

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

**FRIDAY, THE SEVENTH DAY OF MARCH
TWO THOUSAND AND TWENTY FIVE**

PRESENT

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

WRIT PETITION NO: 7083 OF 2025

Between:

M/s. RKS Trading Company, 6-4-80, Adarsh Nagar, Kattedhan, Hyderabad.
Rep. by its Proprietrix Smt. Sangeetha Kedia.

...PETITIONER

AND

1. The Deputy State Tax Officer, Raj endranagar-1 Circle, Rajendranagar, R.R District.
2. The Assistant Commissioner(ST), Rajendranagar-1 Circle, Rajendranagar, R.R District
3. The State of Telangana, Rep. by its Principal Secretary, Revenue (CT) Department, Telangana Secretariat, 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 Writ of Mandamus or any other appropriate Writ or order or direction declaring the action of the 1st respondent in detaining the conveyance vide bearing No. GJ15YY7820 along with goods(WANOL) and issuing notice in Form GST MOV 07 under section 129(3) of the CGST Act, 2017 and demanding 200 percent of penalty of Rs. 10,39,272/- which is equivalent to 200% of tax amount order No.01 in Form GST MOV-09 dated 04.03.2025, as arbitrary, illegal contrary to the provisions of the CGST Act/TGST Act, 2017, the same is in violation of principles of natural justice, without jurisdiction and consequently set aside the order No.01 in Form GST MOV-09 dated 04.03.2025 as null and void, not valid in the eye of law.

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 be pleased to direct the 1st respondent to release the conveyance bearing No. GJ15YY7820 along with the goods forthwith by suspending the order No.01 in Form GST MOV 09 dt. 04.03.2025, pending disposal of the above Writ Petition, as otherwise, the Petitioner will be put to severe loss and hardship.

**Counsel for the Petitioner: SRI K. RAJI REDDY, SR. COUNSEL REP. FOR
SRI VENKATRAM REDDY MANTUR**

Counsel for the Respondents: M/s. SWAROOP OORILLA, SPL GP for State Tax

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.7083 of 2025

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

Sri K.Raji Reddy, learned Senior Counsel appearing for Sri Venkatram Reddy Mantur, learned counsel for the petitioner and Swaroop Oorilla, learned Special Government Pleader for State Tax appearing for the respondents.

2. Learned Senior Counsel for the petitioner submits that pursuant to the show cause notice dated 27.02.2025, the petitioner promptly preferred its objections/reply on 01.03.2025 (Annexure P5). Respondent No.1, in turn, passed the impugned order dated 04.03.2025 (Annexure P1). Learned Senior Counsel for the petitioner submits that a plain reading of the impugned order shows that respondent no.1 has merely reproduced the objections of the petitioner and without assigning a singular reason as to why the said objections did not suit him, rejected the objections by the impugned order. No reasons are assigned and therefore, the impugned order may be set aside.

3. Learned Senior Counsel for the petitioner further submits that pursuant to the show cause notice, the petitioner's vehicle and goods have been seized by respondent No.1. If the petitioner prefers an application for releasing the said vehicle and goods, respondent No.1 be directed to decide the application, expeditiously.

4. Learned Special Government Pleader for State Tax appearing for the respondents fairly submits that the impugned order is not a reasoned order and therefore, the same may be set aside. He further undertakes that if the petitioner prefers an application for release of the vehicle and goods, it shall be decided within three working days.

5. We have heard the parties on this aspect.

6. Since the impugned order is not a reasoned order, it runs contrary to the principles laid down in **Kranti Associates (P) Ltd. v. Masood Ahmed Khan**¹. The Supreme Court in the said case emphasized the need of assigning reasons in administrative,

¹ (2010) 9 SCC 496

quasi-judicial and judicial proceedings. The relevant portion reads as under:

"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].

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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 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 *Anyia 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."

7. In view of the aforesaid, the impugned order, dated 04.03.2025, is accordingly set aside. If the petitioner prefers an application for release of the vehicle and goods, as undertaken by the learned Special Government Pleader for State Tax, respondent No.1 shall consider and decide the said application within three working days from the date of preferring such application. Liberty is reserved to the respondents to pass a fresh speaking order on the objections of the petitioner.

8. With the aforesaid and without expressing any opinion on the merits of the case, the writ petition is **disposed of**. No order as to costs.

Miscellaneous petitions pending, if any, shall stand closed.

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SD/-K.AMMAJI
ASSISTANT REGISTRAR

SECTION OFFICER

To,

1. The Deputy State Tax Officer, Raj endranagar-1 Circle, Rajendranagar, R.R District.
2. The Assistant Commissioner(ST), Rajendranagar-1 Circle, Rajendranagar, R.R District
3. The Principal Secretary, Revenue (CT) Department, The State of Telangana, Telangana Secretariat, Hyderabad
4. One CC to SRI VENKATRAM REDDY MANTUR, Advocate [OPUC]
5. Two CCs to M/s. SWAROOP OORILLA, SPL GP for State Tax, High Court for the State of Telangana. [OUT]
6. Two CD Copies

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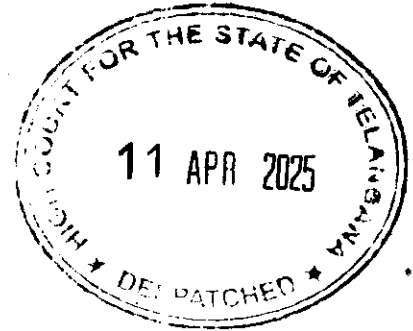
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HIGH COURT

DATED:07/03/2025

ORDER

WP.No.7083 of 2025



**DISPOSING OF THE WRIT PETITION
WITHOUT COSTS**

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PA
26/3/25