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IN THE HIGH COURT OF DELHI AT NEW DELHI

Date of decision: 5th May, 2025

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W.P.(C) 9753/2024 & CM APPL.40001/2024

DHL EXPRESS INDIA PRIVATE LIMITEDPetitioner

Through: Mr. Dharmendra Kumar Rana, Mr. Akash Deep Singh, Mr. Udit Chuhan, Aditya Prakash Arora, and Ms. Priyanka Singh, Advs.

versus

GOODS AND SERVICES TAX COUNCIL & ORS.....Respondents

Through: Mr. K.G. Gopalakrishnan, Ms. Nisha Mohandas and Mr. Kunwar Raj Singh, Advs.

Mr. Anurag Ojha, SSC with Mr.Subham Kr. and Mr. Dipak Raj, Advocates for R-4.

CORAM:

JUSTICE PRATHIBA M. SINGH

JUSTICE RAJNEESH KUMAR GUPTA

Prathiba M. Singh, J. (Oral)

1. This hearing has been done through hybrid mode.

CM APPL. /2025 (for amendment) (to be numbered by the Registry)

2. This is a fresh application filed by the Petitioner challenging the ***Notification No.56 of 2023- State Tax*** dated 11th July, 2024 issued by the Delhi, GST Department. Considering that the parallel Notification issued by Central Government has also been challenged in the writ petition, the amendment application is allowed, leaving open all the contentions of the Department.

3. The application is disposed of.

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4. The present petition has been filed by the Petitioner under Articles 226



and 227 of the Constitution of India *inter alia* challenging

- (i) The impugned Audit Notice dated 24th August, 2023
- (ii) The impugned Show Cause Notice dated 30th January, 2024, and
- (iii) The impugned order dated 26th April, 2024.

5. The petition also challenges the vires of **Notification No. 56/2023-Central Tax** dated 28th December, 2023 and **Notification No.56 of 2023-State Tax** dated 11th July, 2024 (hereinafter '*impugned notifications*').

6. 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.**'. 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.”

7. Subsequently, this Court, having noted that the validity of the central notifications—**Notification Nos. 56/2023-CT** and **09/2023-CT**—is presently under consideration before the Hon’ble Supreme Court in **S.L.P. No. 4240/2025** titled **M/s HCC-SEW-MEIL-AAG JV v. Assistant Commissioner of State Tax & Ors.**, had disposed of matters wherein challenge was limited to the central notifications, after addressing other issues raised in the respective petitions, with a direction that such matters would remain subject to the outcome of the proceedings before the Supreme Court. However, in cases where the challenge is to parallel state notifications, those matters have been retained for consideration by this Court post the Supreme Court's verdict. The lead matter in the said batch is **W.P.(C) 9214/2024** titled **Engineers India Limited v. Union of India & Ors.** Considering the fact that the present petition challenges both central and state notifications, the challenge to the impugned notifications in the present writ petition shall be subject to the outcome of the



decisions of the Supreme Court and this Court in the aforementioned matters.

8. However, on facts, the submission of the Petitioner is that the requisite conditions of audit under Section 66 of the Central Goods and Service Tax Act, 2017 (hereinafter '*CGST Act*') are not satisfied in the present case. Ld. Counsel for the Petitioner submits that repeated emails have been written to the Respondent No.1- Goods and Services Tax Council (hereinafter '*Department*') in this regard and the same were not considered and even proper hearing was not granted.

9. This position is refuted by the Department. It is submitted by Ld. Counsel for the Department that the Petitioner did file the reply and the same has been duly considered in the impugned order.

10. The Court has heard the parties and perused the records. Upon considering the totality of the circumstances and the fact that the Petitioner was not provided a proper hearing to present his case on merits, the Court is inclined to give the Petitioner another opportunity to be heard.

11. Accordingly, the impugned order dated 26th April, 2024 is set aside. The Show Cause Notice shall now be replied to by the Petitioner, both on the question of non-satisfaction of audit conditions under Section 66 as also on merits. The reply shall be filed by 10th July, 2025. The personal hearing notice shall be given on the following email addresses.

- **Email ID:** ashwini.patankar@dhl.com, richa.sachdeva@dhl.com

The Adjudicating Authority shall pass an order after hearing the Petitioner, on merits.

12. 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.



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13. However, 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 and this Court.

14. 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 5, 2025/dk/Ar.