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

+ **W.P.(C) 6334/2025 & CM APPL. 28843/2025**

VARDHMAN ELECTRONICS

.....Petitioner

Through: Mr. Kamal Sawhney, Mr. Deepak Thackur, Ms. Aakansha Wadhvani and Mr. Rishabh Mishra, Advocates.

versus

ADDITIONAL COMMISSIONER, CGST DELHI WEST & ORS.

.....Respondents

Through: Ms. Monica Benjamin, SSC with Ms. Nancy Jain, Advocate.

CORAM:

JUSTICE PRATHIBA M. SINGH

JUSTICE RAJNEESH KUMAR GUPTA

ORDER

% 13.05.2025

1. This hearing has been done through hybrid mode.
2. The present petition has been filed by the Petitioner – Vardhman Electronics under Article 226 of the Constitution of India *inter alia* assailing the Show Cause Notice dated 26th September, 2023 issued by the Additional Commissioner, CGST Delhi, Audit-II (*hereinafter, the 'Additional Commissioner'*) as also the consequent order dated dated 30th January, 2025 bearing No. 199/CGST WEST/ GST/ SKG/ ADC/202425 passed by Additional Commissioner, CGST Delhi West.
3. Vide the impugned order, the Additional Commissioner has *inter alia* confirmed the demand of short payment of tax amounting to Rs. 9,85,22,360/- and additional penalties.



4. The allegation in this petition is that the Petitioner is a retailer selling various household appliances and other electronic goods. The Petitioner is given discounts by various manufacturers. However, the Revenue Department seeks to construe such discounts as an income on which Goods and Services Tax ('GST') is payable.
5. The manner in which the Revenue Department interprets it, is to say that the giving of a discount is in fact a service being rendered by the retailer to promote the goods of the manufacturer and hence the same is liable for GST.
6. Issue notice. Notice is accepted by Ms. Monica Benjamin, Id. SSC appearing for the Respondents.
7. Considering the nature of the matter, this Court is of the opinion that discounts given by manufacturers to retailers, *prima facie*, cannot be considered as a consideration for services rendered by the retailer. Accordingly, the impugned order shall remain stayed.
8. List before the Joint Registrar on 18th July, 2025.
9. List before the Court on 25th September, 2025.

PRATHIBA M. SINGH, J.

RAJNEESH KUMAR GUPTA, J.

MAY 13, 2025/nd/rks