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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
Date of decision: 23rd May, 2025
+ **W.P.(C) 7085/2025, CM APPL. 32043/2025 & CM APPL.
32044/2025**

PUNEET GOYAL (PROP. OF M/S BHAVYA PLASTIC INDU
STRIES)Petitioner

Through: Mr. Puneet Rai and Ms. Srishti
Sharma, Advs.

versus

UNION OF INDIA & ORS.Respondents

Through: Mr. Brijesh Yadav, SPC with Ms.
Nikita, Mr. Nikhil Yadav, Mr. Anuj
Kumar Kashyap, Ms.Nidhi Rana, Ms.
Lepakshi Thakur and Ms. Aarti
Barnwal, Advs. for R-1.

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 under Article 226 of the Constitution of India *inter alia* challenging the Show Cause Notice dated 23rd September, 2023 (hereinafter '*impugned SCN*') and demand order dated 30th December, 2023 (hereinafter '*impugned order*') passed by Respondent No.4- Sales Tax Officer Class II/AVATO, Ward 63, Zone 6, Delhi raising a demand to the tune of Rs.3,24,05,906/- against the Petitioner.
3. The petition also challenges the *vires* of **Notification No. 9/2023-Central Tax dated 31st March, 2023** (hereinafter '*impugned notification*').
4. The validity of the impugned notification was under consideration before this Court in a batch of petitions with the lead petition being **W.P.(C)**



16499/2023 titled '**DJST Traders Pvt. Ltd. vs. Union of India and Ors.**'. In the said batch of petitions, 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 Id. 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 in *S.L.P. No. 4240/2025* titled *M/s HCC-SEW-MEIL-AAG JV v. Assistant Commissioner of State Tax & Ors.*

6. On facts, however, the submission of the Petitioner is that the Adjudicating Authority has passed the impugned order without duly considering the reply dated 8th December, 2023 filed by the Petitioner. Further it is also submitted that the impugned order is cryptic and non-speaking in nature which according to the Petitioner is in violation of Principles of Natural Justice.

7. Heard. The Court has also perused the records. It is noticed that a sufficiently detailed reply has been filed by the Petitioner on 8th December, 2023. However, the impugned order is, in fact, a non-speaking order which does not provide any reasons for finding the reply non-satisfactory. For ease of reference the relevant portion of the impugned order has been extracted below:



GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI
DEPARTMENT OF TRADE & TAXES/OFFICE OF THE GST OFFICER
WARD-63, 7th FLOOR, VYAPAR BHAWAN, I.P. ESTATE,
NEW DELHI-110002

Annexure to Order

(u/s 73(9) of CGST/DGST Act, 2017)

TAX PERIOD: JULY 2017- MARCH 2018

Whereas, SCN/ DRC-1 [see rule 100(2) & 142(1) (a)] was issued to the Taxpayer under Section 73 of CGST / DGST Act & Rules, 2017.

Whereas, in response to the DRC-01, the Taxpayer submitted his reply in Form DRC-06. The reply of the registered person as well as data available on GST Portal have been checked / examined and the reply/ submission of the Taxpayer / documents attached with the reply has not been found satisfactory.

Since, **no satisfactory reply / no substantive documents have been submitted by the taxpayer despite sufficient and repeated opportunities as well as not appeared for personal hearing, which indicate that the taxpayer has nothing to submit in the matter.**

In view of aforesaid circumstances, the undersigned is left with no other option to create demand, in accordance with the provisions of CGST / DGST Act & Rules, 2017, as per discrepancies already conveyed through SCN/ DRC-01. As per section 73(9) of CGST/DGST Act, tax, interest and penalty is determined and ordered accordingly.

(Naveen Kumar)
Proper Officer, WARD-63

8. Under such circumstances, considering the fact that the Petitioner reply has not been duly considered and the fact that the challenge to the *vires* of the impugned notification based on which the impugned SCN has been issued under the extended period of limitation, the matter deserves to be remanded back to the concerned Adjudicating Authority.

9. At this stage, Id. Counsel for the Respondent-GST Department submits that the Petitioner's Rectification application is also pending before the concerned Adjudicating Authority. In response to this, Ld. Counsel for the Petitioner agrees to withdraw the said application upon the matter being remanded for being heard afresh on merits. Accordingly, let the Petitioner withdraw the rectification application.

10. The impugned order is set aside. The Petitioner is granted time till 10th



July 2025, to file an additional reply to SCN, if needed. Upon filing of the additional reply, the Adjudicating Authority shall issue a notice for personal hearing to the Petitioner. The personal hearing notice shall be communicated to the Petitioner on the following e-mail address and mobile number:

- ***Email: puneetraiadvocate@gmail.com***
- ***Mobile No.:9810023745***

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

12. All the rights and remedies of the parties are left open. Access to the GST Portal, if not already available, shall be provided to the Petitioner to enable filing of the additional reply as also access to the notices and related documents.

13. 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 in *S.L.P No 4240/2025 titled M/s HCC-SEW-MEIL-AAG JV v. Assistant Commissioner of State Tax & Ors.*

14. Petition is disposed of in these terms. All pending applications, if any, are also disposed of.

PRATHIBA M. SINGH
JUDGE

RAJNEESH KUMAR GUPTA
JUDGE

MAY 23, 2025/PU/Ar.