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IN THE HIGH COURT OF DELHI AT NEW DELHI***Date of Decision: 17th December, 2025******Uploaded on: 18th December, 2025***

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W.P.(C) 4723/2025& CM APPL. 21719/2025

NAVNEET BANSAL

.....Petitioner

Through: Mr. Akshat Vachher & Mr. Shrey
Lodha, Advs.

versus

ADDITIONAL COMMISSIONER

CGST DELHI NORTH

.....Respondent

Through: Mr. Anushree Narain, SSC with Mr.
Naman Choula, Adv.**CORAM:****JUSTICE PRATHIBA M. SINGH****JUSTICE RENU BHATNAGAR****JUDGMENT****Prathiba M. Singh, J.**

1. This hearing has been done through hybrid mode.
2. The present petition has been filed by the Petitioner- Navneet Bansal under Article 226 of the Constitution of India, *inter alia*, assailing the Order-in-Original dated 28th November 2024 (hereinafter, '*impugned order*') passed by the Respondent-Additional Commissioner, CGST Delhi North. The same arises out of Show Cause Notice (hereinafter '*SCN*') dated 7th May, 2021.
3. The background of the present case is that Directorate General of GST Intelligence (hereinafter, '*DGGI*'), Delhi Zonal Unit had received intelligence in respect of availment of ineligible CENVAT Credit by raising of fraudulent invoices showing sale of goods such as *PVC Resin SP*. On the basis of the said intelligence, searches were carried out at various premises including one



of M/s Saraswati Printers dated 21st December, 2020. The statements of Mr. Vikas Narang and Mr. Randhir Kumar Jha of M/s Saraswati Printers were recorded which revealed further that the Petitioner was one of the persons from whom invoices were received and who was paid commission for raising of the invoices.

4. The Petitioner's statement was recorded on 6th January, 2021 when the search was conducted when his statement is stated to have been recorded in the following terms:

"14. M/s Banson Enterprise, Khasra No 154/345, Ground Extended Lal Dora, VPO- Pooth Khurd Delhi-110039 was searched on 06.01.2021. During the search, Panchanama dated 06.01.2021 was drawn at the premises. [RUD 12]

15. Statement of Shri Navneet Bansal, Partner of M/s Banson Enterprise was recorded on 06.01.2021 (RUD-12A) wherein he inter-alia stated that:-

a) On being asked to explain the details of purchases made by them and supplies made to M/s Saraswati Printers at B-134, Okhla Industrial Area Phase-I New Delhi and their Old address B-71, Okhla Industrial Area, Phase-I New Delhi, he stated that they had not made any purchase from M/s Saraswati Printers and also not made any supply to M/s Saraswati Printers from July 2017 onwards.

b) On being asked, he stated that they had issued only invoices without supply of goods on request of Shri Vikas Narang, partner of M/s Saraswati Printers and for this they had received a particular amount of commission from Shri Vikas Narang for issue of invoices without actual supply of PVC resin and during 30/06/2016 to 21/03/2017 they had issued the invoices of the taxable value amounting



45,04,500/. He further stated that they had only issued invoices to M/s Saraswati Printers and after the said invoices were issued, M/s Saraswati Printers used to make the payment for the same and after deducting their commission they used to return the cash to M/s Saraswati Printers.

From the scrutiny of the sale invoices on sample basis, it is observed that the vehicle number mentioned in the most of the invoices for example invoice no BE/EX-266/2016-17 dated 30.06.2016 [Vehicle No. DL 1 LW 6362], invoice no BE/EX-262/2016-17 dated 30.06.2016 [Vehicle no- DL 1 LW 6361] and invoice no BE/EX-260/2016-17 dated 30.06.2016 [Vehicle no HR 38 N 7281] etc. are Light Commercial Vehicle and the quantity mentioned in these invoices is 5000 kilograms. However, as per the government norms LV loading capacity is only 3500 Kilograms. It appears that M/s Benson Enterprises had randomly mentioned the number of vehicles without noticing the loading capacity of LCV vehicles. (Colly RUD-12B)''

5. On the basis of the statement recorded, SCN was issued to several parties including the Petitioner.
6. After issuance of the SCN dated 7th May, 2021 which was sent to the Petitioner on 9th May, 2021 at 01:42:06 P.M., the Petitioner wrote two emails dated 9th June, 2021 and 27th August, 2021 merely seeking copies of the Relied Upon Documents (hereinafter, 'RUDs'). No reply on merits was filed by the Petitioner. The Petitioner also did not file any retraction of his statement. The same led to the impugned order being passed imposing a penalty of Rs.1,63,36,788/- on the Petitioner. The relevant paragraph of the said order is extracted below:

“(xi) I impose penalty of Rs.1,63,36,788/- on Shri



***Navneet Bansal, Partner, M/s Banson Enterprises,
Khasra No.154/345, Ground Extended Lal Dora, VPO
Pooth Khurd, Delhi-110039, under Rule 26 of Central
Excise Rules, 2002 read with section 174 of the CGST
Act, 2017.”***

7. The challenge in this case is that the RUDs have not been supplied. The other submission made by Mr. Vacher, Id. Counsel appearing for the Petitioner is that in the case of M/s Devansh Chemical P. Ltd., notice has already been issued in a petition filed by the said entity *i.e., W.P. (C) 1274/2025* and he relies upon the submissions made by M/s Devansh Chemical P. Ltd. which is recorded in the impugned order.

8. This Court has considered the matter. In the case of the Petitioner, no reply was filed before the Adjudicating Authority. The Petitioner was fully aware of the SCN which was issued to him. Not even an iota of attempt was made by the Petitioner to rebut or explain the allegations against the Petitioner. The reliance on paragraph 3.3 of the impugned order where the submission of M/s Devansh Chemical P. Ltd. is recorded would not assist the Petitioner as it appears that the said firm may have appeared before the Adjudicating Authority. In any event, the impugned order clearly records that after issuance of notice to various noticees, many of them filed replies, however, the Petitioner chose not to do so. Paragraph 4.4 of the impugned order is extracted below:

“4.4 Again, letters dated 12.06.2024 was issued for personal hearing on 24/25/26.06.2024 to all the remaining noticees. Neither any noticee appeared for personal hearing nor they have given any written submission on the given dates for personal hearing. However, Sh. Navneet Bansal, partner of M/s Banson Enterprises vide his letter dated 01.07.2024 asked



another dated for the PH. All the other letters of PH issued to all other noticees returned back with remarks “No such address/left/incomplete address/no such person or firm.””

9. Further, the Petitioner’s statement which stands un-retracted even on date has been relied upon by the adjudicating authority, which would also show that there was a clear admission to the role played by him, which has gone unrefuted till the impugned order was passed.

10. The Petitioner ought to have appeared and participated in the adjudication proceedings which the Petitioner has miserably failed to do and considering the view of this Court in the case of similar credit such as Input Tax Credit (hereinafter, ‘ITC’) where there are a maze of transactions and goods-less invoices are raised by parties, the opinion of this Court has been that writ jurisdiction ought not to be exercised ordinarily.

11. This Court has consistently taken the view that in cases involving fraudulent availment of ITC, ordinarily, the Court would not be inclined to exercise its writ jurisdiction. It is routinely seen in such cases that there are complex transactions involved which require factual analysis and consideration of voluminous evidence, as also the detailed orders passed after investigation by the Department. In such cases, it would be necessary to consider the burden on the exchequer as also the nature of impact on the GST regime, and balance the same against the interest of the Petitioners, which is secured by availing the right to statutory appeal. In the opinion of this Court, the same shall be applicable to cases of CENVAT Credit.

12. It would be appropriate to refer to some of the cases which have been decided by the Supreme Court as also by this Court on these aspects. The Supreme Court in the context of CGST Act, has, in ***Civil Appeal No. 5121/2021***



dated 3rd September, 2021 titled '*The Assistant Commissioner of State Tax & Ors. v. M/s Commercial Steel Limited*', has held as under:

"11. The respondent had a statutory remedy under section 107. Instead of availing of the remedy, the respondent instituted a petition under Article 226. The existence of an alternate remedy is not an absolute bar to the maintainability of a writ petition under Article 226 of the Constitution. But a writ petition can be entertained in exceptional circumstances where there is: (i) a breach of fundamental rights; (ii) a violation of the principles of natural justice; (iii) an excess of jurisdiction; or (iv) a challenge to the vires of the statute or delegated legislation.

12. In the present case, none of the above exceptions was established. There was, in fact, no violation of the principles of natural justice since a notice was served on the person in charge of the conveyance. In this backdrop, it was not appropriate for the High Court to entertain a writ petition. The assessment of facts would have to be carried out by the appellate authority. As a matter of fact, the High Court has while doing this exercise proceeded on the basis of surmises. However, since we are inclined to relegate the respondent to the pursuit of the alternate statutory remedy under Section 107, this Court makes no observation on the merits of the case of the respondent.

13. For the above reasons, we allow the appeal and set aside the impugned order of the High Court. The writ petition filed by the respondent shall stand dismissed. However, this shall not preclude the respondent from taking recourse to appropriate remedies which are available in terms of Section 107 of the CGST Act to pursue the grievance in regard to the action which has been adopted by the state in the present case"

13. Thereafter, this Court in *W.P.(C) 5737/2025* titled *Mukesh*



Kumar Garg v. Union of India & Ors. dealing with a similar case involving fraudulent availment of ITC had held as under:

“11. The Court has considered the matter under Article 226 of the Constitution of India, which is an exercise of extraordinary writ jurisdiction. The allegations against the Petitioner in the impugned order are extremely serious in nature. They reveal the complex maze of transactions, which are alleged to have been carried out between various non-existent firms for the sake of enabling fraudulent availment of the ITC.

12. The entire concept of Input Tax Credit, as recognized under Section 16 of the CGST Act is for enabling businesses to get input tax on the goods and services which are manufactured/supplied by them in the chain of business transactions. The same is meant as an incentive for businesses who need not pay taxes on the inputs, which have already been taxed at the source itself. The said facility, which was introduced under Section 16 of the CGST Act is a major feature of the GST regime, which is business friendly and is meant to enable ease of doing business.

13. It is observed by this Court in a large number of writ petitions that this facility under Section 16 of the CGST Act has been misused by various individuals, firms, entities and companies to avail of ITC even when the output tax is not deposited or when the entities or individuals who had to deposit the output tax are themselves found to be not existent. Such misuse, if permitted to continue, would create an enormous dent in the GST regime itself.

14. As is seen in the present case, the Petitioner and his other family members are alleged to have incorporated or floated various firms and businesses only for the purposes of availing ITC without there being any supply of goods or services. The impugned order in question dated 30th January, 2025, which is under challenge, is



a detailed order which consists of various facts as per the Department, which resulted in the imposition of demands and penalties. The demands and penalties have been imposed on a large number of firms and individuals, who were connected in the entire maze and not just the Petitioner.

15. The impugned order is an appealable order under Section 107 of the CGST Act. One of the co-noticees, who is also the son of the Petitioner i.e. Mr. Anuj Garg, has already appealed before the Appellate Authority.

16. Insofar as exercise of writ jurisdiction itself is concerned, it is the settled position that this jurisdiction ought not be exercised by the Court to support the unscrupulous litigants.

17. Moreover, when such transactions are entered into, a factual analysis would be required to be undertaken and the same cannot be decided in writ jurisdiction. The Court, in exercise of its writ jurisdiction, cannot adjudicate upon or ascertain the factual aspects pertaining to what was the role played by the Petitioner, whether the penalty imposed is justified or not, whether the same requires to be reduced proportionately in terms of the invoices raised by the Petitioner under his firm or whether penalty is liable to be imposed under Section 122(1) and Section 122(3) of the CGST Act.

18. The persons, who are involved in such transactions, cannot be allowed to try different remedies before different forums, inasmuch as the same would also result in multiplicity of litigation and could also lead to contradictory findings of different Forums, Tribunals and Courts.”

14. This position was also followed in ***M/s Sheetal and Sons & Ors. v. Union of India & Anr., 2025: DHC: 4057-DB***. The relevant portion of the said decision read as under:

“15. The Supreme Court in the decision in Civil Appeal



No 5121 of 2021 titled 'The Assistant Commissioner of State Tax & Ors. v. M/s Commercial Steel Limited' discussed the maintainability of a writ petition under Article 226. **In the said decision, the Supreme Court reiterated the position that existence of an alternative remedy is not absolute bar to the maintainability of a writ petition, however, a writ petition under Article 226 can only be filed under exceptional circumstances....**

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16. In view of the fact that the impugned order is an appealable order and the principles laid down in the abovementioned decision i.e. ***The Assistant Commissioner of State Tax & Ors. (Supra)***, the Petitioners are relegated to avail of the appellate remedy."

15. Recently, this Court in ***W.P.(C) 5815/2025*** titled ***M/s MHJ Metal Techs v. Central Goods and Services Tax Delhi South*** held as under:

"16. This Court, while deciding the above stated matter, has held that where cases involving fraudulent avilment of ITC are concerned, considering the burden on the exchequer and the nature of impact on the GST regime, writ jurisdiction ought not to be exercised in such cases. The relevant portions of the said judgment are set out below:

"11. The Court has considered the matter under Article 226 of the Constitution of India, which is an exercise of extraordinary writ jurisdiction. The allegations against the Petitioner in the impugned order are extremely serious in nature. They reveal the complex maze of transactions, which are alleged to have been carried out between various non-existent firms for the sake of enabling fraudulent avilment of the ITC.

12. The entire concept of Input Tax Credit, as recognized under Section 16 of the CGST Act is for enabling businesses to get input tax on the goods and services which are



manufactured/supplied by them in the chain of business transactions. The same is meant as an incentive for businesses who need not pay taxes on the inputs, which have already been taxed at the source itself. The said facility, which was introduced under Section 16 of the CGST Act is a major feature of the GST regime, which is business friendly and is meant to enable ease of doing business.

13. It is observed by this Court in a large number of writ petitions that this facility under Section 16 of the CGST Act has been misused by various individuals, firms, entities and companies to avail of ITC even when the output tax is not deposited or when the entities or individuals who had to deposit the output tax are themselves found to be not existent. Such misuse, if permitted to continue, would create an enormous dent in the GST regime itself.

14. As is seen in the present case, the Petitioner and his other family members are alleged to have incorporated or floated various firms and businesses only for the purposes of availing ITC without there being any supply of goods or services. The impugned order in question dated 30th January, 2025, which is under challenge, is a detailed order which consists of various facts as per the Department, which resulted in the imposition of demands and penalties. The demands and penalties have been imposed on a large number of firms and individuals, who were connected in the entire maze and not just the Petitioner.

15. The impugned order is an appealable order under Section 107 of the CGST Act. One of the co-noticees, who is also the son of the Petitioner i.e. Mr. Anuj Garg, has already appealed before the Appellate Authority.



16. Insofar as exercise of writ jurisdiction itself is concerned, it is the settled position that this jurisdiction ought not be exercised by the Court to support the unscrupulous litigants.

17. Moreover, when such transactions are entered into, a factual analysis would be required to be undertaken and the same cannot be decided in writ jurisdiction. The Court, in exercise of its writ jurisdiction, cannot adjudicate upon or ascertain the factual aspects pertaining to what was the role played by the Petitioner, whether the penalty imposed is justified or not, whether the same requires to be reduced proportionately in terms of the invoices raised by the Petitioner under his firm or whether penalty is liable to be imposed under Section 122(1) and Section 122(3) of the CGST Act.

18. The persons, who are involved in such transactions, cannot be allowed to try different remedies before different forums, inasmuch as the same would also result in multiplicity of litigation and could also lead to contradictory findings of different Forums, Tribunals and Courts.”

17. Under these circumstances, this Court is not inclined to entertain the present writ petition. However, the Petitioners are granted the liberty to file an appeal.

18. Accordingly, the Petitioners are permitted to avail of the appellate remedy under Section 107 of the CGST Act, by 15th July, 2025, along with the necessary pre-deposit mandated, in which case the appeal shall be adjudicated on merits and shall not be dismissed on the ground of limitation.

19. Needless to add, any observations made by this Court would not have any impact on the final adjudication by the appellate authority.”

16. The decision in *Metal Techs (Supra)* has also been carried to the



Supreme Court in *SLP(C) 27411/2025* titled *M/S Metal Techs v. Central Goods and Services Tax Delhi South*. In the said *SLP*, the Supreme Court *vide* order dated 22nd September, 2025 has merely extended the time for filing the appeal.

17. Under these circumstances, the petition is lacking any merit and is dismissed. Moreover, there is not even a submission as to why despite the impugned order having been passed on 28th November, 2024, the present writ petition was first listed only in April, 2025 when the limitation had already expired.

18. On this aspect the case of the Petitioner is that the petition was filed on 31st January, 2025. It is possible that the matter was kept under objections without removing defects for three months. Giving this benefit of doubt to the Petitioner, the Petitioner is given an opportunity to file an appeal challenging the impugned order. If the appeal is filed in accordance with law by 31st January, 2026, the appeal shall not be dismissed on the ground of being barred by limitation and shall be adjudicated on merits.

19. The observations made by this Court shall not bind the Appellate Authority if the appeal is filed in accordance with law.

20. Accordingly, the petition is dismissed. All pending applications are disposed of.

PRATHIBA M. SINGH
JUDGE

RENU BHATNAGAR
JUDGE

DECEMBER 17, 2025

Rahul/ck