



Failure To Seek Additional Documents Before Adjudication Does Not Violate Natural Justice Where Taxpayer Had Full Opportunity To Be Heard

Case Reference:

Sodexo India Services Private Limited v. Union of India & Ors. - Delhi High Court W.P.(C) 9153/2026 [Date of Judgement – 15th July 2026]

Facts:

The adjudicating authority confirmed a GST demand of around ₹8.75 crore against Sodexo across eleven issues flagged during audit, with the principal component relating to the allegation that Sodexo India Services Pvt Ltd supply of catering services and sale of pre-packaged food products constituted a "composite supply" attracting GST at 18%.

Despite Sodexo India Services Pvt Ltd submitting documents and participating in hearings throughout, the authority passed an order u/s 74 confirming the demand — which Sodexo then challenged before the Delhi High Court.

Issue Involved:

Whether an adjudicating authority under the CGST Act, 2017 is obliged, as a matter of natural justice, to call for additional documents or clarifications before passing its order if it finds the existing material insufficient.

Whether failure to properly consider Sodexo India Services Pvt Ltd submissions amounted to a natural justice violation.

Decision:

- The Court rejected Sodexo's argument that the adjudicating authority should have sought further documents before concluding proceedings, holding this was not "an inflexible requirement of natural justice."
- It noted the company had fully participated responding to the audit memo, additional audit memo, and show-cause notice, and submitting agreements, invoices, and reconciliations — so no opportunity to present its case was denied.
- The Court distinguished a genuine natural-justice breach from mere disagreement with findings, holding that questions of evidentiary sufficiency and correctness fall within the appellate authority's jurisdiction u/s 107, not writ jurisdiction under Article 226.
- Finding no violation, it dismissed the petition, granting Sodexo liberty to pursue its statutory appeal instead.