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Non-speaking GST Orders Violate Natural Justice Principles and are Liable to be Set Aside

The Hon'ble Punjab and Haryana High Court in the case of *Hudson Insurance Brokers Private Limited vs Union Territory of Chandigarh and Others [CWP-8559-2026, order dated April 17, 2026]* held that an order passed without assigning any reasons and without considering the reply of the assessee is a non-speaking order and violative of principles of natural justice, and therefore liable to be set aside.

Facts:

Hudson Insurance Brokers Private Limited ("**the Petitioner**"), a company engaged in the business of insurance brokerage and advisory services and duly registered under GST, filed returns for the relevant period.

The Union Territory of Chandigarh and Others ("**the Respondent**"), through the Commercial Tax Officer, issued a notice under Section 61 of the CGST Act pointing out discrepancies and subsequently issued a show cause notice under Section 73.

The Petitioner contended that it had submitted a detailed reply along with all relevant supporting documents on the GST portal within the stipulated time and also sought extension and adjournment for personal hearing, which was later complied with by filing reply.

The Respondent contended that the writ petition was not maintainable due to availability of alternative remedy of appeal and further argued that the impugned order was passed after considering the reply and due to failure of the Petitioner to furnish requisite documentary evidence.

The Petitioner's grievance was that despite submission of detailed reply and documents, the impugned order dated February 14, 2026 was passed without considering the same and

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without assigning any reasons, thereby violating principles of natural justice, leading to filing of the present writ petition under Article 226 of the Constitution of India.

Issue:

Whether an order passed under GST without considering the reply of the assessee and without assigning reasons is sustainable in law, and whether writ jurisdiction can be invoked despite availability of alternate remedy?

Held:

The Hon'ble Punjab and Haryana High Court in **CWP-8559-2026** held as under:

- Observed that, the impugned order acknowledges the filing of reply by the Petitioner but rejects it without assigning any reasons.
- Noted that, the satisfaction recorded by the authority that the taxpayer has not furnished any documentary evidence is not supported by any reasoning.
- Observed that, no contention raised by the Petitioner nor documents attached with the reply were considered, referred to, or dealt with in the impugned order.
- Held that, an order passed without any reasoning cannot be justified and is a non-speaking order violative of principles of natural justice.
- Observed that, authorities exercising quasi-judicial powers are bound to consider the reply and give reasons for not agreeing with the contentions raised.
- Noted that, although ordinarily writ jurisdiction is not exercised where alternate remedy exists, exceptions arise where there is violation of principles of natural justice.
- Further noted that, the impugned order being non-speaking and violative of natural justice cannot be sustained.

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- Directed that, the impugned order be set aside and the Respondent is directed to grant personal hearing and pass a fresh order with due reasoning after considering the reply and submissions of the Petitioner and allowed the writ petition.

Our Comments:

The judgment reinforces the settled principle that reasoned orders are an indispensable component of quasi-judicial functioning. The judgment of the Supreme Court in ***Whirlpool Corporation vs Registrar of Trademarks [(1998) 8 SCC 1]*** establishes that writ jurisdiction is maintainable where there is violation of principles of natural justice. Similarly in the case of ***Radha Krishan Industries vs State of Himachal Pradesh [(2021) SCC Online 334]*** reiterates that availability of alternate remedy does not bar writ jurisdiction in cases of jurisdictional error or breach of natural justice. Further the judgment in the case of ***Godrej Sara Lee Ltd. vs Excise and Taxation Officer [(2023) SCC OnLine SC 95]*** affirms that non-speaking orders are unsustainable. The reasoning in the present case aligns with these precedents by emphasizing that mere acknowledgment of reply without dealing with it amounts to denial of fair hearing.

Relevant Provisions:

Article 226 of the Constitution of India

“Power of High Courts to issue certain writs

(1) Notwithstanding anything in article 32 every High Court shall have powers, throughout the territories in relation to which it exercise jurisdiction, to issue to any person or authority, including in appropriate cases, any Government, within those territories directions, orders or writs, including writs in the nature of habeas corpus, mandamus, prohibition, quo warrantor and certiorari, or any of them, for the enforcement of any of the rights conferred by Part III and for any other purpose.

...”

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