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

*Date of Decision: 23<sup>rd</sup> April, 2025*

+ **W.P.(C) 2866/2024 & CM APPLs.11792/2024**

SANDEEP JAIN PROPRIETOR OF  
M/S NANDI POLYCHEM

....Petitioner

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

versus

UNION OF INDIA & ORS.

....Respondents

Through: Sh. Atul Tripathi, SSC, CBIC with Mr.  
Shubham Mishra & Mr. Gaurav Mani  
Tripathi, Advs. for R-2. (M:  
9654278378)

Mr. Anurag Ojha, SSC with Mr.  
Subham Kumar and Mr. Dipak Raj,  
Advs. for R-2. (M: 6200388793)

Mr. K.G. Gopalakrishnan, Ms. Nisha  
Mohandas and Mr. Kunwar Raj Singh,  
Advs for GNCTD.

**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– Sandeep Jain under Article 226 of the Constitution of India challenging *inter alia* the show cause notice dated 9th December, 2023 (*hereinafter, 'the SCN'*) issued by the Sales Tax Officer, Class II/AVATO, Delhi Goods and Service Tax, Ward-70, Zone- 04 under Section 73 of the Delhi/Central Goods and Services Tax Act,



2017 (*hereinafter*, 'DGST/CGST Act, 2017').

3. Additionally, the present petition also challenges the Notification No. 9/2023- Central Tax dated 31st March, 2023 and Notification No.56/2023- Central Tax dated 28th December, 2023 issued by the Central Board of Indirect Taxes (*hereinafter*, 'the impugned notifications').

4. The present petition is a part of a batch of petitions wherein *inter alia*, the impugned notification has been challenged. The **W.P.(C) No. 16499/2023** titled ***DJST Traders Private Limited v. Union of India & Ors.*** is the lead matter in the said batch of petitions. On the last date of hearing *i.e.*, 22rd 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. As observed by this Court in the order dated 22nd April, 2025, since the challenge to the above mentioned notifications is 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



challenge made by the Petitioner to the impugned notification in the present proceeding shall also be subject to the outcome of the decision of the Supreme Court.

6. On facts, however, the submission of the Petitioner in the present petition is that the impugned notifications were challenged by the Petitioner after the issuance of the SCN upon the Petitioner. Thereafter, *vide* order dated 27<sup>th</sup> February, 2024, this Court passed the following directions:

**“5. In the meantime, the Proper Officer shall continue with the proceedings on the show cause notice and after taking into account the reply filed by the petitioner and giving the petitioner an opportunity of personal hearing, pass a final order. In case a final order is passed before the next date of hearing, same shall not be implemented without the leave of the Court.”**

7. Subsequently, the order corresponding to the SCN was passed by the Department of Trade and Taxes, Office of GSTO, Ward-70, Delhi, on 13th April, 2024, during the pendency of the present petition. A copy of the order has been handed over in Court today. Let the same be taken on record.

8. Perusal of records reveal that a reply to the SCN was filed by the Petitioner on 11th December, 2023. Subsequently, a personal hearing notice is also stated to have been issued which was not attended by the Petitioner.

9. The order dated 13th April, 2024 does not record any specific date that was fixed for personal hearing of the Petitioner. Under these circumstances, since the said order seems to be extremely cryptic and unreasoned in nature and given the order passed by this Court on 27th February, 2024, this Court is of the opinion that the Petitioner shall be given an opportunity for personal hearing.



10. The Adjudicating Authority shall issue upon the Petitioner, a notice for personal hearing. The personal hearing notice shall be communicated to the Petitioner on the following mobile no. and e-mail address:

***Mobile No.: 9810042928***

***E-mail Address :RajeshRoshanjain@gmail.com***

11. The reply filed by the Petitioner to the SCN along with the submissions made during the personal hearing proceedings shall be duly considered by the Adjudicating Authority and fresh order with respect to the SCN shall be passed accordingly.

12. However, it is made clear that the issue in respect of the validity of the impugned notifications is left open. Any order passed by the Adjudicating Authority shall be subject to the outcome of the decision of the Supreme Court.

13. The present writ petitions are disposed of in above terms. All the pending applications, if any, are also disposed of.

**PRATHIBA M. SINGH  
JUDGE**

**RAJNEESH KUMAR GUPTA  
JUDGE**

**APRIL 23, 2025**

*dj/ss*

*(corrected & released on 29<sup>th</sup> April, 2025)*