugned orders:
 - Order-in-Original dated 24th August, 2024 (hereinafter, '*impugned order no.1*'))
 - Order-in-Original dated 24th January, 2025 (hereinafter, '*impugned order no. 2*'))
 - Order-in-Original dated 1st February, 2025 (hereinafter, '*impugned order*')



no. 3')

3. These impugned orders relate to demands raised by the GST Department in respect of a large number of companies including the Petitioner. The summary of each of the orders is set out below:

Impugned Order No.1 dated 24th August, 2024

(i) This impugned order has been passed by the Delhi Goods and Service Tax (hereinafter, 'DGST') Department against the Petitioner in respect of certain reconciliations and other claims made by the Department. The various heads under which demands have been raised under this order are as under:

- Under-declaration of output tax;
- Excess claim of Input Tax Credit (hereinafter, 'ITC') including the ITC claimed from cancelled dealers.

(ii) The total demand in this case is to the tune of Rs.8,96,398/- which includes tax, interest and penalty. The tax amount is to the tune of Rs. 4,64,580.00/-.

(iii) The Petitioner has already filed an appeal in respect of this order which is pending before the Appellate Authority.

Impugned Order No.2 dated 24th January, 2025

(i) This impugned order arises out of an investigation conducted against various firms commencing from M/s Anannya Exim. The allegation is that the said M/s Anannya Exim had obtained bills/invoices without any supply of goods, from various suppliers including M/s Ganpati Enterprises. The data on M/s Ganpati Enterprises' portal revealed that the promoter of the said firm Mr. Sumit Tandon was also Director in M/s. Reema Polychem Pvt. Ltd. and M/s. Fortune Graphics



Limited. The said three firms had shown outward supplies of Rs. 3470.04 crore, thereby passing of ITC amounting to Rs. 677.76 crore.

(ii) The Central Goods and Service Tax (hereinafter, 'CGST') Department found a gap between inward and outward supply values. The inward supply only seemed to be Rs.1080 crores involving ITC of Rs. 211.57 crore. Investigation was then conducted and the Petitioner was one of the entities which was found to have received ITC of Rs. 4,64,580.00/- *qua* M/s Ganpati Enterprises, M/s. Reema Polychem Pvt. Ltd. and M/s. Fortune Graphics Limited.

(iii) The total demand raised in this order against the Petitioner is to the tune of Rs. 26,047,208/-.

Impugned Order No.3 dated 1st February, 2025

(i) This impugned order relates to investigation which was initiated against one M/s Choudhary Metals and M/s Kavita Metals wherein the transaction *qua* the Petitioner is ITC obtained from M/s. Fortune Graphics Limited to the tune of Rs. 9,999,135.00/-.

4. The submission of Mr. Bhatia, Id. Counsel appearing for the Petitioner is that insofar as M/s Ganpati Enterprises is concerned, there is an overlap between impugned order No.1 and impugned order No.2. Insofar as M/s. Fortune Graphics Limited is concerned, there is an overlap between impugned order No.2 and impugned order No.3. In view of these overlaps and the fact that parallel demands are being raised by DGST, CGST (East) and CGST (North), the present writ petition has been filed challenging the said orders.

5. Mr. Beriwal, Id. Counsel on the other hand submits that these cases involve passing on of fake and fraudulent ITC and the Petitioners have an alternate remedy by way of appeals. Moreover, even the period of limitation



for filing appeals has expired.

6. Heard. In all these impugned orders, there are various third-party firms which are involved which are stated to be fictitious and non-existent who have passed on ITC without actual supply of goods and services. There could be some overlap insofar as the Petitioner is concerned, however, the challenge to the impugned orders would be required to be considered in the respective appeals as the ITC availed is not related only to the Petitioner but to thousands of entities, running into several hundred crores.

7. Under these circumstances, this Court is of the opinion that while there may be overlap, the Petitioner still ought to be relegated to avail of the appellate remedy. Accordingly, it is directed that insofar as the impugned order No.2 and impugned order No.3 are concerned, *i.e.*, the impugned orders dated 24th January, 2025 and 1st February, 2025 are concerned, the Petitioner is permitted to challenge these two impugned orders by filing appeals before the Appellate Authority.

8. Out of the total amount of tax demanded *i.e.*, Rs.13,023,604.00/- and Rs. 9,999,135.00/- the pre-deposit shall be made only in respect of the DRC-07 dated 3rd February, 2025 passed pursuant to the impugned order No.2. From the said amount, the amount which was paid as pre-deposit towards the demand *qua* M/s Ganpati Enterprises *i.e.*, to the tune of Rs. 3,43,082/- shall be deducted.

9. The pre-deposit shall be made only in respect of demand raised to the tune of Rs.13,023,604.00/- *i.e.*, demand raised *vide* impugned order No. 2. Insofar as the appeal challenging impugned order No. 3 is concerned, no pre-deposit shall be liable to be made as the amount is over-lapping with impugned order No.2.

10. The Appellate Authority which receives the appeal *qua* impugned order



No.3 shall consider the fact that insofar as M/s. Fortune Graphics Limited is concerned, in impugned order No.2, the demand has already been raised against the Petitioner.

11. In addition, there is a challenge to Show Cause Notice dated 6th August, 2024 wherein a demand is proposed to be raised for a sum of Rs.2,43,000/- in respect of the transactions with M/s Nymphaea Trademart Pvt. Ltd. Since the same is overlapping with the order passed on 24th August, 2024 *i.e.*, impugned order No. 2 where the Petitioner is already in appeal, accordingly, the said Show Cause Notice dated 6th August, 2024 shall not be proceeded with *qua* the Petitioner.

12. Let the appeals be filed by the Petitioner by 15th November, 2025 with requisite pre-deposit as directed above.

13. Petition is disposed of in these terms. All pending applications, if any, are also disposed of.

PRATHIBA M. SINGH
JUDGE

SHAIL JAIN
JUDGE

SEPTEMBER 16, 2025

Rahul/Ck