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

\+ **W.P.(C) 2252/2025& CM APPL. 10627/2025**

ALLIANCE POLYCHEM PRIVATE LIMITED .....Petitioner

Through: Mr. Chinmaya Seth, Mr. A.K. Seth, Ms. Palak Mathur, Adv.

versus

DEPUTY COMMISSIONER, CGST, MUNDKA DIVISION, DELHI WEST AND ORS .....Respondents

Through: Ms. Anushree Narain, SSC with Mr. Ankit Kumar, Advocate.

CORAM:
JUSTICE PRATHIBA M. SINGH
JUSTICE SHAIL JAIN

O R D E R

% **08.12.2025**

1. This hearing has been done through hybrid mode.

2. The present petition has been filed by M/s. Alliance Polychem Private Limited challenging the impugned order dated 03rd February, 2025 by which a demand of Rs. 10,62,000/- has been confirmed against the Petitioner.

3. The primary grievance of the Petitioner is that the said order emanating from the Show Cause Notice dated 02nd August, 2024 (hereinafter "*SCN-I*") is overlapping with the demand raised pursuant to the Show Cause Notice dated 01st August, 2024 (hereinafter "*SCN-II*"), which was confirmed *vide* order dated 14th January, 2025 . The overlapping nature of the demands is demonstrated in the following table:-

S. No.	***Description***	***Proceedings 1***	***Proceedings 2***
1	*Show Cause Notice*	*01.08.2024*	*02.08.2024*
2	*SCN Issuing Authority*	*Assistant Commissioner,*	*Superintendent,*

		CGST, Delhi West [Respondent No. 3]	*Anti Evasion, Group -4, Delhi West [Respondent No. 4]*
3	***Demand for ineligible ITC availed from M/s Orchid Overseas***	***Rs. 10,62,000/-***	***Rs. 10,62,000/-***
4	*SCN Answerable to*	*Superintendent, Range 115, Division Mundka, CGST, Delhi West Commissionerate [Respondent No. 2]*	*Superintendent, Range 115, Division Mundka, CGST, Delhi West Commissionerate [Respondent No.2]*
5	*Reply submitted*	*26.08.2024*	*10.01.2025 & 30.01.2025*
6	*Order in Original*	*14.01.2025*	*03.02.2025*
7	*Passed by*	*Superintendent, Range 115, Division Mundka, CGST, Delhi West Commissionerate [Respondent No. 2]*	*Deputy Commissioner, Mundka Division, CGST Delhi West [Respondent No. 1]*

4. The submission of Mr. Chinmaya Seth, ld. Counsel appearing for the Petitioner is that the demand under these circumstances deserves to be quashed.

5. The present writ petition was considered on 20th February, 2025, on which date the Order-in-Original dated 03rd February, 2025 was stayed.

6. Ms. Anushree Narain, ld. Counsel for the Respondent also submits that the demand is overlapping.

7. The Court has considered the matter. The order dated 03rd February, 2025 arises out of an investigation conducted against two firms namely M/s Shah Impex proprietor Shri Bhupinder Kumar and M/s Orchid Overseas, proprietor Shri Jitendra Kumar. The said investigation is alleged to have revealed that there were counterfeit invoices which were generated and there

was no supply of goods or services but fake Input Tax Credit (hereinafter "*ITC*") was availed off through thirteen firms.

8. The Petitioner is one such firm which is stated to have availed the ITC of Rs. 10,62,000/- from the said two firms. In respect of the said ITC which was availed, in order dated 14th January, 2025 arising out of SCN-II, the demand was raised by the Department against the Petitioner in the following terms:-

> *"a. I, hereby, deny ineligible ITC of Rs. 10,62,000/_ (IGST-Rs. 10,62,000/-; CGST-Rs 0/-; SGST-Rs. 0/-), in terms of Section 16 of the CGST Act, 2017 and therefore, confirm the demand and order for recovery of the same, from them, under Section 74 (1) of the CGST Act, 2017 read with the corresponding provisions of the Delhi SGST Act, 2017 and IGST Act,2017.*
>
> *b. I, hereby, confirming the charging of interest and order for recovery of the same, on the amounts specified under (a) above, under Section 50 of the CGST Act, 2017 read with the corresponding provisions of the Delhi SGST Act, 2017 and IGST Act, 2017.*
>
> *c. I, hereby, impose penalty of Rs. 10,62,000/- (IGST-Rs. 10,62,000/-; CGST-Rs. 0/-; SGST-Rs. 0/-) upon them for their act of omission and commission as stated above in this notice, under Section 74(1) of the CGST Act, 2017 and further the corresponding provisions of the Delhi SGST Act, 2017 and IGST Act, 2017"*

9. Against the above order, the Petitioner is already in appeal.

10. Under these circumstances, the same demand could not have been raised again *vide* the SCN-I which would amount to duplicate demands being raised.

11. There is however, no doubt that in the first order the other firms who were involved in the impugned order dated 03rd February, 2025 are not involved. Thus, insofar as the demand pursuant to impugned order dated 03rd February, 2025 is concerned, the same is quashed only *qua* the Petitioner.

12. The present order would not apply to any of the other noticees or the other demands which have been raised in terms of the impugned order dated 03rd February, 2025.

13. Accordingly, the GSTN portal may be amended to reflect the quashing of the demand under impugned order dated 03rd February, 2025 only in respect of the Petitioner.

14. The petition along with pending application is disposed of in these terms.

PRATHIBA M. SINGH, J.

SHAIL JAIN, J.

DECEMBER 8, 2025/neha/msh