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IN THE HIGH COURT OF DELHI AT NEW DELHI

Date of decision: 30th

March, 2026

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W.P.(C) 2339/2026

AVIK TELEVENTURES PRIVATE LIMITED

THROUGH DIRECTOR

REGISTERED OFFICE: 8/37, 3RD FLOOR, KIRTI

NAGAR INDUSTRIAL AREA, DELHI INDUSTRIAL

AREA, WEST DELHI,

NEW DELHI- 110015

PETITIONER

Advocate

Kohli,

and

Advs.

Through: Ms. Kavita Jha, Sr.

with Mr. Nikhil

Mr. Ishan Gaur

Ms. Saumya Tiwari,

versus

OFFICE OF THE GST OFFICER WARD 71

DEPARTMENT OF TRADE & TAXES

GOVERNMENT OF NCT OF DELHI

ADDRESS: VYPAR BHAWAN, I.P. ESTATE,

NEW DELHI - 110002

RESPONDENT

Panel

Through: Ms. Vaishali Gupta,

Counsel (Civil), GNCTD

with

Mr. Kartik Sharma,

Advocate

CORAM:

HON'BLE MR. JUSTICE NITIN WASUDEO SAMBRE

HON'BLE MR. JUSTICE AJAY DIGPAUL

JUDGMENT (ORAL)

AJAY DIGPAUL, J.

1. The prayer in the writ petition reads thus:

"a. Issue a writ of certiorari, or any other appropriate writ, order or direction quashing the Impugned Order dated 31.12.2025 passed by the Respondent, pursuant to the Show Cause Notice dated 24.09.2025, under Section 73 of the Central Goods and Services Tax Act, 2017/ Delhi Goods and Services Tax Act, 2017 imposing an unwarranted liability of Rs. 26,72,64,197/- (Rupees Twenty-Six Crore Seventy-Two Lakh Sixty-Four Thousand One Hundred and Ninety-Seven Only) upon the

Petitioner; and b. Issue a writ of certiorari or any other appropriate writ, order or direction quashing and setting aside all consequential proceedings taken in furtherance of the Impugned Order dated 31.12.2025; and c. Pending disposal of the captioned Petition, restrain the Respondent from taking any coercive steps against the Petitioner in furtherance of the Impugned Order dated 31.12.2025; and d. Interim and ad-interim reliefs in terms of prayer clauses (c) above.

e. Pass such other and further orders or directions as this Hon'ble Court may deem fit and proper in the facts and circumstances of the present case."

2. The petitioner is a company incorporated under the provisions of the Companies Act, 2013, and is engaged in the business of trading and export of branded mobile phones.

3. It is the case of the petitioner that vide email dated 06.12.2024, the respondent informed the petitioner of the appointment of a Special Auditor, viz. M/s DCG & Co., under Section 66 of the Delhi Goods and Services Tax Act, 2017/Central Goods and Services Tax Act, 2017 for the purpose of conducting a special audit for the Financial Year 2021-2022.

4. Upon completion of the audit, the said auditor, vide email dated 03.03.2025, communicated its observations regarding certain non-compliances on the part of petitioner.

5. The petitioner is stated to have furnished a detailed response of the aforesaid observations vide email dated 02.04.2025.

6. It is further the case of the petitioner that thereafter, after a lapse of more than five months, a demand notice dated 11.09.2025 came to be served upon it based on the special audit report dated 27.03.2025, raising a demand of Rs. 33,54,21,609/- and calling upon the petitioner to discharge the same within seven days.

7. Pursuant thereto, a Show Cause Notice dated 24.09.2025 came to be issued alleging failure to discharge tax liability and proposing a demand of Rs. 58,02,79,384/-, while calling upon the petitioner to furnish its reply within thirty days and to appear for personal hearing on 28.10.2025.

8. According to the petitioner, on 16.10.2025, it sought adjournment of the scheduled personal hearing by a period of ten days. It is further stated that the petitioner, nevertheless, proceeded to file its reply to the SCN on 24.10.2025, along with relevant supporting documents, while reiterating its request for deferment of the personal hearing.

Hereinafter "DGST Act"

Hereinafter "CGST Act"

Hereinafter "SCN"

9. However, on 27.12.2025, the petitioner received an email from the respondent issuing Reminder-1, calling upon it to submit a further response by 29.12.2025 and to appear for a personal hearing on 30.12.2025.

10. Thereafter, the respondent passed the Order-in-Original dated 31.12.2025⁴, confirming a demand to the tune of Rs. 26,72,64,497/-.

11. Ms. Kavita Jha, learned senior counsel appearing on behalf of the petitioner, therefore, contends that the time granted pursuant to Reminder-1 was wholly inadequate, leaving less than one effective working day to collate voluminous documents and file a response. A request for extension of seven days and adjournment of personal hearing was made vide letter dated 29.12.2025.

12. It is contended that the opportunity of personal hearing afforded to the petitioner, was illusory, inasmuch as the petitioner was required to respond within an unreasonably truncated timeline, thereby depriving it of a meaningful opportunity of hearing. Thereafter, when the period of limitation for taking action against the petitioner was due to expire on 31.12.2025, the respondent, in undue haste, issued the purported Reminder-1.

13. She submits that the impugned OIO has been passed in violation of the principles of natural justice, whereby a liability of Rs. 26,72,64,497/-, including tax, interest and penalty, has been confirmed. She further submits that despite repeated requests, a complete copy of the OIO has not been furnished, and only a partial copy has been placed on record.

Hereinafter "OIO"

14. The findings recorded in the OIO, is submitted to be based on discrepancies in e-way bills and invoices, which are attributable to suppliers/transporters and not to the petitioner, who had otherwise fulfilled the statutory conditions for availment of input tax credit.

15. It is contended that the alleged discrepancies could have been clarified had adequate opportunity been granted, and the liability has been imposed in undue haste.

16. It is further submitted that the respondent failed to comply with Sections 66(4), 75(4), and 75(5) of the CGST/DGST Act, by denying a meaningful opportunity of hearing and reasonable adjournment. The OIO has been passed mechanically to meet the limitation period under Section 73(10) of the Act.

17. Without prejudice to the above, it is put forth that prior to issuance of the SCN dated 24.09.2025, the respondent had already issued another SCN dated 04.07.2025 for the very same financial year, i.e. 2021-22, raising, inter alia, the issue of excess availment of ITC, including on transactions with cancelled dealers. The initiation of parallel proceedings on the same subject matter is ex facie impermissible.

18. The SCN dated 04.07.2025, it is urged, stood adjudicated vide another Order-in-Original dated 31.12.2025, whereby the petitioner was discharged on all counts, including the aforesaid issues. In stark contradiction thereto, the impugned OIO proceeds to fasten substantial liability upon the petitioner in respect of the very same allegations, rendering the impugned OIO self-contradictory and unsustainable in law.

19. As against above, the primary contention of Ms. Vaishali Gupta, learned counsel for the respondent is that the present petition is not maintainable, inasmuch as the OIO, having been passed under Section 73 of the CGST/DGST Act, is appealable under Section 107 of the Act.

20. She further contends that the issue regarding non-availability of the complete OIO on the portal stood rectified by a rectification order dated 18.02.2026 under Section 161 of the Act, the lapse being purely clerical.

21. On the allegation of violation of natural justice, the respondent submits that the SCN was duly served, and the petitioner filed a reply on 24.10.2025, which was considered.

22. It is further submitted that a Reminder dated 27.12.2025 was issued, seeking certain documents and fixing personal hearing, pursuant to which the petitioner sought adjournment on 29.12.2025, but nevertheless appeared through its authorized representative on 30.12.2025 and 31.12.2025 and also filed an additional reply on 31.12.2025.

23. It is contended that mere proximity between the date of hearing and the passing of the order does not vitiate the same.

24. With regard to the allegation of issuance of multiple SCNs, Ms. Gupta submits that the notices dated 04.07.2025 and 24.09.2025 are distinct and independent, pertaining to different transactions, periods, and grounds, the latter having been triggered by a Special Audit. It is further submitted that no objection in this regard was raised by the petitioner in its reply dated 24.10.2025.

25. As regard the plea of contradictory findings, it is submitted that the order pursuant to the notice dated 04.07.2025 was confined to a limited set of transactions, whereas the proceedings under the notice dated 24.09.2025 relate to a wider set of discrepancies unearth during the Special Audit, and thus no inconsistency arises.

26. She further contends that the impugned order is a reasoned order passed upon consideration of the material on record, including the Special Audit Report, replies, documents, and submissions made during the hearings held on 30.12.2025 and 31.12.2025. Mere expedition in passing the order, it is contended, does not vitiate the same.

27. We have considered the rival claims and the material available on record.

28. The principal grievance of the petitioner pertains to denial of a meaningful opportunity of hearing prior to passing of the OIO. The record reflects that a communication styled as

"Reminder-1" was issued on 27.12.2025 at 05:20 PM, calling upon the petitioner to furnish additional documents by 29.12.2025 and to appear for personal hearing on 30.12.2025. Admittedly, 28.12.2025 was a Sunday. The petitioner, therefore, had less than one effective working day to collate the material and respond.

29. The nature of documents sought, including certified bank statements and voluminous records running into several hundred pages, could not have been reasonably procured and furnished within such a truncated timeline. The petitioner, in fact, sought a short adjournment of seven days on 29.12.2025. The record does not indicate that the said request was duly considered.

30. Though it is the stand of the respondent that the petitioner participated in the personal hearing on 30.12.2025 and 31.12.2025, mere participation cannot be constructed as compliance with the requirement of affording a fair and effective opportunity. The opportunity contemplated under Sections 66(4) and 75(4) of the CGST/DGST Act is not a mere formality but must be real, reasonable and effective.

31. The timeline, as notice hereinabove, clearly demonstrates that the opportunity afforded to the petitioner was illusory. The petitioner was neither granted adequate time to place the requisite material on record nor to effectively respond to the issues raised in the special audit and the SCN.

32. The submission of the respondent that the petitioner had earlier filed a reply to the SCN does not dilute the requirement of granting a reasonable opportunity when additional material is sought to be relied upon. Once further documents were called for and a hearing was fixed, the respondent was under an obligation to ensure that sufficient time was afforded.

33. This Court also finds merit in the contention of the petitioner that the OIO has been passed with undue haste. The personal hearing concluded on 31.12.2025 and the OIO has been passed on the very same date, confirming a substantial liability. In the facts of the present case, such haste raises a legitimate apprehension that the material placed on record may not have been adequately considered by the Adjudicating Authority.

34. The contention of the respondent regarding availability of an alternate remedy under Section 107 of the Act does not merit acceptance in the present case. It is well settled that where an order is passed in violation of the principles of natural justice the existence of an alternate remedy would not operate as a bar to the exercise of writ jurisdiction.

35. That being so, we deem it appropriate to quash and set aside the impugned OIO dated 31.12.2025 passed by the respondent.

36. We remand the matter to the Adjudicating Authority for fresh adjudication, as a matter of last chance. We permit the petitioner to appear before the respondent authority on 06.04.2026 with its written notes of arguments, if any, along with documents sought by the respondent department.

37. We expect the respondent to grant an opportunity of hearing to the petitioner and deal with all contentions raised by the petitioner including the ones raised in the present petition, with due regard to the principles of natural justice.

38. Let the decision be taken expeditiously and communicated to the petitioner.

39. All rights and remedies of the parties are left open.

40. The petition, as such, stands allowed in these terms. All pending application(s), if any, are also disposed of.

41. Needless to clarify that we have not gone into the merits of the matter and it shall be open for the petitioner to take recourse to such remedy as shall be available in accordance with law, in case if the order is adverse to its interest.

42. The Judgment be uploaded on the website of this Court.

AJAY DIGPAUL (JUDGE) NITIN WASUDEO SAMBRE (JUDGE) MARCH 30, 2026 gs/dd