

HC: Order Without Digital Signature or Hearing After SCN Summary Violates Rule 26(3), Section 75(4), and Natural Justice

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REFER THE DECISION OF THE HON'BLE GAUHATIA HIGH COURT IN THE CASE OF

Shreerihant Logistics (P.) Ltd. v. State of Assam - [2025] 177 taxmann.com 107 (Gauhati)

FACTS:

The department issued only a summary of SCN in Form GST DRC-01, which omitted details of the personal hearing.

Despite the matter involving an adverse decision, no personal hearing was provided.

The adjudication order was issued without affixing a valid digital signature.

The assessee challenged the proceedings citing procedural violations under the CGST/SGST framework.

Proceedings were initiated against the assessee concerning availability of Input Tax Credit (ITC).

Hon'ble High Court Judgement:

Rule 26(3) requires orders to be authenticated with a valid digital signature; omission makes the order procedurally defective.

Section 75(4) mandates an opportunity of hearing when an adverse decision is contemplated.

Serving only a summary of SCN without proper notice or hearing fails to meet statutory requirements.

These lapses collectively amount to a violation of principles of natural justice.

The impugned order was set aside. Liberty was granted to the department to initiate fresh proceedings in accordance with law.