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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ **W.P.(C) 13007/2024 & CM APPL. 54154-55/2024**
IMS MERCANTILES PRIVATE LIMITED

.....Petitioner

Through: Mr Ankur Jain, Mr Kumar
Vikramaditya, Ms Divya Dave and
Mr Pranav Ojha, Advocates.

versus

UNION OF INDIA & ORS.

.....Respondent

Through: Ms Radhika Bishwajit Dubey, CGSC
and Ms Gurleen Kaur Waraich,
Advocate for UOI/R1.

CORAM:

HON'BLE MR. JUSTICE VIBHU BAKHRU

HON'BLE MR. JUSTICE SACHIN DATTA

ORDER

% **17.09.2024**

1. Issue notice. The learned counsel for the respondents accepts notice.
2. The petitioner has filed the present petition, *inter alia*, impugning the Show Cause Notice dated 03.08.2024 (hereafter *the impugned SCN*) issued by respondent no.3 under Section 74 of the Central Goods and Services Tax Act, 2017 (hereafter *the CGST Act*) and the Delhi Goods and Services Tax Act, 2017 (hereafter *the DGST Act*).
3. The learned counsel for the petitioner submits that one of the issues involved is the classification of the goods. He submits the impugned SCN proceeds entirely on erroneous observation that the petitioner's entire turnover is only of the goods in question. He submits that the controversy is confined to goods which constitute less than 3% of the petitioner's turnover



and therefore, the proposed demand is excessive.

4. He submits that the impugned SCN is liable to be set aside on this ground only. He also submits that the proposed demand is unsustainable as the petitioner has correctly classified his goods.

5. We are not persuaded to entertain the present petition. The purpose of the impugned SCN is to enable the petitioner to respond to the grounds on which the demand is proposed. It would be inapposite to enter into the controversy, which is a subject matter of the impugned SCN, before the same is adjudicated. The petitioner has full opportunity to raise all the contentions before the adjudicating authority. If the same are not accepted, the petitioner also has the statutory remedy of appeal.

6. In view of the above, the petition is dismissed. Pending applications stand disposed of.

VIBHU BAKHRU, J

SACHIN DATTA, J

SEPTEMBER 17, 2024

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[Click here to check corrigendum, if any](#)