

HC: Appellate Order Without Reasons is Unsustainable under Section 107 CGST Act

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

Sidh Hanuman Enterprises v. State of Jharkhand - [2025] 177 taxmann.com 129 (Jharkhand)

FACTS:

The assessee filed an appeal under Section 107 of the CGST Act against an adverse adjudication order.

The Appellate Authority dismissed the appeal but did not provide any reasoning or discussion of facts, evidence, or legal points in the order.

The assessee challenged the appellate order before the High Court.

Hon'ble High Court Judgement:

An appellate order must contain clear reasons to show due application of mind and to enable effective judicial review.

Reasoned orders are an essential facet of natural justice and statutory duty.

A mere conclusion without reasoning is unsustainable in law.

The absence of reasoning renders the order arbitrary and liable to be quashed.

The impugned appellate order was set aside. The matter was remanded to the Appellate Authority to pass a fresh, reasoned order in accordance with law after hearing the parties.