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

\+ **W.P.(C) 5006/2023, CM APPL. 19507/2023 & CM APPL. 65705/2025**

M/S MN AUTOMOBILE PRIVATE LIMITED .....Petitioner
Through: Mr. Sudeep Kumar Shrotriya, Adv. (9871908584)

versus

UNION OF INDIA & ORS. .....Respondents
Through: Mr Farman Ali, CGSC with Ms Usha Jamnal, Adv. (8744956276)

CORAM:
JUSTICE PRATHIBA M. SINGH
JUSTICE SHAIL JAIN

O R D E R

% 03.11.2025

1. This hearing has been done through hybrid mode.

2. In this petition, a challenge has been raised to the impugned Rule 3 of the Service Tax Rules, 1994 regarding 'appointment of officers' and further, to various notifications, as also summons dated 16th April, 2018 and show cause notice dated 30th August, 2018.

3. *Vide* order dated 20th April, 2023, the Court had passed an interim order, directing that the Respondent-Department shall not pass any final orsder in the show cause notice dated 30th August, 2018. However, the Petitioner was directed to participate in the proceedings with respect to the said SCN. The interim order dated 20th April, 2023 reads as under:

> *"8. The respondents are directed not to pass any final order in the impugned Show Cause Notice till the next*

date of hearing. The petitioner is, however, directed to participate and cooperate in the pending proceedings in Show Cause Notice dated 30.08.2018."

4. Despite the above order being passed by this Court, a final order dated 17th January, 2025 came to be passed by the Department with respect to the show cause notice dated 30th August, 2018. The said order dated 17th January, 2025 was then recalled by this Court and quashed in ***CONT. CAS(C) 901/2025***. The operative portion of the said order reads as under:

"9. Heard ld. Counsel for the parties. In terms of the interim order passed by this Court on 20th April, 2023, the proceedings in the SCN were to continue and no final order was to be passed. The proceedings did continue and notices of hearing have been given to the Petitioner on 4th February, 2021, 23rd August, 2021, 25th November, 2021, 15th March, 2023, 5th March, 2024, 10th April, 2024, 11th June, 2024, 26th June, 2024 and 16th January, 2025. However, the Petitioner is stated to have appeared for personal hearing only on 23rd August, 2021.
10. The explanation given by the Department, as to how the final order dated 17th January, 2025 came to be passed does not seem to be lacking bonafides. Hence, the apology tendered on behalf of the Department is accepted. However, the order dated 17th January, 2025 cannot stand and is accordingly recalled and quashed."

5. Since the show cause notice dated 30th August, 2018 had culminated into the order dated 17thJanuary, 2025, which has been quashed, the said show cause notice no longer survives. Accordingly, the present writ petition challenging *inter alia* the show cause notice dated 30th August, 2018 has in fact become infructuous.

6. However, as far as the questions of law raised in the petition is concerned, the same is still pending consideration before this Court in a batch of matters, where the lead matter is ***W.P.(C) 6421/2025.***

7. Thus, in the said batch of matters, if this Court decides against the Petitioners on the issue as to whether service tax is liable to be paid on discounts given to dealers by automobile manufacturers, then the Department would be free to take action in accordance with law.

8. The petition is disposed of in the aforesaid terms. Pending applications, if any, are also disposed of.

PRATHIBA M. SINGH, J.

SHAIL JAIN, J.

NOVEMBER 3, 2025/*jyh/kk/ss*