



2026:DHC:2552-DB



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

Date of decision: 25th March, 2026

+ **W.P.(C) 4900/2025 & CM APPL. 22530/2025**

**M/S HARSH KHANNA AND SONS HUF
THROUGH ITS KARTA
SH. HARSH KHANNA
H. NO.: 241, BANK ENCLAVE, LAXMI NAGAR,
DELHI-110092**

.....PETITIONER

Through: Mr. Akhil Krishan Maggu, Mr. Vikas
Sareen, Ms. Oshin Maggu, Mr. Aryan
Nagpal, Ms. Mehak Sharma, Advs.

versus

**1. UNION OF INDIA
THROUGH ITS SECRETARY,
GOVERNMENT OF INDIA,
MINISTRY OF FINANCE, DEPARTMENT OF REVENUE,
NORTH BLOCK, NEW DELHI-110001**

.....RESPONDENT NO.1

**2. ASSISTANT COMMISSIONER
LAXMI NAGAR DIVISION
CENTRAL GOODS AND SERVICES TAX
DELHI EAST COMMISSIONERATE,
1ST FLOOR, CORE-4, SCOPE MINAR,
LAXMI NAGAR, NEW DELHI-110092**

.....RESPONDENT NO.2

Through: Mr. Pranay Mohan Govil, SSC for
R-1 & R-2.



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

JUDGMENT (ORAL)

AJAY DIGPAUL, J.

1. This petition has been filed under Article 226 of the Constitution praying for the following reliefs:

“(i) issue a writ, order or direction of certiorari or any other writ, order or direction thereby, declaring the notification number 9/2023-central tax dated 31.03.2023 being arbitrary, unreasonable, *ultra vires* the provisions of Central Goods And Services Tax Act, 2017; And/Or;

(ii) issue a writ, order or direction of certiorari or any other writ, order or direction thereby, declaring the notification number 56/2023-central tax dated 28.12.2023 being arbitrary, unreasonable, *ultra vires* the provisions of Central Goods And Services Tax Act, 2017; And/Or;

(iii) issue a writ in the nature of certiorari, or any other writ or direction thereby, quashing / setting aside the impugned order-in-original bearing number 15/ADJ/AC/204-2025 dated 24.04.2024 having DRC-07 dated 02.05.2024 passed by respondent number 2; And / Or;

(iv) issue a writ in the nature of certiorari, or any other writ or direction thereby, quashing / setting aside the impugned order-in-appeal bearing number 35/ADC/Central Tax/Appeal-I/Delhi/2024-2025 dated 17.01.2025 passed by Additional Commissioner, CGST Appeals-1, Delhi; And / Or;

(v) pass such or similar order as deem fit in the peculiar facts and circumstances of the case.”

2. The petitioner received Show Cause Notice¹ dated 03.01.2024 under Section 73 of the Central Goods and Services Act, 2017, proposing the confirmation of a total demand of ₹45,81,000/- for the Financial Year 2018-

¹ hereinafter ‘SCN’



2019 on account of excess Input Tax Credit² of ₹41,41,731/- being availed in GSTR-3B in comparison to ITC available as per GSTR-2A during the relevant financial year.

3. Thereafter, the Order in Original dated 24.04.2024 came to be passed, upholding the demand raised in the SCN and directing that ITC of ₹41,41,731/- be disallowed and recovered, along with a demand for ₹5,606/- on account of difference in tax liability, as well as penalties of ₹4,14,173/- and ₹20,000/- thereon, along with interest on delayed filing of GSTR 3B returns.

4. The same came to be challenged by way of appeal and decided *vide* Order in Appeal dated 17.01.2025, whereby the appeal was partially allowed, only to the extent of waiver of the demand of ₹5,606/-.

5. On the last date of hearing, i.e., 12.12.2025, petitioner submitted before this Court that the relevant credit was reversed and claimed under the proper head *prior* to the issuance of the impugned SCN, and learned counsel for the respondent was consequently directed to consider and address this point on the next date of hearing.

6. A perusal of the impugned Order in Appeal also reveals that this ground was taken up before the relevant authority who found it to be unsubstantiated for want of documentary evidence.

7. Today, learned Counsel for the respondent has candidly confirmed the veracity of the petitioner's submission as recorded in our Order dated 12.12.2025.

8. On account of such confirmation, the impugned Orders dated

² hereinafter 'ITC'



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24.04.2024 and 17.01.2025 are thereby quashed and set aside. The petition stands allowed to the extent of prayer clauses (iii) and (iv) as reproduced at paragraph 1 *supra*.

9. We remand the matter back to the relevant adjudicatory authority for consideration afresh, on 06.04.2026, in view of the statement made by learned counsel for the petitioner which stands confirmed by learned counsel for the respondent. The matter shall be decided expeditiously, and in any case within 12 weeks from the date on which the petitioner enters appearance before the relevant authority.

10. It is made clear that this Court has not returned any findings concerning the merits of the petitioner's case.

11. The petition, along with pending applications, if any, are disposed of accordingly.

**AJAY DIGPAUL
(JUDGE)**

**NITIN WASUDEO SAMBRE
(JUDGE)**

MARCH 25, 2026/AS/av