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

\+ **W.P.(C) 18533/2025**

VSM IMPEX PRIVATE LIMITED .....Petitioner

Through: Mr. Prem Ranjan, Adv.

versus

THE PRINCIPAL COMMISSIONER CGST DELHI NORTH COMMISSIONERATE .....Respondent

Through: Mr. R. Ramachandran, SSC with Mr. Prateek Dhir, Adv.

**CORAM:**
**JUSTICE PRATHIBA M. SINGH**
**JUSTICE SHAIL JAIN**

**<u>O R D E R</u>**

**% 05.12.2025**

1. This hearing has been done through hybrid mode.

**<u>CM APPL. 76896/2025</u>**

2. Allowed, subject to all just exceptions. Application is disposed of.

**<u>W.P.(C) 18533/2025</u>**

3. The present petition has been filed by the Petitioner under Article 226 of the Constitution of India, *inter alia*, assailing the Order-in-Appeal dated 23rd October, 2025 (hereinafter, *'impugned order'*) passed by the Office of the Commissioner of Central Appeals-I, Delhi.

4. The short issue in the present case is that the appeal of the Petitioner has been rejected on the ground of non-payment of pre-deposit.

5. Mr. Prem Ranjan, ld. Counsel for the Petitioner submits that the nature of the demand was such that the Input Tax Credit (hereinafter, *'ITC'*) which was availed by the Petitioner was being disallowed and therefore, the

Petitioner was under the impression that the pre-deposit need not be paid.

6. The relevant portion of the Show Cause Notice dated 28th December, 2024 raising the demand and disallowing the ITC in this regard reads as under:-

> *"13. Now therefore, M/s VSM Impex Private Limited, 2944, 4th Floor, Gali no 3, Shyam Chamber, Chuna Mandi, Paharganj, Delhi-.110055 having GSTIN 07AADCV7138G1Z7 are hereby called upon to show cause to the Assistant Comissioner, Division Daryaganj, CGST Delhi North, 1st Floor, 17-B, IAEA House, I.P. Estate, New Delhi-110002 within 30 days of the receipt of this Show Cause Notice as to why:-*
>
> > ***i) the ITC amounting to Rs. 61,36,720/-availed during the month of March 2019 should not be disallowed in terms of Section 16(4) of the CGST Act, 2017 read with section 16(4) of the Delhi GST Act, 2017 and Section 20 of the IGST Act, 2017;***
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> > *ii) the ITC amounting to Rs. 45,94,656/-from above ineligible ITC of Rs. 61,36,720/utilised for payment of tax in the return for the month of March 2019 should not be recovered under Section 73 of the CGST Act, 2017 read with Section 73 of the Delhi GST Act, 2017 and Section 20 of the IGST Act, 2017 alongwith applicable interest under Section 50 of the CGST Act, 2017 read with Section 50 of the Delhi GST Act, 2017 and Section 20 of the IGST Act,2017.*
> >
> > *iii) the blocked ITC of Rs. 18,49,277/- should not be disallowed as inadmissible ITC under Section 16(4) of the CGST Act, 2017 read with section 16(4) of the Delhi GST Act. 2017 and Section 20 of the IGST Act, 2017*
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> > *iv) penalty should not be imposed under section 73(9) and Section 125 of the CGST Act, 2017 for availment and utilization of credit in violation of Section 16(4) of the CGST Act,2017."*

7. In the above Show Cause Notice, the amount which would have been recovered from the Petitioner or the ITC rejected has been clearly computed

and stated specifically as Rs. 61,36,720/-.

8. Accordingly, in respect of this amount, a pre-deposit ought to have been made. It is surprising to note how the appeal was entertained without the pre-deposit being made.

9. Under such circumstances, without giving an option to the Petitioner to make the pre-deposit, the appeal could not have been rejected.

10. At this stage, ld. Counsel for the Petitioner submits that the Petitioner is willing to make the requisite pre-deposit.

11. Accordingly, let the requisite pre-deposit be paid by 15th January, 2026 and thereafter, subject to furnishing proof of payment of pre-deposit, the Appellate Authority shall re-hear the matter on merits. The impugned order dated 23rd October, 2025 is accordingly set aside.

12. The Petitioner shall be afforded a personal hearing and a notice for the same be communicated on the following email address and mobile number:-

- ***Email address:-*** ***advpremranjan@gmail.com***
- ***Mob. No.- 9310143231***

13. The present petition is disposed of in the above terms. Pending applications, if any are also disposed of.

**PRATHIBA M. SINGH, J.**

**SHAIL JAIN, J.**

**DECEMBER 5, 2025/neha/ck**