$~93 to 99 & 101

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

% ***Date of Decision: 05.08.2026***

\# **CNR No. DLHC010055872026**

\+ W.P.(C) 2179/2026 and CM APPL. 10571/2026
M/S BHAGWATI ELECTRONICS .....Petitioner
versus

UNION OF INDIA & ORS. .....Respondents

(94)
\# **CNR No. DLHC010057512026**

\+ W.P.(C) 2192/2026 and CM APPL. 10618/2026
M/S VAISHNO ELECTRONICS PVT. LTD. .....Petitioner
versus

UNION OF INDIA & ORS. .....Respondents

(95)
\# **CNR No. DLHC010057232026**

\+ W.P.(C) 2199/2026, CM APPL. 10694/2026 and CM APPL. 50574/2026
ROBIN BAREJA .....Petitioner
versus

UNION OF INDIA & ORS. .....Respondents

(96)
\# **CNR No. DLHC010057282026**

\+ W.P.(C) 2201/2026 and CM APPL. 10698/2026
NIKHIL VERMA .....Petitioner
versus

UNION OF INDIA & ORS. .....Respondents

(97)
\# **CNR No. DLHC010059372026**

+ W.P.(C) 2268/2026 and CM APPL. 10956/2026
KAPIL ARORA & ORS. .....Petitioners
versus

UNION OF INDIA & ORS. .....Respondents

(98)
# **CNR No. DLHC010087552026**

+ W.P.(C) 3160/2026 and CM APPL. 15233/2026
NEHA LALWANI .....Petitioner
versus

UNION OF INDIA & ORS. .....Respondents

(99)
# **CNR No. DLHC010107822026**

+ W.P.(C) 3660/2026, CM APPL. 17814/2026 and CM APPL. 17815/2026
M/S CARIANO PVT LTD .....Petitioner
versus

UNION OF INDIA & ORS. .....Respondents

(101)
# **CNR No. DLHC010266252026**

+ W.P.(C) 8413/2026 and CM APPL. 39419/2026
M/S S.S.D.N TRADING C .....Petitioner
versus

UNION OF INDIA & ORS. .....Respondents

**Through:** Mr. Tanmay Mehta, Mr. S. Islam, Mr. Lalit Valecha, Ms. Rashmi Gagoi, Ms. Aqsa khan, Advs. for Petitioners in Items No. 93 to 98.
Mr. SK Sharma, Mr. Tejas Singh, Mr. Yogender Kumar & Mr. Saurabh Dagar, Advs. for Petitioner in Item No. 99.

Mr. Raghvendra Shukla, SPC with Mr. Manu Shukla, Ms. Asra Chandra, Ms. Nandita & Mr. Sampan, Advs. for R-1 in Item No. 93
Ms. Anushree Narain, SCC with Mr. Apurv Yadav and Mr. Naman Choula, Advs. for Respondent in Items No. 94, 96 & 97.
Mr. Gibran Naushad, SCC with Mr. Suraj Shekhar Singh, Mr. Anish Mishra, and Mr. Hasan Haider, Advs. for R-2 in Items No. 93, 95 & 98.
Mr. Rahul Sambher, SPC for R-2 in Item No. 97
Ms. Monica Benjamin, SCC along with Ms. Laiba Arif, & Ms. Prerika Narang, Advs. for R-2 to R-4 in Item No. 99.
Ms. Arunima Dwivedi, CGSC with Ms. Himanshi Singh & Ms. Monalisha Pradhan, Advs. for UOI in Item No. 101.
Mr. Harsh Pratap Shahi, SPC with Mr. Dev Pratap Shahi & Ms. Hitaishi Tulsyan, Advs. for R-1in Item No. 101.
Mr. Shlok Chandra, Standing Counsel with Mr. Parikshit Singh Bhati & Ms. Lolita D Crasta, Advs. for R-2 and R-3 in Item No. 101.

**CORAM:**
**HON'BLE MR. JUSTICE ANIL KSHETARPAL**
**HON'BLE MS. JUSTICE SHAIL JAIN**

**ORDER (ORAL)**

**ANIL KSHETARPAL, J.:**

1. At the outset, it may be noted that the availability of a statutory remedy of appeal against the Orders-in-Original impugned in the

majority of the present Writ Petitions is not disputed by learned counsel representing the Petitioners.

2. The present batch of Writ Petitions under Article 226 of the Constitution of India arises out of a common investigation conducted by the Anti-Evasion Branch, CGST Delhi North Commissionerate, which commenced with search proceedings at the residential and business premises of M/s Arora Communication, a proprietary concern of Shri Kapil Arora, on 22.10.2024 and was thereafter extended to several entities alleged to have purchased electronic goods from the said concern, including search and investigation at the premises of certain such entities. Pursuant to the said investigation, Demand-cum-Show Cause Notice No.69/2025-26 dated 25.06.2025 [hereinafter referred to as the 'SCN dated 25.06.2025'] came to be issued under Section 74 of the Central Goods and Services Tax Act, 2017 [hereinafter referred to as the 'CGST Act'] to M/s Arora Communication and several other noticees, including the Petitioners in the present batch.

3. One of the Writ Petitions also challenges the Order-in-Original dated 09.12.2025 passed pursuant to an earlier Show Cause Notice No.01/2025-26 dated 17.04.2025 [hereinafter referred to as 'SCN dated 17.04.2025'] issued against M/s Arora Communication and its proprietor. While the majority of the present Writ Petitions assail the Order-in-Original dated 26.12.2025 passed pursuant to the SCN dated 25.06.2025, W.P.(C) 2268/2026 assails both the Orders-in-Original dated 09.12.2025 and 26.12.2025 [hereinafter collectively referred to as 'Orders-in-Original'], and another W.P. (C) 8413/2026 seeks

interim protection against further proceedings.

4. Since all the Writ Petitions emanate from the same investigation conducted against M/s Arora Communication and substantially rest upon the same material allegedly recovered during the search proceedings conducted on 22.10.2024, involving common questions relating to the legality of the investigation and adjudication proceedings, they were heard together and are being disposed of by this common Judgment. The fact that the present Writ Petitions arise from a common investigation and involve overlapping material, however, does not mean that the procedural course adopted in respect of each noticee was identical. The question of compliance with the requirements of natural justice would, therefore, necessarily have to be examined with reference to the individual proceedings pertaining to each Petitioner.

5. The controversy involved in the present batch of Writ Petitions lies within a narrow compass. Although the reliefs claimed by the respective Petitioners differ depending upon the stage of proceedings assailed and the notices issued against them, the principal challenge centres around the alleged violation of the principles of natural justice, the reliance placed by the Department upon electronic records and handwritten *kachcha parchis* allegedly recovered from the premises of M/s Arora Communication, the absence of independent corroborative material connecting the respective Petitioners with the alleged transactions, and the legality of the proceedings initiated and concluded on the basis thereof.

6. Insofar as the Writ Petitions challenging the Orders-in-Original are concerned, the said orders are appealable under Section 107 of the CGST Act. Nevertheless, the Petitioners have invoked the extraordinary jurisdiction of this Court under Article 226 of the Constitution principally on the ground that the proceedings are vitiated by violation of the principles of natural justice, non-consideration of their replies and documentary evidence, denial of an effective opportunity of hearing, and other procedural infirmities, which, according to them, bring the present cases within the recognised exceptions to the rule of alternative remedy.

7. In order to appreciate the controversy involved in the present batch of Writ Petitions, the relevant facts, in brief, may be noticed.

8. The investigation was initiated by the Anti-Evasion Branch, CGST Delhi North Commissionerate, on the basis of intelligence suggesting that M/s Arora Communication, a proprietary concern of Shri Kapil Arora, was engaged in trading electronic goods without issuance of proper tax invoices and without payment of applicable Goods and Services Tax *('GST')*.

9. Acting upon the aforesaid intelligence, officers of the Department conducted search proceedings on 22.10.2024 at the residential as well as business premises associated with Shri Kapil Arora. During the course of the search, the Department claims to have recovered certain electronic devices, including a Dell laptop, handwritten *kachcha parchis* and other documents, which were taken into possession. According to the Department, the electronic data

extracted from the laptop, together with the handwritten slips, disclosed large-scale unaccounted transactions undertaken by M/s Arora Communication.

10. According to the Department, analysis of the electronic data allegedly extracted from the seized laptop revealed particulars of various entities to whom goods had purportedly been supplied without issuance of GST invoices. On the basis thereof, the Department identified several alleged recipients and, *inter alia*, issued SCN No.69/2025-26 dated 25.06.2025 under Section 74 of the CGST Act against M/s Arora Communication and various purchasers, including the Petitioners in the present batch. Separately, M/s Arora Communication and its proprietor had earlier been issued SCN No.01/2025-26 dated 17.04.2025, which culminated in the Order-in-Original dated 09.12.2025 challenged in W.P.(C.) No.2268/2026.

11. The respective Petitioners dispute the very foundation of the proceedings. According to them, the case against them rests substantially upon unverified electronic records and handwritten *kachcha parchis* allegedly recovered from the premises of a third party, without any independent investigation or corroborative evidence establishing clandestine receipt or supply of goods or evasion of tax. It is their case that no invoices, transport documents, stock records, financial records or any other contemporaneous material connecting them with the alleged transactions have been brought on record.

12. Pertinently, the procedural course adopted in respect of the

respective Petitioners was not identical. While several Petitioners filed replies to the respective SCNs and relied upon documentary material in support thereof, in certain cases no reply was filed. Likewise, the position regarding personal hearing also varies from case to case. Certain Petitioners contend that no effective opportunity of personal hearing was afforded or that no notice of hearing was served upon them. Others assert that though virtual hearings were scheduled, they could not be effectively conducted owing to technical and connectivity issues at the Department's end and repeated requests for physical hearing were ignored. In certain cases, opportunities were granted but the noticee did not appear. Some Petitioners also allege coercive conduct during investigation, including deposits obtained during search proceedings, whereas others contend that no search was conducted at their premises and that they have been implicated solely on the basis of material allegedly recovered from M/s Arora Communication.

13. Thereafter, Orders-in-Original came to be passed on 09.12.2025 and 26.12.2025 in the respective adjudication proceedings. The Petitioners, being aggrieved by the proceedings and/or the orders passed therein, have invoked the extraordinary jurisdiction of this Court under Article 226 of the Constitution of India.

14. Learned counsel appearing on behalf of the respective parties addressed submissions on the maintainability of the present Writ Petitions as well on the merits. Their principal contentions are noticed hereinafter.

15. Learned counsel appearing on behalf of the respective Petitioners submit that although an appellate remedy under Section 107 of the CGST Act is available, the present Writ Petitions fall within the recognised exceptions to the rule of alternative remedy on account of violation of the principles of natural justice and jurisdictional infirmities. It is contended that despite filing detailed replies along with documentary evidence, the adjudicating authority mechanically confirmed the proposed demands without considering the Petitioners' submissions or assigning adequate reasons.

16. It is further submitted that the mandatory requirement under Section 75(4) of the CGST Act was not complied with. According to the Petitioners, several of them were either not served with notices of personal hearing or were denied an effective opportunity of hearing. In some cases, virtual hearings could not be effectively conducted due to technical issues at the Department's end, while requests for physical hearing were ignored.

17. Learned counsel further submit that the proceedings are founded principally on electronic data allegedly recovered during the search and handwritten *kachcha parchis*. It is contended that the electronic material could not be relied upon in the absence of the certificate contemplated under Section 63 of the Bharatiya Sakshya Adhiniyam, 2023 (hereinafter referred to as 'BSA') and is unsupported by independent corroborative evidence. It is also submitted that the Petitioners were not supplied all the relied upon documents and were denied an opportunity to cross-examine the persons whose statements have been relied upon.

18. Learned counsel appearing on behalf of the Petitioners additionally submits that a sum was obtained during the search under coercion and subsequently treated as a voluntary payment through DRC-03 without examining the circumstances in which the amount came to be deposited.

19. *Per contra*, learned counsel representing the Respondents raises a preliminary objection to the maintainability of the Writ Petitions, contending that the Orders-in-Original are appealable under Section 107 of the CGST Act and that none of the recognised exceptions to the rule of alternative remedy is attracted.

20. It is submitted that the Petitioners were duly served with the SCNs and were provided opportunity to file their replies and participate in the adjudication proceedings. According to the Respondents, the Orders-in-Original were passed after considering the material on record and the Petitioners merely seek re-appreciation of evidence, which falls within the jurisdiction of the statutory appellate authority.

21. It is further submitted that, during the course of hearing, it was apprised to the Court that the Petitioner in W.P.(C.) No.2179/2026 has already preferred an appeal under Section 107 of the CGST Act against the Impugned Order dated 26.12.2025, *vide* Diary/File No.821/BO/GST/Commr./Appl.-1/2026. It is, therefore, contended that having already invoked the statutory appellate remedy in respect of the very order which is under challenge before this Court, and no exceptional circumstance having been demonstrated, the Petitioner

cannot ordinarily be permitted to pursue the same grievance simultaneously before the statutory appellate authority and this Court in exercise of writ jurisdiction.

22. This Court has considered the rival submissions and perused the material on record. The question which arises for consideration is whether the Petitioners have established any recognised exception to the rule of alternative remedy so as to justify invocation of the extraordinary jurisdiction of this Court under Article 226 of the Constitution despite the availability of the statutory remedy under Section 107 of the CGST Act.

23. At the outset, it deserves notice that the Orders-in-Original are appealable under Section 107 of the CGST Act. The appellate remedy so provided constitutes a complete, efficacious and comprehensive statutory mechanism for redressal of grievances arising from orders of adjudication.

24. The appellate authority is vested with wide powers to examine both questions of fact and law, re-appreciate the material placed on record, scrutinise the findings returned by the adjudicating authority, and determine the legality as well as the correctness of the orders under challenge. It is for this reason that where the legislature has consciously created a specialised adjudicatory framework coupled with a hierarchy of appellate remedies, constitutional courts have consistently exercised restraint in entertaining a challenge to the original adjudication order under Article 226 of the Constitution. Such self-imposed restraint is founded not upon any lack of jurisdiction, but

upon sound principles governing the exercise of judicial discretion. Questions involving appreciation of evidence, adequacy of material, correctness of factual findings or errors in the adjudicatory process are, in the ordinary course, matters which the statutory appellate authority is best equipped to examine. Entertaining a writ petition in such circumstances would not only permit a litigant to bypass the legislative scheme but would also render otiose the efficacious appellate remedy consciously provided by the statute.

25. At the same time, it is equally well settled that the existence of an alternative statutory remedy does not operate as an absolute bar to the exercise of writ jurisdiction. In ***Assistant Commissioner of State Tax and Others v. Commercial Steel Limited***[1], the Supreme Court reiterated that notwithstanding the availability of an efficacious statutory remedy, the High Court may entertain a petition under Article 226 of the Constitution in exceptional circumstances, namely, where there is: *(i)* breach of fundamental rights; *(ii)* violation of the principles of natural justice; *(iii)* excess of jurisdiction; or *(iv)* a challenge to the vires of a statute or delegated legislation. The Supreme Court further observed that the mere assertion of one of the aforesaid grounds would not, by itself, justify bypassing the statutory remedy. The High Court is required to independently examine whether the facts of the case disclose circumstances warranting the exercise of its extraordinary jurisdiction notwithstanding the availability of an efficacious appellate remedy.

26. Having considered the rival submissions and perused the

material placed on record, this Court is of the considered opinion that the present batch of Writ Petitions does not disclose any circumstance warranting interference under Article 226 of the Constitution. Although the Writ Petitions arise from a common investigation, the allegations of violation of natural justice are not uniform across the present batch and, insofar as they arise in individual cases, require examination of the respective adjudication records, including the notices issued, replies filed, opportunities afforded and the participation of the concerned Petitioners. The remaining grievances essentially require appreciation of evidence and determination of the correctness of the findings returned by the adjudicating authority.

27. The principal submission of the Petitioners is that the Orders-in-Original have been passed without properly considering their replies and the documentary material placed on record. It is contended that the adjudicating authority has mechanically confirmed the proposed demands without dealing with the specific defence raised by each Petitioner.

28. This submission, in the facts of the present batch, does not by itself warrant exercise of writ jurisdiction. Whether the replies and documents submitted by the Petitioners were adequately considered, whether the reasons recorded by the adjudicating authority are sufficient, and whether the conclusions ultimately reached are sustainable, are matters relating to the correctness of the adjudication. Such issues are capable of being examined by the appellate authority under Section 107 of the CGST Act.

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[1] (2022) 16 SCC 447

29. The Petitioners have next relied upon alleged non-compliance with Section 75(4) of the CGST Act. It is contended that in certain cases notices of personal hearing were not served, while in others the virtual hearings could not be effectively conducted owing to technical difficulties and requests for physical hearing were not acceded to.

30. The aforesaid submissions essentially involve disputed questions of fact. The Petitioners assert that they were denied an effective opportunity of hearing, whereas the Respondents contend that the Petitioners were duly served, permitted to file replies and afforded opportunities of personal hearing. Whether the notices were duly served, whether the Petitioners participated in the proceedings, whether any technical difficulty actually prevented effective hearing and, importantly, whether any prejudice was caused thereby, would require examination of the adjudication record. These questions are more appropriately considered by the statutory appellate authority.

31. It is also necessary to bear in mind that the procedural position is not identical in respect of all the Petitioners. The material placed before this Court reflects that, in certain cases, replies were filed and considered and opportunities of personal hearing were afforded. In some cases, replies were not filed. In certain other cases, the concerned noticee did not appear despite opportunities having been granted. There are also cases where the manner in which the opportunity of hearing was afforded is disputed. Thus, the mere fact that the nature or extent of opportunity afforded may differ from one noticee to another cannot, by itself, establish a violation of the principles of natural justice in every case, much less constitute a

common ground for interference in the entire batch.

32. Whether a particular Petitioner was afforded an adequate opportunity, whether such opportunity was duly availed, and whether any prejudice was occasioned by the procedure adopted are matters necessarily dependent upon the individual adjudication record. Such grievances, including a request for remand or for an opportunity to place further material or make further submissions, can appropriately be urged before the appellate authority under Section 107 of the CGST Act.

33. The contention regarding reliance upon electronic data allegedly recovered from the laptop seized during the search proceedings and the handwritten *kachcha parchis* also does not, in the circumstances of the present case, furnish a ground for bypassing the statutory remedy. The Petitioners contend that the electronic material could not be relied upon in the absence of the certificate contemplated under Section 63 of BSA and that the material was not supported by independent corroborative evidence.

34. Whether the requirements of Section 63 of the BSA stood satisfied, whether the electronic material was duly authenticated, what evidentiary value is to be attached to the electronic records and handwritten *kachcha parchis*, and whether such material is sufficient to sustain the allegations against the respective Petitioners are all questions which bear directly upon the merits of the adjudication. The same would necessarily require examination of the original investigation and adjudication record and appreciation of the evidence

relied upon by the Department.

35. Equally, the submission that there was no independent corroborative material, such as invoices, transport documents, stock records or financial records, connecting the Petitioners with the alleged transactions, cannot be examined in isolation in these proceedings. The Respondents rely upon the electronic data, handwritten material, statements and other investigation records as constituting the evidentiary foundation of the Orders-in-Original. Whether such material constitutes sufficient corroboration and whether the findings recorded by the adjudicating authority can be sustained on the basis thereof are matters appropriately falling within the jurisdiction of the appellate authority.

36. The Petitioners have also contended that they were not supplied complete copies of the relied upon material and were denied an opportunity to cross-examine persons whose statements have been relied upon. These submissions undoubtedly concern the fairness of the adjudication. However, whether all relied upon documents were required to be furnished, whether the statements constituted the sole or substantive basis of the adjudication, whether cross-examination was warranted in the facts of each case and whether any prejudice was occasioned by its denial, are questions which cannot be determined without examining the underlying record. Such issues are therefore appropriately left to the statutory appellate authority.

37. Certain Petitioners have further contended that they were implicated solely on the basis of material recovered from the premises

of M/s Arora Communication, notwithstanding that no search was conducted at their own premises. This contention again goes to the sufficiency and evidentiary value of the material relied upon by the Department. The question whether the material recovered from a third party was sufficient to connect a particular Petitioner with the alleged transactions is a matter which requires examination of the evidence pertaining to each individual Petitioner and is not, by itself, indicative of a patent lack of jurisdiction.

38. The contention regarding the amount allegedly obtained during search proceedings under coercion and subsequently reflected as a voluntary payment through DRC-03 also involves disputed questions of fact. Whether the payment was voluntary, the circumstances in which it came to be deposited and the legal effect thereof are matters which require examination of the contemporaneous record. Such a grievance can appropriately be raised before the appellate authority and does not, in the facts presented, constitute a ground for bypassing the statutory remedy.

39. It is also necessary to notice the position in W.P.(C.) No.2179/2026. During the course of hearing, it was apprised to this Court that the Petitioner therein has already preferred an appeal under Section 107 of the CGST Act against the Impugned Order dated 26.12.2025, *vide* Diary/File No.821/BO/GST/Commr./Appl.-1/2026. Having already invoked the statutory appellate remedy in respect of the very order which is under challenge before this Court, and no exceptional circumstance having been demonstrated warranting simultaneous exercise of writ jurisdiction, the Petitioner cannot

ordinarily be permitted to pursue the same grievance simultaneously before the statutory appellate authority and this Court. The Writ Petition is, therefore, liable to be dismissed on this ground as well.

40. Viewed cumulatively, the grievances raised by the Petitioners essentially relate to the appreciation and evidentiary value of the material relied upon by the Department, the sufficiency of corroborative evidence, the manner in which the replies and documentary material were considered, compliance with the procedure relating to personal hearing, admissibility of electronic evidence, denial of cross-examination and the correctness of the findings returned by the adjudicating authority. The procedural grievances, as noticed hereinabove, are not common or uniform across all the Petitioners and, where raised in individual cases, require examination with reference to the respective adjudication records and the prejudice, if any, caused to the concerned Petitioner. None of these, on the material presently before the Court, establishes a patent lack of jurisdiction or such manifest violation of the principles of natural justice as would justify bypassing the statutory appellate mechanism.

41. This Court is, therefore, unable to hold that the present batch of Writ Petitions falls within any of the recognised exceptions to the rule of alternative remedy. The procedural grievances urged by the Petitioners are not uniform and, to the extent they arise in individual cases, require examination with reference to the respective adjudication records and the prejudice, if any, caused to the concerned Petitioner. The Petitioners have an efficacious statutory remedy under

Section 107 of the CGST Act, wherein all questions of fact and law arising from the Orders-in-Original can appropriately be examined.

42. This Court has consciously refrained from expressing any opinion on the merits of the rival contentions. Nothing contained in this Order/Judgment shall be construed as an expression on the admissibility, authenticity or evidentiary value of the electronic material, *kachcha parchis*, statements or other material relied upon by the Department, or on the correctness of the findings returned in the Orders-in-Original. All such questions are left open to be urged before the statutory appellate authority, which shall consider the same independently and in accordance with law.

43. Consequently, the Writ Petitions challenging the Orders-in-Original are dismissed, leaving it open to the concerned Petitioners to avail the statutory remedy of appeal under Section 107 of the CGST Act, if so advised. W.P.(C.) No.8413/2026, which seeks interim protection against further proceedings, is also dismissed in view of the above conclusion.

44. It is clarified that, in the event any of the Petitioners prefers an appeal under Section 107 of the CGST Act, the concerned Petitioner shall be at liberty to seek exclusion of the period during which the respective Writ Petition remained pending before this Court, in accordance with law. The appellate authority shall consider the question of limitation, including any prayer for exclusion of the period spent in prosecuting the proceedings before this Court, in accordance with law and uninfluenced by any observations contained in the

present Order/Judgment.

45. The Writ Petitions are accordingly dismissed in the aforesaid terms. Pending applications also stand disposed of.

**ANIL KSHETARPAL, J.**

**SHAIL JAIN, J.**

**AUGUST 05, 2026**
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