A.G. and Sons HUF & Ors. v. Union of India & Ors.

Whether an order passed under the CGST Act by an officer who did not personally conduct the hearing violates the principle of natural justice — specifically the maxim

Date of Order: May 12, 2026
Case Law No: GIB-DHC-2026-67
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CASE DESCRIPTION / SUMMARY

Background

An impugned order dated 30th December 2025 was passed by Mr. Debjit Banerjee, an officer of the rank of Additional Commissioner. The personal hearing in the matter, however, had been conducted by Mr. Sammer Kumar Jha, another Additional Commissioner who had earlier been manning the same post. Upon Mr. Jha's transfer, Mr. Banerjee assumed charge and passed the final order. The Petitioners challenged the impugned order before the Delhi High Court by way of writ petitions under Article 226 of the Constitution of India. All three petitions raised identical issues and were decided by a common order, with the facts in W.P.(C) 2630/2026 taken as the lead matter.

Relevant Facts

The Petitioners contended that the personal hearing was granted by Mr. Sammer Kumar Jha, but the final order was passed by Mr. Debjit Banerjee who had not conducted that hearing — a clear violation of the principle that the deciding authority must itself hear the parties. The Revenue contended that there was no statutory embargo preventing the successor officer from passing the order based on the notes of the final hearing prepared by Mr. Jha. When confronted on this point, the Court was unable to satisfy itself that any such notes by Mr. Jha were actually available to or considered by Mr. Banerjee before passing the impugned order. The Revenue further raised a preliminary objection that the Petitioners had an efficacious alternative remedy by way of an appeal and the writ petition was therefore not maintainable. The Petitioners also raised an additional grievance that the documents relied upon in the proceedings were not supplied to them, which itself amounted to a denial of opportunity of hearing.

Court Observations (Verbatim)

"*Such conduct, in our opinion, amounts to violation of principles of natural justice and order*

impugned as such goes contrary to the constitutional protections guaranteed under Article 14 of the Constitution of India."

— Para 6 (Court's own observation)

"*In the aforesaid background, we have no hesitation to entertain the present petition, even if, there exits an alternate remedy as the order impugned is passed in violation of principles of natural justice.*"

— Para 9 (Court's own observation)

From Automotive Tyre Manufacturers Assn. v. Designated Authority & Ors. — relied upon by Court (Para 7):

"*if one person hears and other decides, then personal hearing becomes an empty formality.*"

— Para 83, as quoted in Para 7

"*In the present case, admittedly, the entire material had been collected by the predecessor of the DA; he had allowed the interested parties and/or their representatives to present the relevant information before him in terms of Rule 6(6) but the final findings in the form of an order were recorded by the successor DA, who had no occasion to hear the appellants herein. In our opinion, the final order passed by the new DA offends the basic principle of natural justice. Thus, the impugned notification having been issued on the basis of the final findings of the DA, who failed to follow the principles of natural justice, cannot be sustained. It is quashed accordingly.*"

— Para 84, as quoted in Para 7

From Whirlpool Corporation v. Registrar of Trade Marks, Mumbai & Others — (1998) 8 SCC 1 — relied upon by Court (Para 8):

"*Under Article 226 of the Constitution, the High Court, having regard to the facts of the case, has a discretion to entertain or not to entertain a writ petition. But the High Court has imposed upon itself certain restrictions one of which is that if an effective and efficacious remedy is available, the High Court would not normally exercise its jurisdiction. But the alternative remedy has been consistently held by this Court not to operate as a bar in at least three contingencies, namely, where the writ petition has been filed for the enforcement of any of the Fundamental Rights or where there has been a violation of the principle of natural justice or where the order or proceedings are wholly without jurisdiction or the vires of an Act is challenged…*"

— Para 15, as quoted in Para 8

Final Verdict

All three writ petitions allowed. Impugned order dated 30th December 2025 set aside as being passed in violation of principles of natural justice. Petitioner permitted to appear before the Additional Commissioner with written submissions on 25th May 2026. The Respondent directed to supply the documents sought by the Petitioner and to deal with the matter afresh. All rights and contentions of the Petitioner kept open.

Cases Referred by Court

Automotive Tyre Manufacturers Assn. v. Designated Authority and Ors.
Supreme Court of India | Citation not specified in the order | *Paras 83 & 84 relied upon — held that when one officer hears and another decides, personal hearing becomes an empty formality and the final order offends the basic principle of natural justice.*

Whirlpool Corporation v. Registrar of Trade Marks, Mumbai and Others
Supreme Court of India

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