IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH

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CWP-15531-2025
Date of Decision: 28.05.2025

VODAFONE IDEA LIMITED ....PETITONER

Versus

U.T. CHANDIGARH AND OTHERS .....RESPONDENTS

CORAM: HON'BLE MR. JUSTICE DEEPAK SIBAL
HON'BLE MS. JUSTICE LAPITA BANERJI

Present:- Mr. Amrinder Singh, Advocate
for the petitioner.

Mr. Sourabh Goel, Senior Standing Counsel
for the respondents.

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DEEPAK SIBAL, J. (Oral)

1. Through the instant petition challenge is made by Vodafone Idea Limited (for short the Company) to the order dated 18.02.2025, passed by the Commercial Tax Officer (for short the CTO) demanding from the Company general sales tax, along with interest and penalty, for the tax period April 2020 to March 2021.

2. The facts, in brief, which are required to be noticed to adjudicate upon the instant petition are that through a show cause notice dated 28.11.2024 issued under Section 73(1) of the Central Goods and Services Tax Act, 2017 (for short the CGST Act), the CTO called upon the Company to show cause as to why the Company be not required to pay tax, along with interest and penalty, so mentioned in the said show cause notice, pertaining to the financial year 2020-21. The Company filed a detailed reply through

which not only facts were disputed but also legal submissions were raised. Through its reply, in terms of Section 75(4) of the CGST Act, the Company also sought to be personally heard.

3. Without granting any opportunity of hearing to the Company and without considering the facts and legal submissions raised by the Company, through the impugned order dated 18.02.2025, the CTO raised the impugned demand from the Company. The detailed pleas and the law cited by the Company were rejected by the CTO through the following observation:-

"non-satisfactory reply to DRC-01"

4. A perusal of the impugned order reveals that the facts and legal submissions raised by the Company, have not being dealt with by the CTO before raising the impugned demand.

5. Any order, whether judicial or *quasi* judicial, must contain reasons as such an order, without reasons would have no place in a world governed by the rule of law. In fact, reasons are the soul of an order, whether judicial or *quasi* judicial. Every order which entails civil consequences must be backed by sound reasons as these reasons only ensure that the decision was not a result of whim or fancy of its author and that the same was also just. A reasoned order is also in line with the principles of natural justice that justice should not only be done but also seem to have been done. In the absence of reasons, it is also extremely difficult for a superior authority/Court to ascertain the correctness of the order appealed or petitioned against.

6. The afore observations of ours also find its backing under Section 75(6) of the CGST Act which provides as follows:-

> ***“Section 75 General provisions relating to determination of tax:-***
> *(6) The proper officer, in his order, shall set out the relevant facts and the basis of his decision.”*

7. In the light of the above, the impugned order is not only liable to be set aside on account of being bereft of reasons it also needs to be set aside being violative of Section 75(4) of the CGST Act which clearly provides that where a request for hearing is received in writing, the same should be granted before any adverse action is taken. Section 75(4) of the CGST Act is reproduced below for ready reference:-

> ***“Section 75 General provisions relating to determination of tax:-***
> *(4) 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.”*

8. In this regard the following observations from a judgment of a Division Bench of this Court dated 05.03.2025 in CWP-5051-2025 M/s Singla Traders Vs. State of Punjab and others, can be usefully referred to:-

> *"6. It would be relevant to reproduce Section 75(4) of the Central GST Act. The same is reproduced as under:-*
> ***“Section 75 General provisions relating to determination of tax:-***

(4) 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."

7. A perusal of the above provision shows that it is mandatory to give an opportunity of hearing 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."

8. Admittedly in the present case, the petitioner made a request in writing but still he was not afforded personal hearing, therefore, we are of the opinion that order dated 05.02.2025 is liable to be set aside."

9. In the light of afore observations, the instant petition is allowed and the impugned order of demand dated 18.02.2025 is set aside with liberty to the CTO to proceed against the petitioner but only in accordance with law.

[DEEPAK SIBAL]
JUDGE

[LAPITA BANERJI]
JUDGE

28.05.2025
Prince

Whether speaking/reasoned: *Yes/No*
Whether reportable: *Yes/No*