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* IN THE HIGH COURT OF DELHI AT NEW DELHI

Date of Decision: 7th May, 2025

+ W.P.(C) 1833/2025 & CM APPL. 8824/2025

AQUAWELL INTERNATIONAL THROUGH ITS PROPRIETOR
MRS. BIMLA DEVI JAINPetitioner

Through: Mr. Rakesh Kumar and Mr. Parveen
Gambhir, Advocates (M:9811595510)

versus

COMMISSIONER DELHI GOODS AND SERVICE TAX AND
OTHERRespondent

Through: Mr. KG Gopalakrishnan, Advocate 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- Aquawell International through its Proprietor Mrs. Bimla Devi Jain under Article 226 of the Constitution of India *inter alia*, challenging the Show Cause Notice dated 26th September, 2023 (hereinafter '*impugned SCN*') and demand order dated 21st December, 2023 (hereinafter '*impugned order*') passed by Sales Tax Officer Class II/AVATO, Ward-62, Zone-05, Delhi. The Petition additionally challenges the *vires* of **Notification No. 9/2023-Central Tax dated 31st March, 2023** issued by the Central Board of Indirect Taxes and Customs (hereinafter '*impugned notification*').
3. The impugned notification was 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 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 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.”

4. 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.

5. On facts, however, the submission of the Petitioner is that the impugned SCN dated 26th September, 2023, from which the impugned order arises, was uploaded on the ‘Additional Notices Tab’; therefore, the same did not come to the knowledge of the Petitioner. The impugned order dated 21st December, 2023 was passed without providing the Petitioner a personal hearing and in the absence of a reply on behalf of the Petitioner.

6. In fact this Court in ***W.P.(C) 13727/2024*** titled ‘***Neelgiri Machinery through its Proprietor Mr. Anil Kumar V. Commissioner Delhi Goods And Service Tax And Others***’, under similar circumstances where the SCN was uploaded vide ‘Additional Notices Tab’ had remanded the matter in the



following terms:

“6. Be that as it may, intention is to ensure that the Petitioner is given an opportunity to file its reply and is heard on merits and that orders are not passed in default. Since there is no clarity on behalf of the Department, this Court follows the order dated 9th September, 2024 in **Satish Chand Mittal (Trade Name National Rubber Products) vs. Sales Tax Officer SGST, Ward 25-Zone 1 (W.P.(C) 12589/2024; DHC)** as also order dated 23rd December, 2024 in **Anant Wire Industries vs. Sales Tax Officers Class II/Avato, Ward 83 & Anr (W.P.(C) 17867/2024; DHC)** where the Court under similar circumstances has remanded back the matter to ensure the Noticee/Petitioners get a fair opportunity to be heard. The order of the Court in **Sathish Chand Mittal (Supra)** reads as under:

“4. It is the petitioner’s case that he had not received the impugned SCN and, therefore, he had no opportunity to respond to the same. For the same reason, the petitioner claims that he had not appear for a personal hearing before the Adjudicating Authority, which was scheduled on 17.10.2023 and later rescheduled to 30.11.2023 as per the Reminder.

5. The petitioner also states that the impugned SCN, the Reminder and the impugned order are unsigned.

6. Mr. Singhvi, the learned counsel appearing for the respondent, on advance notice, fairly states that the principal issue involved in the present case is squarely covered by the decisions of this Court in *M/s ACE Cardiopathy Solutions Private Ltd. v. Union of India & Ors.*: Neutral Citation No. 2024:DHC:4108-DB as well as in *Kamla Vohra v. Sales Tax Officer Class II/ Avato Ward 52* : Neutral Citation No.2024:DHC:5108- DB.

7. He states that possibly, the petitioner did not had the access of the Notices as they were projected on the GST Portal under the tab ‘Additional Notices & Orders’. He submits that the said issue has now been addressed and the ‘Additional Notices & Orders’ tab is placed under the general menu and adjacent to the tab ‘Notices & Orders’.

8. In view of the above, the present petition is allowed and



the impugned order is set aside.

9. *The respondent is granted another opportunity to reply to the impugned SCN within a period of two weeks from date. The Adjudicating Authority shall consider the same and pass such order, as it deems fit, after affording the petitioner an opportunity to be heard.*

10. *The present petition is disposed of in the aforesaid terms.*

11. *All pending applications are also disposed of.”*

7. *The impugned demand orders dated 23rd April, 2024 and 5th December, 2023 are accordingly set aside. In response to show cause notices dated 04th December, 2023 and 23th September, 2023, the Petitioner shall file its replies within thirty days. The hearing notices shall now not be merely uploaded on the portal but shall also be e-mailed to the Petitioner and upon the hearing notice being received, the Petitioner would appear before the Department and make its submissions. The show cause notices shall be adjudicated in accordance with law.*

8. *The petitions are disposed of in the above terms. The pending application(s), if any, also stand disposed of.”*

7. It is relevant to note that post 16th January 2024, the Department has effected changes in the portal to ensure that the SCNs become visible to parties. The impugned SCN in the present petition has been issued on 26th September, 2023. It is also informed that the Petitioner has preferred an appeal under Section 107 of the Central Goods and Services Tax Act, 2017, which is stated to have been dismissed by the concerned Appellate Authority on the ground of limitation *vide* order dated 9th August, 2024.

8. In view of the abovementioned circumstances, and the fact that the challenge to the impugned notification is pending before the Supreme Court, this Court is inclined to provide the Petitioner another opportunity to present its case on merits. Accordingly, the appellate order dated 9th August, 2024 is set aside and the appeal is restored to its original number. The Appeal shall



now be adjudicated on merits after affording a personal hearing to the Petitioner. Hearing notice of the Appeal shall be provided by the Appellate Authority on the following email address and mobile number

Mobile. No. 9811595510

E-mail: adv.aggarwal.rakesh@gmail.com

9. 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 enable access to the notices and related documents.

10. However, it is made clear that the issue in respect of the validity of the impugned notifications is left open and the order of the Appellate 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**'.

11. The present petition is disposed of in said terms. Pending applications, if any, are also disposed of.

**PRATHIBA M. SINGH,
JUDGE**

**RAJNEESH KUMAR GUPTA
JUDGE**

MAY 7, 2025
da/Ar.

(corrected & released on 15th May, 2025)