Violation of Natural Justice: Adjudication on the Same-Day Without Hearing is an 'Eyewash'

The Hon'ble Uttarakhand High Court in the case of ***Poddar Ispat Pvt. Ltd. v. Office of the Deputy Commissioner & Anr. [Writ Petition (M/B) No. 286 of 2026, order dated April 22, 2026]*** held that passing an adjudication order on the same day as filing of reply, without intimating or affording a meaningful personal hearing, violates the principles of natural justice under Section 75(4) of the Act, and such hearing is a mere "eyewash."

Facts:

M/s Poddar Ispat Pvt. Ltd. **("the Petitioner")** was issued show-cause notice dated May 14, 2025 under Section 74(1) of the Uttarakhand Goods and Services Tax Act, 2017 proposing recovery on account of alleged inadmissible ITC amounting to Rs. 8,49,98,096/-. The Petitioner submitted its reply on December 26, 2025 and specifically prayed for personal hearing.

Office of the Deputy Commissioner & Anr. **("the Respondent")** passed the impugned order dated December 26, 2025 under Section 74(9) on the very same day of filing reply, imposing tax and penalty and initiating recovery proceedings, without intimating any date for personal hearing.

The Petitioner contended that despite requesting personal hearing, no date was intimated and no opportunity was afforded; the order was passed on the same day as the reply, and the reply was not duly considered. The show-cause notice was also alleged to be defective.

The Respondent contended that the reply was duly considered and opportunity of hearing was granted; however, it was admitted that no prior intimation of hearing date was provided and that the show-cause notice did not specify that hearing would take place on the date of reply.

Aggrieved by violation of principles of natural justice and non-compliance with Section 75(4), the Petitioner approached the Hon'ble High Court by way of writ petition seeking quashing of the order dated December 26, 2025 and consequential proceedings.

Issue:

Whether passing an adjudication order on the same day as filing of reply, without prior intimation and without affording personal hearing despite request, violates principles of natural justice under Section 75(4) of the Act?

Held:

The Hon'ble Uttarakhand High Court in ***Writ Petition (M/B) No. 286 of 2026*** held as under:

- Observed that, under Section 75(4), opportunity of hearing is required to be granted when requested by the person concerned.
- Noted that, the Respondents were required to intimate the date of personal hearing in advance; otherwise, the alleged hearing is nothing but an "eyewash."
- Observed that, mere recital in the order that hearing was granted on the day the reply was filed does not satisfy the mandatory requirement of law.
- Noted that, a taxpayer, on the date fixed for filing reply, may not be prepared to advance arguments, and the show-cause notice did not put the petitioner to notice that hearing would also take place on the same day.
- Held that, the procedure followed was in violation of principles of natural justice contained in Section 75(4) of the Act.

- Accordingly, the impugned order dated December 26, 2025 was set aside with liberty to the Respondents to fix a fresh date of hearing after due intimation and pass a fresh order in accordance with law.

Our Comments:

The judgment strictly enforces the statutory mandate under Section 75(4) of the CGST/SGST Act, which requires grant of personal hearing upon request. The Court emphasizes that procedural compliance must be real and effective, not illusory. The reasoning aligns with settled jurisprudence that "opportunity of hearing" must be meaningful and preceded by proper notice of date and time.

In ***Bharat Mint & Allied Chemicals v. Commissioner of Commercial Tax [Writ Tax No. - 1029 of 2021 order dated March 4, 2022],*** the Allahabad High Court held that absence of proper hearing violates Section 75(4) and natural justice. In that context it further held that, the impugned order and perusal thereof shows that no opportunity of hearing as contemplated under Section 75(4) of the Act, 2017 was not afforded to the petitioner. Thus, there being patent breach of principles of natural justice, the present writ petition is maintainable against the impugned order. Article 226 of the Constitution of India confers very vide powers on High Courts to issue writs but this power is discretionary and the High Court may refuse to exercise the discretion if it is satisfied that the aggrieved person has adequate or suitable remedy elsewhere. It is a rule of discretion and not rule of compulsion or the rule of law. Even though there may be an alternative remedy, yet the High Court may entertain a writ petition depending upon facts of each case.

The present judgment reinforces that mere mention of hearing in the order cannot cure absence of actual opportunity, and that same-day adjudication defeats the purpose of Section 75(4).

Relevant Provisions:

Section 75(4) of the CGST/SGST Act, 2017

"75. General provisions relating to determination of tax.-

An opportunity of hearing shall be granted where a request is received in writing from the person chargeable with tax or penalty, or where any adverse decision is contemplated against such person."

Section 74 of the CGST/SGST Act, 2017

74. Determination of tax, pertaining to the period up to Financial Year 2023-24, not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised by reason of fraud or any willful- misstatement or suppression of facts.-

(1) Where it appears to the proper officer that any tax has not been paid or short paid or erroneously refunded or where input tax credit has been wrongly availed or utilised by reason of fraud, or any wilful-misstatement or suppression of facts to evade tax, he shall serve notice on the person chargeable with tax which has not been so paid or which has been so short paid or to whom the refund has erroneously been made, or who has wrongly availed or utilised input tax credit, requiring him to show cause as to why he should not pay the amount specified in the notice along with interest payable thereon under section 50 and a penalty equivalent to the tax specified in the notice.

…

(9) The proper officer shall, after considering the representation, if any, made by the person chargeable with tax, determine the amount of tax, interest and penalty due from such person and issue an order."

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