HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD
(Special Original Jurisdiction)

MONDAY, THE SEVENTEENTH DAY OF FEBRUARY
TWO THOUSAND AND TWENTY FIVE

PRESENT

THE HONOURABLE THE ACTING CHIEF JUSTICE SUJOY PAUL
AND
THE HONOURABLE SMT JUSTICE RENUKA YARA

WRIT PETITION NO: 4446 OF 2025

Between:

Mukunda Flexi Pack, Rep. by its Proprierix, Anusha Enganti, W/o Y.Srinivasa Rao, aged 40 years, Sy No. 185 Part, CF Area, Phase-V, IDA, Cheralapally, Hyderabad-5000051, Telangana.

AND **...PETITIONER**

1. The Appellate Joint Commissioner (State Tax), Hyderabad Rural Division, 5th Floor, CT Complex, Opp. Gandhi Bhavan, Nampally, Hyderabad-500001.
2. The Assistant Commissioner(State Tax), Nacharam -2 Circle,Malkajigiri Division Hyderabad.
3. The Commissioner -State Tax, Government of Telangana, 1st Floor. CT Complex, Opp. Gandhibhavan, Nampally, Hyderabad-500001.
4. The State of Telangana, Rep. by its Principal Secretary to Revenue CT Department, Secretariat Buildings, Hyderabad.
5. Central Board of Indirect Taxes and Customs, Department of Revenue, Represented by Its Secretary to Government, New Delhi -110001.
6. State Bank of India, Rep. its Bank Manager, Cherlapally Branch, Medchal Malkajigiri District, Hyderabad.

...RESPONDENTS

Petition under Article 226 of the Constitution of India praying that in the circumstances stated in the affidavit filed therewith, the High Court may be pleased to issue any Writ or Order or Direction more particularly one in the nature of Writ of Mandamus declaring the action of 1st Respondent in issuing the Impugned Appeal Order NO. ZD360824058290B dated 17/08/2024 issued by the 1st Respondent dismissing the Appeal by confirming unsigned Assessment Order issued by 2nd Respondent u/s 73 of TGST/CGST Acts 2017 dated 27/12/2023 and Unsigned Notice DRC-07 dated 27/12/2023 and unsigned DRC-01 dated 29/09/2023 and annexed show cause notice for the Period 2017-18, Demanding SGST of Rs.47,83,710/- CGST of Rs.47,83,710/-, IGST of Rs.51,73,150/-Penalty of SGST of Rs.4,78,371/- CGST of Rs. 4,78,371//-, IGST of Rs.5,17,315/-, is

unreasoned order with pre-determined mind, without considering the documentary evidence submitted along with Appeal and also at the time of Hearing read with Appeal Grounds, is contrary to principles of natural justice illegal in violation of Section 65(6) r/w 65and (7) Act and arbitrary, violative of Article 19(1)(g), 265, 300A of the Constitution of India and to set aside the Impugned order including the Garnishee Notice issued by the 2nd Respondent to the 6th Respondent and or to direct the 1st Respondent to dispose the Rectification Application filed u/s 161 dated 25/09/2024.

IA NO: 1 OF 2025

Petition under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased to (a) grant stay of all further proceedings in pursuance the impugned Appeal Order NO. ZD360824058290B dated 17/08/2024 issued by the 1st Respondent dismissing the appeal filed confirming unsigned Assessment Order issued by 2nd Respondent u/s 73 of TGST/CGST Acts 2017 dated 27/12/2023 and Unsigned Notice DRC-07 dated 27/12/2023 and unsigned DRC-01 dated 29/09/2023 against unsigned DRC-01 with unsigned attachment of show cause notice for the Period 2017-18 Demanding SGST of Rs.47,83,710/-CGST of Rs.47,83 710/-, IGST of Rs.51,73,150/-Penalty of SGST of Rs.4,78,371/- CGST of Rs. 4.78 371//-, IGST of Rs.5,17,315/-, (b) to set aside the Garnishee Notice issued oh 73(1)(c) in Form DRC-13 by the 2nd Respondent to the 6th Respondent enabling the Petitioner to operate his bank account, pending disposal of this writ Petition.

Counsel for the Petitioner: SRI T.S.MURTHY
Counsel for the Respondent Nos.1 TO 4: SRI SWAROOP OORILLA, Special Govt Pleader for State Tax
Counsel for the Respondent No.5: SRI DOMINIC FERNANDES, SENIOR SC FOR CBIC
Counsel for the Respondent No.6: ---

The Court made the following: ORDER

THE HON'BLE THE ACTING CHIEF JUSTICE SUJOY PAUL
AND
THE HON'BLE SMT. JUSTICE RENUKA YARA

WRIT PETITION No.4446 of 2025

ORDER *(Per the Hon'ble the Acting Chief Justice Sujoy Paul)*:

Sri T.S. Murthy, learned counsel for the petitioner; Sri Swaroop Oorilla, learned Special Government Pleader for State Tax, for respondent Nos.1 to 4 and Sri Dominic Fernandes, learned Senior Standing Counsel for CBIC, for respondent No.5.

2. The appellate order dated 17.08.2024 is subject matter of challenge in this petition.

3. The singular ground raised by learned counsel for the petitioner is that against the basic order, the petitioner preferred a statutory appeal which is running in almost seven pages. The petitioner has mentioned the facts and grounds, on the strength of which, said statutory appeal was preferred. However, the "discussion and findings" paragraph of the impugned appellate order shows that there is no iota of discussion about the grounds raised by the petitioner in its appeal memo. In absence of reasons, the consideration was an empty formality and therefore, the impugned appellate order may be set aside and the appellate authority may be directed to rehear the petitioner and pass a fresh order.

5. Learned Special Government Pleader for State Tax raised formal objection.

6. We have examined the "discussion and findings" given by the appellate authority and we find substance in the argument of learned counsel for the petitioner that the grounds raised by the petitioner in its appeal memo have not been considered by the appellate authority.

7. The Apex Court in **Kranti Associates (P) Ltd. v. Masood Ahmed Khan**[1] opined that the reasons are heartbeat of conclusions. In administrative, quasi-judicial and judicial orders, the reasons must be given. The relative portion reads thus:

> "12. The necessity of giving reason by a body or authority in support of its decision came up for consideration before this Court in several cases. Initially this Court recognised a sort of demarcation between administrative orders and quasi-judicial orders but with the passage of time the distinction between the two got blurred and thinned out and virtually reached a vanishing point in the judgment of this Court in *A.K. Kraipak* v. *Union of India* [(1969) 2 SCC 262].
>
> 13...
>
> 14. The expression "speaking order" was first coined by Lord Chancellor Earl Cairns in a rather strange context. The Lord Chancellor, while explaining the ambit of the writ of certiorari, referred to orders with errors on the face of the record and pointed out that an order with errors on its face, is a speaking order.
>
> 15. This Court always opined that the face of an order passed by a quasi-judicial authority or even an

[1] (2010) 9 SCC 496

administrative authority affecting the rights of parties, must speak. It must not be like the "inscrutable face of a sphinx".

47. Summarising the above discussion, this Court holds:

(*a*) In India the judicial trend has always been to record reasons, even in administrative decisions, if such decisions affect anyone prejudicially.

(*b*) A quasi-judicial authority must record reasons in support of its conclusions.

(*c*) Insistence on recording of reasons is meant to serve the wider principle of justice that justice must not only be done it must also appear to be done as well.

(*d*) Recording of reasons also operates as a valid restraint on any possible arbitrary exercise of judicial and quasi-judicial or even administrative power.

(*e*) Reasons reassure that discretion has been exercised by the decision-maker on relevant grounds and by disregarding extraneous considerations.

(*f*) Reasons have virtually become as indispensable a component of a decision-making process as observing principles of natural justice by judicial, quasi-judicial and even by administrative bodies.

(*g*) Reasons facilitate the process of judicial review by superior courts.

(*h*) The ongoing judicial trend in all countries committed to rule of law and constitutional governance is in favour of reasoned decisions based on relevant facts. This is virtually the lifeblood of judicial decision-making justifying the principle that reason is the soul of justice.

(*i*) Judicial or even quasi-judicial opinions these days can be as different as the judges and authorities who deliver them. All these decisions serve one common purpose which is to demonstrate by reason that the relevant factors have been objectively considered. This is important for sustaining the litigants' faith in the justice delivery system.

(j) Insistence on reason is a requirement for both judicial accountability and transparency.

(k) If a judge or a quasi-judicial authority is not candid enough about his/her decision-making process then it is impossible to know whether the person deciding is faithful to the doctrine of precedent or to principles of incrementalism.

(l) Reasons in support of decisions must be cogent, clear and succinct. A pretence of reasons or "rubber-stamp reasons" is not to be equated with a valid decision-making process.

(m) It cannot be doubted that transparency is the sine qua non of restraint on abuse of judicial powers. Transparency in decision-making not only makes the judges and decision-makers less prone to errors but also makes them subject to broader scrutiny. (See David Shapiro in *Defence of Judicial Candor* [(1987) 100 Harvard Law Review 731-37] .)

(n) Since the requirement to record reasons emanates from the broad doctrine of fairness in decision-making, the said requirement is now virtually a component of human rights and was considered part of Strasbourg Jurisprudence. See *Ruiz Torija* v. *Spain* [(1994) 19 EHRR 553] EHRR, at 562 para 29 and *Anya* v. *University of Oxford* [2001 EWCA Civ 405 (CA)] , wherein the Court referred to Article 6 of the European Convention of Human Rights which requires, "adequate and intelligent reasons must be given for judicial decisions".

(o) In all common law jurisdictions judgments play a vital role in setting up precedents for the future. Therefore, for development of law, requirement of giving reasons for the decision is of the essence and is virtually a part of "due process."

8. If the impugned appellate order is tested on the envil of principles laid down in **Kranti Associates (P) Ltd.** (supra), it could not sustain the judicial scrutiny because it does not deal with the grounds and does not assign reasons for rejection.

(2010) 5 SCC 496

9. Resultantly, the impugned appellate order is set aside. The petitioner shall now appear before the appellate authority on 27.02.2025 at 11:30 A.M., for which, no separate notice will be required to be issued. The appellate authority shall rehear the petitioner and pass a fresh order in accordance with law. Consequent upon passing of the impugned appellate order, if the petitioner's bank account is attached, it be provisionally lifted which will remain subject to final outcome of the appeal.

10. The Writ Petition is **disposed of** without expressing any opinion on merits of the case. No costs.

Interlocutory applications, if any pending, shall also stand closed.

SD/-V.KAVITHA
ASSISTANT REGISTRAR

//TRUE COPY//

SECTION OFFICER

To

1. The Appellate Joint Commissioner (State Tax), Hyderabad Rural Division, 5th Floor, CT Complex, Opp. Gandhi Bhavan, Nampally, Hyderabad-500001.
2. The Assistant Commissioner(State Tax), Nacharam -2 Circle,Malkajigiri Division Hyderabad.
3. The Commissioner -State Tax, Government of Telangana, 1st Floor. CT Complex, Opp. Gandhibhavan, Nampally, Hyderabad-500001.
4. The Principal Secretary to Revenue CT Department, Secretariat Buildings, Hyderabad, State of Telangana.
5. The Secretary to Government, Central Board of Indirect Taxes and Customs, Department of Revenue, New Delhi -110001.
7. The Bank Manager, Cherlapally Branch, State Bank of India, Medchal Malkajigiri District, Hyderabad.
6. One CC to SRI T.S.MURTHY, Advocate [OPUC]
7. One CC to SRI SWAROOP OORILLA, Special Govt Pleader for State Tax [OPUC]
8. One CC to SRI DOMINIC FERNANDES, SENIOR SC FOR CBIC [OPUC]
9. Two CD Copies

PSK.
GJP

HIGH COURT

DATED:17/02/2025

ORDER

WP.No.4446 of 2025



DISPOSING OF THE WRIT PETITION WITHOUT COSTS

12
S.A
1/4/25