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

Date of decision: 12th December, 2025

Uploaded on: 15th December, 2025

+ **W.P.(C) 4682/2025 & CM APPL. 21614/2025**

MANIKJEET SINGH KALS

.....Petitioner

Through: Mr. Vineet Chadha, Adv.
versus

UNION OF INDIA & ORS.

.....Respondents

Through: Ms. Monika Benjamin SSC with Ms.
Nancy Jain, Adv.
Mr. Sumit K. Batra and Ms. Priyanka
Jindal, Advs.
Mr. Varun Mishra (SPCUOI, SSC
CBIC) & Mr. Ashar Hussain, for R-2.

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 challenging the impugned order dated 14th February, 2025 passed by the Respondent No. 2 - Joint Commissioner, Delhi (South), Central, Central Goods & Service Tax (*hereinafter, 'the impugned order'*), *vide* which various demands have been raised against the Petitioner on the ground of availment of fraudulent Input Tax Credit (*hereinafter "ITC"*).
3. The records present a complex factual situation wherein multiple individuals and entities based in various cities have been found to be involved in the alleged fraudulent availment of ITC. One Sh. Gagan Kumar was found to be the person who was running a racket of fake firms for



issuance of fake invoices to various firms/companies without actual supply of goods and services.

4. The Petitioner is stated to be the proprietor of M/s. Bharat Facilities and the said firm is alleged to be one such firm which was part of the chain which had claimed to have availed of manpower from one of the fake firms of Sh. Gagan Kumar.

5. Submission of the Id. Counsel for the Petitioner is two-fold. First, that considering the amount involved, the show cause notice dated 4th August, 2024 could not have been issued by the Superintendent, Directorate General of GST Intelligence (*hereinafter "DGGI"*), and it had to be only at the level of the Joint Director, DGGI. Second submission is that although the proceedings took place in Faridabad, however, the final order *qua* the Petitioner has been passed from both places, *i.e.*, Delhi and Faridabad, by the same Officer and there is no clarity as to where the Appeal would lie.

6. Insofar as the first submission is concerned, Id. Counsel for the Respondents submits that though the show cause notice dated 4th August, 2024 is shown on the portal under the name of the Superintendent, DGGI, the show cause notice was actually signed by the Joint Director himself.

7. Insofar as the second submission is concerned, the Id. Counsel for the Respondents was directed to seek instructions *vide* the order dated 15th April, 2025, in the following terms:

*"In respect of the second submission, the Id. Counsel for the Respondents wishes to seek instructions as to where the appeal against the impugned order would lie for the Petitioner. **Further, the Id. Counsel also seeks time to take instructions as to whether considering the fact that there are entities and individuals in different jurisdictions would there be multiplicity of proceedings before different***



Appellate Authorities or whether a common Appellate Authority would have the jurisdiction to entertain all the appeals.”

8. Today, Ms. Monika Benjamin, Id. Counsel has handed over to the Court two documents, one being the circular no. 250/07/2025-GST dated 24th June, 2025 wherein it has been clearly set out as under:

4. Therefore, to ensure uniformity in procedure for review, revision, and appeal against the Orders-in-Original (O-I-Os) adjudicated by Common Adjudicating Authorities, it is hereby clarified that:

*a) **Review under Section 107 of the CGST Act, 2017:** The Principal Commissioner or Commissioner of Central Tax under whom the Common Adjudicating Authority (Additional/ Joint Commissioner) is posted shall be the reviewing authority in respect of such O-I-Os.*

*b) **Revisional Power under Section 108 of the CGST Act, 2017:** The Principal Commissioner or Commissioner of Central Tax under whom the Common Adjudicating Authority (Additional/ Joint Commissioner) is posted shall be the revisional authority in respect of such O-I-Os.*

c) Appeal Procedure under Section 107 of the CGST Act, 2017: Appeals against the order of Common Adjudicating Authority (Additional/Joint Commissioner) shall lie before the Commissioner (Appeals) corresponding to the territorial jurisdiction of the Principal Commissioner or the Commissioner of Central Tax, under whom the said Common Adjudicating Authority (Additional Joint Commissioner) is posted, as specified in Table III of notification No. 02/2017-Central tax dated 19th June, 2017.

*d) **Department's Representation in Appeals:** The Principal Commissioner or Commissioner of Central Tax of such Commissionerate under whom*



the Common Adjudicating Authority (Additional/Joint Commissioner) is posted shall represent the department in appeal proceedings against the O-I-Os passed by such Common Adjudicating Authority (Additional/ Joint Commissioner) and accordingly may appoint any officer subordinate to him to be the designated officer for filing departmental appeals.

e) The reviewing or revisional authority for such orders may seek comments on the O-I-O from the concerned DGGI formation before proceeding to decide on the order passed by the CAA.

9. The relevant clause from the above circular no. 250/07/2025-GST would be Clause 4(c), which refers to **Notification No. 02/2017-Central tax dated 19th June, 2017**. A perusal of the said **Notification No. 02/2017-Central tax**, which has also been handed over, would show that in terms of Table III of the notification, the Commissioner of Central Tax (Appeals), Gurugram, exercises appellate jurisdiction over orders passed by Principal Commissioner of Commissioner of Central Tax, Gurugram and Faridabad. The relevant part of Table III of **Notification No. 02/2017-Central tax dated 19th June, 2017** is extracted below:

Table III

Jurisdiction of Commissioner of Central Tax (Appeals) and Additional Commissioner of Central Tax (Appeals)

<i>Sl. No.</i>	<i>Commissioner of Central Tax (Appeals) and Additional Commissioner of Central Tax (Appeals)</i>	<i>Jurisdiction in terms of Principal Commissioner or</i>
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		Commissioner of Central Tax
17	Gurugram	Gurugram, Faridabad

10. Ld. Counsel for the Petitioner refutes this position and submits that in this case, the impugned order has been passed by the Joint Commissioner, Delhi South. This may not be correct. A perusal of the DRC-07 would show that it has been issued by Joint Commissioner, South Delhi but the main impugned order itself has been passed by the Adjudicating Authority at Faridabad. The impugned order itself states as under:

“4.The form of appeal in Form No. GST APL-01 shall be filed in duplicate and shall be accompanied by a copy of the decision or order appealed against.

5.An appeal against this order lies with the Commissioner (Appeals), Plot No. 24, Mudit Square, Sector-32, Gurugram within ninety days as provided under section 107 of Central Goods and Services Act,2017. From the date of Communication of this order and appeal should bear a court fee stamp of Rupee Five only accompanied by this order.

6.An appeal against this order shall lie before any officer not below the rank of The Joint Commissioner (Appeal) on payment amount of tax, interest, fine, fee & penalty, as is admitted, in full; and pre-deposit of sum equal to 10% of remaining amount of tax in dispute (subject to a maximum of twenty- five crore rupees).”



11. Therefore, there exists no doubt that the Commissioner (Appeals), Gurugram would be the correct authority before whom the Petitioner can file an appeal challenging the impugned order.

12. In fact, the impugned DRC-07 is merely the uploaded summary of the impugned order by the Joint Commissioner, South Delhi, since the same is the jurisdictional Commissionerate of the Petitioner.

13. This Court notices that in cases involving multiple noticees, the adjudication cannot be done by different Commissionerates and the commissionerate is decided, depending upon the monetary demands that are proposed to be raised and the manner in which the investigation would have proceeded. Circular No. 31/05/2018-GST dated 9th February, 2018 has also been placed before the Court wherein it is recorded as under:

“5. Whereas, for optimal distribution of work relating to the issuance of show cause notices and orders under sections 73 and 74 of the CGST Act and also under the IGST Act, monetary limits for different levels of officers of central tax need to be prescribed. Therefore, in pursuance of clause (91) of section 2 of the CGST Act read with section 20 of the IGST Act, the Board hereby assigns the officers mentioned in Column (2) of the Table below, the functions as the proper officers in relation to issue of show cause notices and orders under sections 73 and 74 of the CGST Act and section 20 of the IGST Act (read with sections 73 and 74 of the CGST Act), up to the monetary limits as mentioned in columns (3), (4) and (5) respectively of the Table below:-

Sl. No.	Officer of Central tax	Monetary limit of the amount of central tax (including cess) not paid or short paid or erroneously refunded or input tax credit of central tax wrongly	Monetary limit of the amount of integrated tax (including cess) not paid or short paid or erroneously	Monetary limit of the amount of central tax and integrated tax (including cess) not paid or short paid or
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		<i>availed or utilized for issuance of show cause notices and passing of orders under sections 73 and 74 of CGST Act.</i>	<i>refunded or input tax credit of integrated tax wrongly availed or utilized for issuance of show cause notices and passing of orders under sections 73 and 74 of CGST Act made applicable to matters in relation to integrated tax vide section 20 of the IGST Act</i>	<i>erroneously refunded or input tax credit of central tax and integrated tax wrongly availed or utilized for issuance of show cause notices and passing of orders under sections 73 and 74 of CGST Act made applicable to integrated tax vide section 20 of the IGST Act</i>
1.	<i>Superintendent of Central Tax</i>	<i>Not exceeding Rupees 10 lakhs</i>	<i>Not exceeding Rupees 20 lakhs</i>	<i>Not exceeding Rupees 20 lakhs</i>
2.	<i>Deputy or Assistant Commissioner of Central Tax</i>	<i>Above Rupees 10 lakhs and not exceeding Rupees 1 crore</i>	<i>Above Rupees 20 lakhs and not exceeding Rupees 2 crores</i>	<i>Above Rupees 20 lakhs and not exceeding 2 crores</i>
3.	<i>Additional or Joint Commissioner of Central Tax</i>	<i>Above Rupees 1 crore without any limit</i>	<i>Above Rupees 2 crores without any limit</i>	<i>Above Rupees 2 crores without any limit</i>

6. The Central Tax officers of Audit Commissionerates and Directorate General of Goods and Services Tax Intelligence (hereinafter referred to as "DGGI") shall exercise the powers only to issue show cause notices. A show cause notice issued by them shall be adjudicated by the competent Central Tax officer of the executive Commissionerate in whose jurisdiction the noticee is registered when such cases pertain to jurisdiction of one executive Commissionerate of Central Tax only.

7.1 In respect of show-cause notices issued by officers of DGGI, there may be cases where,

(i) a show cause-notice is issued to multiple noticees, either having the same or different PANs; or



(ii) multiple show cause-notices are issued on the same issue to multiple noticees having the same PAN, and the principal place of business of such noticees fall under the jurisdiction of multiple Central Tax Commissionerates. For the purpose of adjudication of such show cause notices, Additional/Joint Commissioners of Central Tax of specified Commissionerates have been empowered with All India jurisdiction through amendment in the Notification No. 02/2027, dated 19th June, 2017 vide Notification No. 02/2022-Central Tax, dated 11th March, 2022, as further amended vide Notification No. 27/2024-Central Tax, dated 25th November, 2024. Such show cause-notices may be adjudicated, irrespective of the amount involved in the show cause-notice(s), by one of the Additional/Joint Commissioners of Central Tax empowered with All India jurisdiction vide the above mentioned notifications. Principal Commissioners/Commissioners of the Central Tax Commissionerates specified in the said notification will allocate charge of Adjudication (DGGI cases) to one or more Additional Commissioners/ Joint Commissioners posted in their Commissionerates. Where the location of principal place of business of the noticee, having the highest amount of demand of tax in the said show cause-notice(s), falls under the jurisdiction of a Central Tax Zone/Commissionerate mentioned in column 2 of the table below, the show cause-notice(s) may be adjudicated by one of the Additional Commissioners/ Joint Commissioners of Central Tax, holding the charge of Adjudication (DGGI cases), of the Central Tax Commissionerate mentioned in column 3 of the said table corresponding to the said Central Tax Zone/Commissionerate. Such show cause notice(s) may, accordingly, be made answerable by the officers of DGGI to the concerned Additional/ Joint Commissioners of Central Tax”.

14. From the above, it is clear that when there are multiple parties involved and Show Cause Notices have to be adjudicated, the adjudicating



authority is fixed on the basis of the jurisdiction which has the highest tax demand.

15. Once the adjudication takes place, obviously, the DRC-07 would have to be uploaded by the concerned Commissionerate and depending upon the monetary limit, it would be uploaded either by the Superintendent or by the concerned other higher officials.

16. In the present case, the objections raised on behalf of the Petitioner do not appear to be tenable. Either way, all the contentions raised on behalf of the Petitioner can also be raised before the appellate authority as well.

17. Accordingly, considering that this is a case where allegations of fraudulent availment of Input Tax Credit (ITC) have been made, the Petitioner is relegated to the appellate remedy. If the appeal is filed by 31st January, 2026 along with the pre-deposit, it shall not be dismissed on the grounds of limitation and shall be adjudicated on merits.

18. The petition is disposed of in these terms. Pending applications, if any, are also disposed of.

PRATHIBA M. SINGH
JUDGE

SHAIL JAIN
JUDGE

DECEMBER 12, 2025/kp/ss