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

*Date of decision: 26<sup>th</sup> August, 2025*

+ **W.P.(C) 12943/2025**

M/S K.K. CONSTRUCTION CO. ....Petitioner

Through: Mr. Shailender Verma, Mr. Subhash  
Chandra Gupta, Mr. Siddhartha Verma  
& Mr. Amrish Kumar Gautam Adv.  
(M:9811121653)

versus

COMMISSIONER OF SGST, DELHI & ANR. ....Respondents

Through: Mr. Sumit K. Batra, Adv.

**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 by the Petitioner- M/s K.K. Construction Co. through its Proprietor, under Article 226 of the Constitution of India, *inter alia*, challenging the Show Cause Notice dated 8th December, 2023 (*hereinafter* 'SCN') and the impugned order dated 22nd April, 2024 (*hereinafter* 'impugned order') passed in respect of Financial Year 2018-19 by the office of Sales Tax Officer Class II/ AVATO, Delhi. *Vide* the impugned order a demand of Rs. 4,12,73,823/- has been raised against the Petitioner.
3. Additionally, the petition also challenges the *vires* of **Notification No. 9/2023-Central Tax** dated 31st March, 2023 and **Notification No. 56/2023-Central Tax** dated 28th December, 2023. Ld. Counsel for the Petitioner submits that the challenge is to the **Notification 9/2023-State Tax** dated 31st March, 2023 and **Notification 56/2023-State Tax** dated 11th July, 2024 (*hereinafter* 'impugned notification') and inadvertently, the Central



notifications have been attached. Let copies of the impugned notifications be handed over to the Court Master today itself. The same shall be taken on record.

4. The validity of the impugned notifications 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 notification 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 in *S.L.P. No. 4240/2025* titled *M/s HCC-SEW-MEIL-AAG JV v. Assistant Commissioner*



*of State Tax & Ors.*

6. However, in cases where the challenge is to the parallel State Notifications, the same have been retained for consideration by this Court. The lead matter in the said batch is ***W.P.(C) 9214/2024*** titled ***Engineers India Limited v. Union of India & Ors.***

7. On the facts of the present case, the SCN was issued to the Petitioner on various grounds including in respect of reconciliation of GSTR-01 and GSTR-3B as also excess claim of Input Tax Credit. A reminder was issued on 29<sup>th</sup> February, 2024 and a reply was filed on 9<sup>th</sup> March, 2024. The case of the Petitioner is that along with the said reply various documents were also filed and the Petitioner's authorized representative had also attended the personal hearing. However, the impugned order has been passed without considering the reply of the Petitioner.

8. Ld. Counsel for the Petitioner has handed across the returns in Form GSTR-1 and GSTR-3B and the same are taken on record. He submits that, in fact, in the GSTR-01, by mistake the amount of total taxable value under B2C was reflected as Rs. 18,74,65,561/-, whereas in the GSTR-3B the amount was correctly mentioned as Rs. 1,06,31,785/-. It is submitted by the ld. Counsel for the Petitioner that this was due the inadvertent mistake made by the Petitioner's accountant and it was on the said basis that the SCN itself came to be issued.

9. Ld. Counsel for the Department submits that the impugned order has been challenged very belatedly, in fact one and a half years later. He submits that the Petitioner has already appeared for the personal hearing and has explained its position to the Adjudicating Authority, subsequent to which, the impugned order has been passed. Thus, the Petitioner ought to be relegated to



pursue the appellate remedy.

10. The Court has considered the matter. The returns which have been handed over *i.e.*, GSTR-01 and GSTR-3B show completely different figures and the question as to which of the figures is correct would have to be ascertained after going through all the documents which the Petitioner may file. In the opinion of the Court, this would also require a factual analysis which cannot be done in this writ petition.

11. Accordingly, the Petitioner is relegated to avail of the appellate remedy. Let the appeal be filed by 15<sup>th</sup> October, 2025 along with the requisite pre-deposit. If the same is filed by the said date, it shall not be dismissed on the ground of limitation and shall be considered on merits.

12. The order of the Appellate Authority shall be subject to the outcome of the decision of the Supreme Court and of this Court in *W.P.(C) 9214/2024* titled '*Engineers India Limited v. Union of India & Ors*'.

13. At this stage, Id. Counsel for the Petitioner submits that he may be permitted to rectify the returns. The limitation for the same has already expired, however, if there is any remedy in law for the Petitioner to file a rectified return, he is permitted to do so.

14. The petition is disposed of in these terms. Pending applications, if any, are also disposed of.

**PRATHIBA M. SINGH  
JUDGE**

**SHAIL JAIN  
JUDGE**

**AUGUST 26, 2025**

*dj/msh*