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

Date of decision: 24th September 2025

+ **W.P.(C) 4987/2025 & CM APPL. 22937/2025**

TRANSFORMATIVE LEARNING SOLUTIONS PVT
LTD

.....Petitioner

Through: Mr. Rajat Mittal, Mr. Suprateek
Neogi, Ms. Krati Agrawal, Mr.
Subham Kumar & Mr. Priyanshu,
Advs.

versus

COMMISSIONER CENTRAL GOODS AND SERVICE TAX
DELHI EAST & ANR.

.....Respondent

Through: Mr. Anurag Ojha, SSC with Mr. Dipak
Raj, Mr. Shashank Kumar, Mr. Karan
Aggarwal & Ms. Priyatam Kumar,
Advs

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, *inter alia*, challenging the impugned order dated 31st January, 2025 passed by the Additional Commissioner, Central Goods & Service Tax, Delhi East. *Vide* the impugned order the demand of Rs. 20,14,98,627/- along with interest and penalty of equivalent amount has been confirmed. Further, the Input Tax Credit (hereinafter “ITC”) to the tune of Rs. 29,33,217/- that had been reversed, has been appropriated.
3. It is stated by the Petitioner that it is engaged in the business of export



of Ayurvedic cosmetic goods. The background of the case giving rise to the present petition is that sometime in 2022, an audit of the Petitioner was conducted by the CGST Department for the period 2017-18 to 2021-22, on the basis of the documents submitted by the Petitioner. In the course of the said audit, certain objections were raised by the CGST Department including availing of ITC, which were communicated to the Petitioner Firm on 25th January, 2024 and 31st January, 2024. One of the objections against which majority of the demand has been raised is that the Petitioner has failed to submit proof of foreign remittance viz. BRC (for foreign exchange realization) or FIRC (for foreign exchange realization) or any other document issued from the bank regarding the foreign remittances. The allegation of the CGST Department is that as per the bank statements of the Petitioner lump-sum amounts have been credited in INR from its foreign branch, which does not corroborate with the invoice-wise/month-wise/year-wise export quantum of the Petitioner. The breakup of the demand raised in respect of the said allegation is as under:

Year	Taxable Value of	GST to be paid	Interest	Penalty
	Exports as per GSTR9	(IGST)		
2017-18	11,89,81,236	2,14,16,622	As applicable	As applicable
2018-19	14,41,34,412	2,59,44,194	As applicable	As applicable
2019-20	9,42,12,589	1,69,58,266	As applicable	As applicable
2020-21	22,61,25,315	4,07,02,557	As applicable	As applicable
2021-22	30,23,72,081	5,44,26,975	As applicable	As applicable
Total	88,58,25,633	15,94,48,614	As applicable	As applicable

4. It is the case of the CGST Department that since the Petitioner neither discharged its liabilities in respect of any of the objections raised, nor filed its reply to the communication dated 31st January, 2024, the final findings were



communicated to the Petitioner in FORM GST ADT-02 on 14th May, 2024. Thereafter, it is alleged that the Petitioner still did not submit any reply or discharge the liabilities raised against it. Further, on 29th May, 2024 a pre-show cause notice consultation *vide* DRC-01A the CGST Department was issued to the Petitioner the informing the tax, interest and penalty payable by it. A reply was filed by the Petitioner on 3rd June, 2024 along with relevant documents, which was found to be untenable by the CGST Department.

5. Accordingly, the Show Cause Notice dated 16th July, 2024 was issued to the Petitioner by the CGST Department. The Petitioner filed its response dated 28th August, 2024 to the Show Cause Notice and a personal hearing was also attended by the authorised representative of the Petitioner on 5th December, 2024. Thereafter, the impugned order has been passed confirming the demand of tax with interest and penalty in the following terms:

“

ORDER

(i). I uphold the invocation of Extended period of limitation so provided under proviso to Section 74(1) of the CGST Act, 2017 read with section 20 of IGST Act, 2017 and further read with the corresponding provisions of the DSGST Act, 2017;

(ii). I confirm the demand of IGST, CGST & SGST (as the case may be) amounting to Rs. 20,14,98,627/- (Rupees twenty crore fourteen lakh ninety-eight thousand six hundred and twenty-seven only) under the provisions of Section 74(1) of the CGST Act 2017 and order for recovery of the same from M/s Transformative Learning Solutions Private Limited (GSTIN: 07AADCT5543R1ZP):

(iii) I confirm the demand of interest on the amount of tax specified in (ii) above under Section 50(3) and



Section 50 (1) as applicable the CGST Act, 2017 and the corresponding provisions of the DSGST Act, 2017 and IGST Act, 2017 and order for recovery of the same from M/s Transformative Learning Solutions Private Limited (GSTIN: 07AADCT5543R1ZP);

(iv). I impose penalty of Rs. 20,14,98,627/- upon M/s Transformative Learning Solutions Private Limited (GSTIN: 07AADCT5543R1ZP) under Section 74 of the CGST Act, 2017 and the corresponding provisions of the DSGST Act, 2017 and IGST Act, 2017 on the amount as mentioned in (ii);

(v). I appropriate the ITC already reversed amounting to Rs. 29,33,217/- vide DRC no. D10701240000817 dated 02.01.2024, D10712220256300 dated 31.12.2022, D10701240000827 dated 02.01.2024 and D10712220256322 dated 31.12.2022 against demand confirmed at as per point (ii) above,”

6. In addition, breakup of the tax demanded in respect of the various objections of the CGST Department is relevant and the same is as under:



Sr. No.	Description	GST (in Rs.)
1.	Reversal of excess ITC claim	42,31,521/-
2.	Non-payment of Tax under Reverse Charge Mechanism	61,94,327/-
3.	Wrong availment of IGST on import	2,05,753/-
4.	Short Payment of Tax	14,28,796/-
5.	Foreign remittance not received on exports	15,94,48,614/-
6.	Wrong availment of IGST refund on account of export of goods	2,99,89,616/-
	Total	20,14,98,627/-

7. The grievance of the Petitioner in the present case is that the impugned order is completely unreasoned and vague in nature, insofar as it rejects the refund claimed by the Petitioner. It is stated that the Petitioner has claimed refund of the accumulated ITC and along with the refund application it had annexed, *inter alia*, proof of exports and receipt of export proceeds which were duly verified by the CGST Department. The Petitioner states that during the entire audit period, it has been claiming refund and submitting the relevant documents, on the basis of which refund has been sanctioned by the CGST Department.

8. Further, it is the case of the Petitioner that it had submitted relevant documents before the CGST Department addressing the objections raised by



the CGST Department. However, the same have not been duly considered by the Adjudicating Authority. The impugned order rejects the refund claimed by the Petitioner and the only reasoning given therein is that the Foreign Inward Remittance Certificate (hereinafter “*FIRC*”) and invoices are huge in number and the same cannot be reconciled.

9. Hence, being aggrieved, the Petitioner has preferred the present petition.

10. On 29th April, 2025, notice was issued in the present petition and the Respondents were directed to file their counter affidavit.

11. Today, the counter affidavit has been handed over by Id. Counsel for the Respondent. The same is taken on record.

12. Heard Id. Counsel for the parties. After perusing the counter affidavit and hearing Id. Counsel for the parties, this Court is of the opinion that the FIRCs need not match transaction by transaction and could even be on a periodic basis, so long as the total benefit that is being claimed is fully supported by the foreign exchange which has been remitted to the Petitioner. This Court is of the opinion that the matter deserves re-consideration.

13. Under these circumstances, the impugned order dated 31st January, 2025 is set aside. The Petitioner shall now appear before the Adjudicating Authority and a fresh notice for personal hearing shall be issued to the Petitioner on the following mobile number and email address:

email address: rajat@msslawchambers.in

mobile number: 9971933199

14. After granting the opportunity for personal hearing and considering the submissions made by the Petitioner therein, the Adjudicating Authority shall adjudicate the SCN afresh.



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15. The petition along with the pending application is disposed of in the aforesaid terms.

PRATHIBA M. SINGH
JUDGE

SHAIL JAIN
JUDGE

SEPTEMBER 24, 2025
kk/ss/msh