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

Date of Decision: 18th November, 2025

Uploaded on: 20th November, 2025

+ **W.P.(C) 17106/2025 & CM APPL. 70370/2025**

M/S RBC FINANCIAL SERVICES PVT. LTD.Petitioner
Through: Mr. Vineet Bhatia, Adv.

versus

UNION OF INDIA AND ORS.Respondents
Through: Ms. Vaishali Gupta, Adv.
Ms. Subhi Bharadwaj, SPC with Mr.
Sahaj Garg & Mr. Soumyadip
Chakraborty, Advs. for UoI
(6295355315)

CORAM:
JUSTICE PRATHIBA M. SINGH
JUSTICE SHAIL JAIN

JUDGMENT

Prathiba M. Singh, J.

1. This hearing has been done through hybrid mode.
2. The present petition under Articles 226 and 227 of the Constitution of India has been filed by M/s RBC Financial Services Pvt. Ltd. through its Director- Mr. Rajiv Gupta, *inter alia* challenging the impugned order dated 30th May, 2024 (hereinafter, '*impugned order*') passed by Sales Tax Officer, Class II/ AVATO, Ward 8, Zone 2, Delhi for the financial year 2019-20. *Vide* the impugned order, a total demand of Rs.1,09,404/- has been raised against the Petitioner with tax, interest and penalty to the tune of Rs.44,114.00/-,



Rs.35,290.00/- and Rs.30,000.00/- respectively.

3. Additionally, the present petition also challenges the *vires* of the following notifications:

- **Notification No. 9/2023- Central Tax** dated 31st March, 2023;
- **Notification No. 56/2023- Central Tax** dated 28th December, 2023;
- **Notification No. 09/2023-State Tax** dated 22nd June, 2023; and
- **Notification No. 56/2023- State Tax** dated 11th July, 2024

4. The challenge in the present petition is similar to a batch of petitions wherein *inter alia*, the impugned notifications were challenged. **W.P.(C) No. 16499/2023** titled **DJST Traders Private Limited v. Union of India & Ors** was the lead matter 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 ld. 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.”

5. The abovementioned writ petition and various other writ petitions have been disposed of by this Court on subsequent dates, either remanding the matters or relegating the parties to avail of their appellate remedies, depending upon the factual situation in the respective cases. All such orders are subject to further orders of the Supreme Court in respect of the validity of the *Notification No. 56/2023-Central Tax in S.L.P No 4240/2025 titled M/s HCC-SEW-MEIL-AAG JV v. Assistant Commissioner of State Tax & Ors..*



6. However, in cases where the challenge is to the parallel State Notifications, some of the cases have been retained for consideration by this Court. The lead matter in the said batch is ***W.P.(C) 9214/2024*** titled ***Engineers India Limited v. Union of India & Ors.***

7. However, on facts, the case of the Petitioner is that the Show Cause Notice (hereinafter, 'SCN') dated 30th May, 2024 never came to the knowledge of the Petitioner though the Petitioner is a stock broker providing banking and financial services. It is his submission that his accountant did not bring the SCN to his knowledge and attention. Hence, the reply was not filed to the SCN.

8. Further, Ld. Counsel for the Petitioner submits that the SCN does not give any reasons as to why the SCN has been issued and the same is absolutely vague. Ld. Counsel further submits that the impugned order also does not carry any justification. Thus, the Petitioner prays that the impugned order be set aside and the Petitioner be given an opportunity to file a reply.

9. Ld. Counsel for the Respondent submits that there is no justifiable cause for such a delay in challenging the impugned order.

10. In the overall facts, it is seen that the SCN actually does not give any reasons. The extract of the SCN is as under:

"FORM-GST-DRC-01

Whereas a scrutiny against your firm under the DGST Act, 2017 for the period of 2019-2020 is being carried out in terms of Section 73 of DGST Act, 2017 to verify the sale and purchases and also the transactions carried out by your firm for the period which is liable to taxable under GST Act 2017.

You are hereby directed to upload the documents/documentary evidence as per Section 35 of GST Act read with Rule 56 of the GST Rules, failing which, the action under 73 of the GST Act will be further



initiated against you without any further intimation/communication..

Therefore, it is proposed to assess the registered taxpayer for the net tax payable indicated in DRC-01 under Section 73 of the CGST/SGST/IGST Act. The registered taxpayer may therefore pay the tax along with interest and penalty as per applicable provisions of CGST/SGST/IGST Act and Rules and reply accordingly in DRCO6 within stipulated time. The reply filed will be considered before passing the final assessment orders.”

11. Even the impugned order does not give any reasons and the only reasons attached with Form DRC-07 are set out as under:

*“Annexure to Order
(u/s 73(9) of CGST/DGST Act, 2017)*

TAX PERIOD: APRIL 2019- MARCH 2020

The DRC -01 issued vide ARN dated to the registered namely RBC FINANCIAL SERVICES PVT LTD GSTIN - 07AAACR3706K1ZF as per data available on GST portal. There is no reply filed by the registered person as the taxpayer has also not uploaded the relevant documents for said DRC -01, despite sufficient opportunity, nor taxpayer nor his AR appeared for personal hearing, which indicate that the taxpayer had nothing to say in the matter and left no option but to create the demand.”

12. Under these circumstances, neither the SCN nor the impugned demand would sustain. Accordingly, the impugned order is set aside. In response to the SCN, since the reasons are not clear, let the Petitioner appear for a personal hearing before the Delhi GST Department. If any clarifications are required by the Department, the same be provided.

13. Let the Petitioner appear before the Delhi GST Department on **15th December, 2025 at 11:30 am.** The Petitioner after appearing shall be given a



personal hearing and shall also be permitted to file short-written submissions or a reply.

14. The reply filed by the Petitioner to the SCN along with the submissions made in the personal hearing proceedings shall be duly considered by the Adjudicating Authority and a fresh reasoned order with respect to the SCN shall be passed accordingly.

15. However, it is made clear that the issue in respect of the validity of the impugned notifications is left open. Any order passed by the Adjudicating 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.* and this Court in *W.P.(C) 9214/2024 titled Engineers India Limited v. Union of India & Ors.*

16. All rights and remedies of the parties are left open. Access to the GST Portal, shall be provided within one week, to the Petitioner to enable uploading of the reply as also access to the notices and related documents.

17. The petition is disposed of in these terms. All pending applications, if any, are also disposed of.

PRATHIBA M. SINGH
JUDGE

SHAIL JAIN
JUDGE

NOVEMBER 18, 2025

kk/ck