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

\+ W.P.(C) 3280/2026 & CM APPLs. 15887-15888/2026

LAKSHMI ENTERPRISES .....Petitioner

Through: Mr. Sarvesh Jain, Mr. Shwetank Sailakwal, Mr. Mayank Suryan, Advocates.

versus

UNION OF INDIA AND ANOTHER .....Respondents

Through: Mr. Puneet Dhawan, SPC with Mr. Kush Sharma and Mr. Sanjay Singh Rawat Advocates.
Ms. Urvi Mohan, Advocate for GNCTD

CORAM:
HON'BLE MR. JUSTICE NITIN WASUDEO SAMBRE
HON'BLE MR. JUSTICE AJAY DIGPAUL

ORDER

% **16.03.2026**

1. The present petition assails the impugned order dated 31st December, 2025 passed by the respondent no. 2, Assistant Commissioner GST, confirming the demand of Rs.26,83,27,210/- as levied in the show cause notice under Section 73 of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the "CGST Act") dated 03rd July, 2025.

2. The petitioner is a proprietorship concern engaged in the business of trading of *Pan Masala* and brooms and has been duly registered under the Goods and Service Tax Act, 2017 having GSTIN No. 07ALTPB6947K2ZG.

3. Respondent no. 2 issued a show cause notice under section 73 of the CGST Act dated 03rd July, 2025 for the financial year of April 2021 to

March 2022, alleging discrepancies in the annual returns of in the petitioner's GSTR-09 amounting to Rs.26,83,27,210/- specifically concerning the availment of excess Input tax Credit (hereinafter referred to as ITC).

4. In response thereto, the petitioner submitted replies dated 01st August, 2025, 31st October, 2025 and 30th December, 2025 stating that the petitioner has not availed any excess ITC, and submitted various documents for reconciliation of the returns.

5. Seemingly dissatisfied with the replies of the petitioner, the respondent no. 2 passed the impugned order dated 31.12.2025 confirming the demand

6. Mr. Sarvesh Jain, learned counsel for the petitioner has contended that the impugned order is a non-speaking order, passed in a mechanical manner and grossly violates the principles of natural justice. In order to buttress his submissions, he has drawn our attention to the impugned order which states that various documents such as sale and purchase invoices, input and output liabilities register, copy of audited balance sheet etc. have not been supplied by the petitioner. However, a bare perusal of the three replies, especially the enclosures in replies dated 01st August, 2025 and 30th December, 2025, show that the same documents had been promptly supplied by the petitioner before passing of the impugned order.

7. Issue notice.

8. Learned counsel appearing on behalf of the respondents waive notice.

9. Ms. Urvi Mohan, learned Senior Standing Counsel appearing for respondent no. 2 raises a preliminary challenge to the maintainability of the present petition by contending that the petitioner has an alternative remedy

available in the form of an appeal under Section 107 of the CGST Act.

10. Heard.

11. The Court has perused the records. In this petition, as mentioned above, the petitioner has filed three replies to the show cause notice dated 1st August, 2025, 31st October, 2025 and 30th December, 2025 providing explanations and documents explaining the alleged discrepancies in the GSTR-09 returns. However, notwithstanding this, respondent no. 2 passed the impugned order dated 31st December, 2025 *inter-alia* recording the following:-

> *"The Assessee has not provided breakup of exempted and taxable supplies. Sale and purchase invoices for the period under reference, input and output liabilities register, copy of audited balance sheet along with annexures. Therefore, the reply furnished by the taxpayer is not satisfactory."*

12. A conspectus of the documents enclosed in the replies and the specific reason accorded in the impugned order, as mentioned above, leads us to believe that the replies of the petitioner have not been sufficiently considered at the time of passing of the impugned order.

13. This court is of the considered opinion that the right to be heard is an inalienable part of the principles of natural justice, and the non-consideration of replies is violative of the spirit of Section 75(4) of the CGST Act, 2017.

14. Thus, the petitioner is directed to appear before the proper officer in 2 weeks, on 6th April, 2026 at 11:00AM.

15. Accordingly, the petition, along with pending applications, if any, stands disposed of.

16. We make it clear that no observations have been made regarding the

merits of the petitioner’s case, and that our observations shall not prejudice the proper authority in its adjudication of the matter.

NITIN WASUDEO SAMBRE, J

AJAY DIGPAUL, J

MARCH 16, 2026
Sk/sg