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

Date of Decision: 06th May, 2025

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W.P.(C) 12672/2024 & CM APPL. 52806/2024

**FAIR DEAL CARS PVT. LTD. THROUGH AUTHORISED
REPRESENTATIVE SYED ARIF HUSSAIN,Petitioner**

Through: Mr. Rajesh Jain, Mr. Virag Tiwari, Mr.
Ramashish, Mr. Rishabh Jain and Ms.
Tanya Saraswat, Advocates.

versus

**THE COMMISSIONER CGST, DELHI EAST
COMMISSIONERATE & ANR.Respondents**

Through: Mr. Gibran Naushad, SSC with Mr.
Harsh Singhal and Mr. Suraj Shekhar
Singh, Advocates for R-1.
Mr. Nune Balraj, SPC with Ms.
Meghna Rao and Mr. Harshit Goel,
Advocates for R-2/UOI.

CORAM:

JUSTICE PRATHIBA M. SINGH

JUSTICE RAJNEESH KUMAR GUPTA

Prathiba M. Singh, J. (Oral)

1. This hearing has been done through hybrid mode.
2. The present petition has been filed by the Petitioner – Fair Deal Cars Pvt. Ltd. through Authorised Representative Syed Arif Hussain under Article 226 of the Constitution of India, *inter alia*, challenging -

(i) Order-In-Original No.09/PJ/ADJ/AC/2024-25 dated 26th April, 2024 (hereinafter, '*the impugned order*') passed by the Assistant Commissioner, Division Shahdara under Section 73 of the Delhi/Central Goods and Services Tax Act, 2017 (hereinafter,



‘DGST/CGST Act, 2017’); and

(ii) Show Cause Notice dated 7th November, 2023 bearing reference number GEXCOM/SoR/19-18/2023-CGSTRANGE-145-DIV-2-SHDRCOMMORTE-DELHI(E) (hereinafter ‘*impugned SCN*’).

3. Additionally, the present petition also, *inter alia*, challenges the **Notification 56/2023(Central Tax)** dated 28th December, 2023 and **Notification 09/2023(Central Tax)** dated 31st March, 2023 issued by the Central Board of Indirect Taxes and Customs (hereinafter, ‘*the impugned notifications*’).

4. The impugned notifications were under consideration before this Court in a batch of matters with the lead matter being **W.P.(C) 16499/2023** titled ‘**DJST Traders Pvt. Ltd. vs. Union of India and Ors.**’. On 22nd April, 2025, the parties were heard at length *qua* the validity of the impugned notifications and accordingly, the following order was passed:

“4. Submissions have been heard in part. The broad challenge to both sets of Notifications is on the ground that the proper procedure was not followed prior to the issuance of the same. In terms of Section 168A, prior recommendation of the GST Council is essential for extending deadlines. In respect of Notification no.9, the recommendation was made prior to the issuance of the same. However, insofar as Notification No. 56/2023 (Central Tax) the challenge is that the extension was granted contrary to the mandate under Section 168A of the Central Goods and Services Tax Act, 2017 and ratification was given subsequent to the issuance of the notification. The notification incorrectly states that it was on the recommendation of the GST Council. Insofar as the Notification No. 56 of 2023 (State Tax) is concerned, the challenge is to the effect that the same was issued on 11th July, 2024 after the expiry of the limitation in terms of the



Notification No.13 of 2022 (State Tax).

5. *In fact, Notification Nos. 09 and 56 of 2023 (Central Tax) were challenged before various other High Courts. The Allahabad Court has upheld the validity of Notification no.9. The Patna High Court has upheld the validity of Notification no.56. Whereas, the Guwahati High Court has quashed Notification No. 56 of 2023 (Central Tax).*

6. *The Telangana High Court while not delving into the vires of the assailed notifications, made certain observations in respect of invalidity of Notification No. 56 of 2023 (Central Tax). This judgment of the Telangana High Court is now presently under consideration by the Supreme Court in S.L.P No 4240/2025 titled M/s HCC-SEW-MEIL-AAG JV v. Assistant Commissioner of State Tax & Ors. The Supreme Court vide order dated 21st February, 2025, passed the following order in the said case:*

“1. The subject matter of challenge before the High Court was to the legality, validity and propriety of the Notification No.13/2022 dated 5-7-2022 & Notification Nos.9 and 56 of 2023 dated 31-3-2023 & 8-12-2023 respectively.

2. However, in the present petition, we are concerned with Notification Nos.9 & 56/2023 dated 31-3-2023 respectively.

3. These Notifications have been issued in the purported exercise of power under Section 168 (A) of the Central Goods and Services Tax Act, 2017 (for short, the "GST Act").

4. We have heard Dr. S. Muralidhar, the learned Senior counsel appearing for the petitioner.

5. The issue that falls for the consideration of this Court is whether the time limit for adjudication of show cause notice and passing order under Section 73 of the GST Act and SGST Act (Telangana GST Act) for financial year 2019-2020 could have been extended by issuing the Notifications in question



under Section 168-A of the GST Act.

6. There are many other issues also arising for consideration in this matter.

7. Dr. Muralidhar pointed out that there is a cleavage of opinion amongst different High Courts of the country. 8. Issue notice on the SLP as also on the prayer for interim relief, returnable on 7-3-2025.”

7. In the meantime, the challenges were also pending before the Bombay High Court and the Punjab and Haryana High Court . In the Punjab and Haryana High Court vide order dated 12th March, 2025, all the writ petitions have been disposed of in terms of the interim orders passed therein. The operative portion of the said order reads as under:

“65. Almost all the issues, which have been raised before us in these present connected cases and have been noticed hereinabove, are the subject matter of the Hon'ble Supreme Court in the aforesaid SLP.

66. Keeping in view the judicial discipline, we refrain from giving our opinion with respect to the vires of Section 168-A of the Act as well as the notifications issued in purported exercise of power under Section 168-A of the Act which have been challenged, and we direct that all these present connected cases shall be governed by the judgment passed by the Hon'ble Supreme Court and the decision thereto shall be binding on these cases too.

67. Since the matter is pending before the Hon'ble Supreme Court, the interim order passed in the present cases, would continue to operate and would be governed by the final adjudication by the Supreme Court on the issues in the aforesaid SLP-4240-2025.

68. In view of the aforesaid, all these connected cases are disposed of accordingly along with pending applications, if any.”

8. The Court has heard ld. Counsels for the parties



for a substantial period today. A perusal of the above would show that various High Courts have taken a view and the matter is squarely now pending before the Supreme Court.

9. Apart from the challenge to the notifications itself, various counsels submit that even if the same are upheld, they would still pray for relief for the parties as the Petitioners have been unable to file replies due to several reasons and were unable to avail of personal hearings in most cases. In effect therefore in most cases the adjudication orders are passed ex-parte. Huge demands have been raised and even penalties have been imposed.

10. Broadly, there are six categories of cases which are pending before this Court. While the issue concerning the validity of the impugned notifications is presently under consideration before the Supreme Court, this Court is of the prima facie view that, depending upon the categories of petitions, orders can be passed affording an opportunity to the Petitioners to place their stand before the adjudicating authority. In some cases, proceedings including appellate remedies may be permitted to be pursued by the Petitioners, without delving into the question of the validity of the said notifications at this stage.

11. The said categories and proposed reliefs have been broadly put to the parties today. They may seek instructions and revert by tomorrow i.e., 23rd April, 2025.”

5. Thereafter, on 23rd April, 2025, this Court, having noted that the validity of the impugned notifications is under consideration before the Supreme Court, had disposed of several matters in the said batch of petitions after addressing other factual issues raised in the respective petitions. Additionally, while disposing of the said petitions, this Court clearly observed that the validity of the impugned notifications therein shall be subject to the



outcome of the proceedings before the Supreme Court.

6. On facts, the submission of the Petitioner is that the Respondents-CGST Department has failed to issue a pre-consultation notice in form GST DRC-01A as contemplated under Rule 142(1A) of Central Goods and Services Tax Rules, 2017. In view thereof, the Petitioner is stated to have not filed a reply neither attended any personal hearing, though the same had been provided on four dates, i.e., 22nd January, 2024, 02nd February, 2024, 09th February, 2024 and 22nd April, 2024.

7. The Court has perused the records. It is noticed that prior to the issuance of impugned SCN, a notice in form GST ASMT-10 was issued by the Respondent-GST Department on 1st February, 2023 in regards to the same subject matter (*i.e.*, to scrutinise the returns for the period April 2018 to March 2019 under Section 61 of the CGST Act, 2017). The Petitioner is stated to have filed a reply for the same in form GST ASMT-11 on 23rd May, 2023, as well. Subsequently, the impugned order seems to have been passed on 26th April, 2024.

8. In the above circumstances, considering the fact that no reply has been filed and personal hearings have not been availed by the Petitioner in respect of the impugned SCN, this Court is of the opinion that the Petitioner ought to be provided another opportunity to be heard on merits.

9. Accordingly, the impugned order is set aside and the matter is relegated to the Adjudicating Authority to be heard on merits. The Petitioner is permitted to file a reply by 10th July, 2025. Upon such reply being filed, the Adjudicating Authority shall provide a personal hearing to the Petitioner, and the notice for the same shall be sent to the following email address and Phone number:



Email : rajeshroshanjain@gmail.com and infotax@rediffmail.com

Mobile Number : 9810042928

10. All the rights and remedies of the parties are left open. Access to the GST Portal, if not already available, shall be ensured to be provided to the Petitioner to file a reply and enable access to the notices and related documents.

11. It is again made clear that the issue in respect of the validity of the impugned notifications is left open and the order of the Adjudicating Authority shall be subject to the outcome of the decision of the Supreme Court in *S.L.P No 4240/2025* titled '*M/s HCC-SEW-MEIL-AAG JV v. Assistant Commissioner of State Tax & Ors*'.

12. The petition is disposed of in the above terms. Pending applications, if any, are also disposed of.

**PRATHIBA M. SINGH
(JUDGE)**

**RAJNEESH KUMAR GUPTA
(JUDGE)**

MAY 6, 2025/v/Ar.

(corrected and released on 13th May, 2025)