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* IN THE HIGH COURT OF DELHI AT NEW DELHI

% *Date of Decision: 23.07.2026*

\+ W.P.(C) 3895/2026 and CM APPL. 19108/2026

M/S SKG METAL TRADING THROUGH ITS PARTNER .....Petitioner

Through: Mr. G.S. Chaturvedi, Adv.

versus

THE COMMISSIONER CENTRAL GOODS AND SERVICES TAX .....Respondent

Through: Mr. Ankush Verma, Sr. Standing Counsel with Ms. Aanchal Uppal, Adv.

CORAM:
HON'BLE MR. JUSTICE ANIL KSHETARPAL
HON'BLE MR. JUSTICE AMIT MAHAJAN

ORDER (ORAL)

ANIL KSHETARPAL, J.:

1. Before adverting to the facts of the case, it is pertinent to note that the Impugned Order dated 10.12.2025 is appealable under Section 107 of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the 'CGST Act'). As a general rule, where a statute provides a comprehensive mechanism for redressal of grievances through an appellate forum, the High Court, while exercising its discretionary jurisdiction under Article 226 of the Constitution, ordinarily declines to entertain a challenge to an original adjudication order. This rule of judicial restraint is founded upon the well-settled

principle that where the legislature has established a specialised adjudicatory framework accompanied by a hierarchy of appellate remedies, an aggrieved party is ordinarily required to exhaust such statutory remedies before invoking the extraordinary writ jurisdiction of the High Court.

2. It is, however, equally well settled by the Supreme Court in ***Assistant Commissioner of State Tax and Ors. v. Commercial Steel Limited***[1] that the existence of an alternative statutory remedy does not constitute an absolute bar to the exercise of writ jurisdiction. It was further reaffirmed that a writ petition may nevertheless be entertained in exceptional situations, including where the proceedings suffer from a breach of fundamental rights, violation of the principles of natural justice, lack or excess of jurisdiction, or where the validity of a statutory provision or delegated legislation is under challenge. At the same time, the Supreme Court emphasised that the mere allegation that one of these exceptional circumstances exists is not conclusive. It remains the duty of the High Court to satisfy itself, on the facts of the individual case, that the matter genuinely warrants departure from the ordinary rule requiring recourse to the statutory remedy.

3. Viewed in the light of the aforesaid principles, the issue which falls for consideration is whether the facts pleaded by the Petitioner disclose any such exceptional circumstance as would justify this Court entertaining the present petition under Article 226 of the Constitution despite the availability of the appellate remedy under Section 107 of the CGST Act. More particularly, the Court is required to examine

whether the grievance regarding violation of the principles of natural justice is of such a nature as would warrant invocation of its extraordinary writ jurisdiction.

4. The present Writ Petition has been instituted under Articles 226 and 227 of the Constitution of India laying challenge to Order-in-Original No.118/CGST WEST/GST/SAN/ADC/2025-26 dated 10.12.2025 (hereinafter referred to as the 'Impugned Order') passed under Section 74 of the CGST Act read with the corresponding provisions of the Delhi Goods and Services Tax Act, 2017 and the Integrated Goods and Services Tax Act, 2017, whereby a penalty of Rs.2,39,30,100/-, equivalent to the input tax credit alleged to have been wrongly passed-on, has been confirmed against the Petitioner. The Petitioner claims that owing to the onset of the COVID-19 pandemic, its business ceased operations in the beginning of the year 2021, pursuant whereto it submitted an application dated 02.04.2021 seeking cancellation of its GST registration and did not thereafter access the GST portal. According to the Respondent, Show Cause Notice dated 03.08.2024 (hereinafter referred to as 'SCN') was issued thereafter and Notices fixing personal hearing were subsequently dispatched through Speed Post on 08.07.2025, 17.07.2025, 25.07.2025 and 19.11.2025. Since no response was received, the adjudicating authority proceeded to pass the Impugned Order *ex parte*.

5. Learned counsel representing the Petitioner submits that the Impugned Order has been passed in violation of the principles of natural justice inasmuch as neither the SCN nor the notices of personal

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[1] (2022) 16 SCC 447.

hearing were ever served upon the Petitioner. It is submitted that owing to the closure of the Petitioner's business during the COVID-19 pandemic, an application seeking cancellation of GST registration had already been submitted on 02.04.2021 and, therefore, the Respondent ought not to have continued to effect service at the business premises. It is further contended that the Impugned Order does not disclose whether the communications dispatched through Speed Post were actually served or returned undelivered. According to the Petitioner, the Respondent ought to have resorted to any other permissible mode of service under Section 169 of the CGST Act, including service by publication or upon the residential addresses of the partners, particularly when the Impugned Order itself was ultimately served upon one of the partners at his residential address. Reliance has also been placed upon the decision of a Coordinate Bench of this Court in ***Seagull Maritime Agencies Pvt. Ltd. v. Union of India & Ors.***, W.P.(C) 3800/2024, in support of the submission that denial of an effective opportunity of hearing warrants remand of the matter.

6. *Per contra*, learned counsel representing the Respondent submits that the present Petition is not maintainable in view of the efficacious statutory remedy available under Section 107 of the CGST Act. It is contended that the Petitioner's application seeking cancellation of registration dated 02.04.2021 came to be rejected on 14.05.2024 and, consequently, the registration continued to remain valid and subsisting. It is further submitted that the SCN as well as the notices of personal hearing were duly served in accordance with Section 169 of the CGST Act by dispatch through Speed Post at the

registered address and by uploading the same on the GST portal. Learned counsel further submits that the statute does not contemplate service of notices upon the residential addresses of the partners of a partnership firm and that the burden of establishing entitlement to input tax credit rested upon the Petitioner under Section 155 of the CGST Act, which burden was never discharged.

7. Having considered the submissions advanced by learned counsel representing the parties and perused the material placed on record, this Court is of the considered opinion that the present Petition does not disclose any exceptional circumstance warranting exercise of the extraordinary jurisdiction under Article 226 of the Constitution.

8. The principal grievance urged on behalf of the Petitioner is that the Impugned Order stands vitiated for want of proper service of the SCN and the notices of personal hearing. The submission proceeds on the premise that since the Petitioner's business had ceased operations in the year 2021 and an application for cancellation of registration had been submitted, the Respondent ought to have effected service through some other mode, including at the residential addresses of the partners. The contention, however, cannot be examined in isolation.

9. The rival contentions advanced by the parties give rise to disputed questions of fact regarding the validity and sufficiency of service effected by the Respondent. While the Petitioner asserts that no notice was ever served upon it, the Respondent maintains that the SCN as well as the notices of personal hearing were duly served in accordance with Section 169 of the CGST Act by dispatch through

Speed Post at the registered address as well as by uploading the same on the GST portal. The Respondent further disputes the Petitioner's contention regarding cessation of business by asserting that the application for cancellation of registration stood rejected and that the registration continued to subsist. Pertinently, the Petitioner in his application for cancellation of registration has filed the same address where the Respondent has served the notices. Determination of these rival assertions would necessarily require appreciation of factual material, which this Court would ordinarily decline to undertake in exercise of its writ jurisdiction.

10. Equally, the Petitioner's contention that the Respondent ought to have resorted to alternative modes of service, including service by publication or upon the residential addresses of the partners, raises questions concerning the manner in which Section 169 of the CGST Act was applied in the facts of the present case. Whether the service already effected satisfied the statutory requirements, whether any further mode of service was required to be adopted and what consequences would follow therefrom are all matters which can appropriately be examined by the appellate authority while considering the challenge to the Impugned Order.

11. The reliance placed by the Petitioner upon the decision of the Coordinate Bench in ***Seagull Maritime Agencies*** *(supra)* also does not persuade this Court to entertain the present Petition. The said decision was rendered on its own facts, where the Court found that the petitioner therein had been unable to access the Show Cause Notices uploaded on the GST portal and, consequently, had no opportunity to

submit its reply before the *ex parte* order came to be passed. In the present case, however, the applicability of the said decision itself depends upon determination of the disputed questions of fact regarding service of notices and the effect of the Petitioner's application for cancellation of registration. Those are matters which are more appropriately left to be examined by the appellate authority under Section 107 of the CGST Act.

12. This Court is, therefore, unable to hold that the present case falls within any of the recognised exceptions to the rule of alternative remedy. The controversy sought to be raised is not one involving an apparent or undisputed violation of the principles of natural justice, but turns upon seriously disputed questions of fact relating to service of notices and the effect of the Petitioner’s application for cancellation of registration. Such issues are eminently within the province of the appellate authority constituted under Section 107 of the CGST Act.

13. Consequently, the present Writ Petition is disposed of, leaving it open to the Petitioner to avail the statutory remedy of appeal under Section 107 of the CGST Act, if so advised. All pending applications are also disposed of.

14. It is clarified that, in the event the Petitioner prefers an appeal under Section 107 of the CGST Act, the period during which the present Writ Petition remained pending before this Court shall not be reckoned for the purposes of limitation. The appellate authority shall consider the appeal in accordance with law, including the question of limitation, on its own merits and uninfluenced by any observations

contained in the present judgment.

ANIL KSHETARPAL, J.

AMIT MAHAJAN, J.

JULY 23, 2026
sp/sh