

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

**THURSDAY, THE TWENTIETH 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: 4481 OF 2025**

**Between:**

M/s. Suryalatha Spinning Mills Limited, rep. by its Chief Finance Officer, Mr. Nageswara Rao Kommineni, 1, Flat No.105, Surya Towers, S.P.Road, Secunderabad-500 003.

**...PÉTITIONER**

**AND**

1. Deputy Commissioner (ST) STU-2, Begumpet Division, Hyderabad.
2. Appellate Joint Commissioner, (ST)(FAC), Punjagutta Division, Hyderabad.
3. State of Telangana, rep. by its Chief Secretary and Special Chief Secretary to Government (FAC), State Tax Department, Secretariat, Hyderabad.
4. Union of India, rep. by its Secretary, Ministry of Finance, Government of India, 3rd Floor, Jeevan Deep Building, Sansad Marg, New Delhi-110 001

**...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 a Writ of Mandamus or any other appropriate writ or order or direction setting aside the adjudication order dated 26/7/2023 passed by the Respondent under Section 73 of the GST Act for the period November, 2018 to January, 2019 as well as the appellate order dated 21/01/2025 passed by the 2nd Respondent confirming the adjudication order of the 1st Respondent as both are illegal, non-est in Law for not having any signature or authentication and also in violation of Section 75(7) and 107(12) of the GST Act, principles of natural justice.

**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 grant interim stay of recovery of the disputed amounts in pursuance of the orders dated 26.7.2023 and 21/1/2025 passed by the 1st and the 2nd Respondents respectively, pending disposal of the Writ Petition as otherwise the Petitioner will be put to severe loss and hardship.

**Counsel for the Petitioner: SRI KARTHIK RAMANA PUTTAMREDDY**

**Counsel for the Respondent No.1 to 3: SRI T.CHAITANYA KIRAN, REP. FOR  
SRI SWAROOP OORILLA, SPL GP FOR STATE TAX**

**Counsel for the Respondent No.4: SRI B.JITHENDER,  
CENTRAL GOVT COUNSEL /  
SRI GADI PRAVEEN KUMAR,  
DEPUTY SOLICITOR GENERAL OF INDIA**

**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.4481 of 2025**

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

Sri Karthik Ramana Puttamreddy, learned counsel for the petitioner and Sri T.Chaitanya Kiran, learned counsel representing Sri Swaroop Oorilla, learned Special Government Pleader for State Tax, for respondent Nos.1 to 3.

2. This petition assails the order passed by the learned Appellate Authority dated 21.01.2025 (Ex.P.2). The singular ground of attack is that the petitioner feeling aggrieved by the order dated 26.07.2023 preferred a detailed appeal, in which grounds are elaborated in nine paragraphs (four pages). The learned Appellate Authority has reproduced the relevant portion of the order under challenge and thereafter reached to the conclusion that the appeal has no merits. As per Section 107 (2) of the Central Goods and Services Tax Act, 2017 (for short 'the CGST Act'), the learned Appellate Authority is under statutory obligation to state the points for determination and take a decision thereupon by assigning reasons therefor. The said statutory obligation is not fulfilled by the learned Appellate

Authority and therefore, the appellate order may be set aside and the matter may be remitted back before the Appellate Authority.

3. Learned Special Government Pleader for State Tax supported the impugned order.
4. No other point is pressed.
5. We have heard the parties at length and perused the record.
6. The Appellate Authority has reproduced the major portion of the order of Adjudicating Authority in the impugned order. Thereafter, entire consideration of learned Appellate Authority reads thus:

“From the above observations of the Adjudicating Authority it can be deduced that while concluding the matter, the Adjudicating Authority not only referred the provisions contained under the GST Act and the Rules made thereunder with that of the Notifications issued, but also took support from the decision rendered by the Honourable Supreme Court. **On the other hand, the appellant except raising contentions in the grounds of appeal and their reiteration made by their Authorized Representative, during the course of personal hearing, failed to substantiate the same with reference to the legal provisions or the case law holding the filed on the subject matter.**

For the reasons discussion made above, while the action of the Adjudicating Authority in passing the impugned order is found to be in order, warranting no interference, the claims made by the appellant are found to be unsubstantiated. Consequently, the appeal fails and is accordingly **dismissed**.

In the end, the appeal is **Dismissed.**”

(Emphasis Supplied)

7. Section 107 (12) of the CGST Act reads thus:

“The order of the Appellate Authority disposing of the appeal shall be in writing and shall state the points for determination, the decision thereon and the reasons for such decision.”

8. Learned counsel for the petitioner rightly pointed out that as per Section 107(12) of the CGST Act, the learned Appellate Authority is obliged to state the points for determination and take a decision thereupon by assigning adequate reasons. This statutory provision, in our opinion, is nothing but codification of principles of natural justice in a statutory language. The purpose is clear that application of mind is ensured and any conclusion arrived at must be founded upon justifiable reasons. If the appeal of the petitioner is perused, it shows that the petitioner has devoted almost four pages only on ‘Grounds’ taken against the adjudication order dated 26.07.2023. The learned Appellate Authority merely reproduced the portion of the order impugned before him and thereafter opined that the appellant ‘except raising contentions in the grounds of appeal reiterating its stand, failed to substantiate the same’. We wonder how the grounds of appeal can be ignored by holding that the appellant has merely raised the contentions in the grounds of appeal. No reasons are

assigned as to why said grounds taken in the appeal were not found trustworthy by learned Appellate Authority.

9. Thus, the Appellate Authority has failed to satisfy the statutory mandate ingrained under Section 107 (12) of the CGST Act and failed to assign reasons which could meet the grounds taken by the petitioner. The Apex Court emphasized the need of assigning reasons in administrative, quasi-judicial and judicial proceedings in the case of **Kranti Associates (P) Ltd. v. Masood Ahmed Khan**<sup>1</sup>. 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”.

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<sup>1</sup> (2010) 9 SCC 496

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."

10. Since the impugned order of the Appellate Authority is sketchy and does not deal with the grounds of the appeal, the same is set aside. The matter is restored to its original file before the learned Appellate Authority. The petitioner shall appear



before the learned Appellate Authority on 03.03.2025 at 11.30 AM.  
The learned Appellate Authority shall rehear the petitioner and pass a fresh order, in accordance with law.

11. Accordingly, the Writ Petition is **disposed of**, without expressing any opinion on the merits of the case. No costs.

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

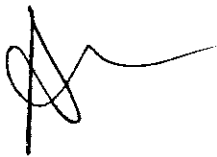
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SD/-MOHD. ISMAIL  
ASSISTANT REGISTRAR  
SECTION OFFICER

To,

1. The Deputy Commissioner (ST) STU-2, Begumpet Division, Hyderabad.
2. The Appellate Joint Commissioner, (ST)(FAC), Punjagutta Division, Hyderabad.
3. The Chief Secretary and Special Chief Secretary to Government (FAC), State Tax Department, Secretariat, Hyderabad, State of Telangana.
4. The Secretary, Ministry of Finance, Government of India, 3rd Floor, Jeevan Deep Building, Sansad Marg, New Delhi, Union of India-110 001
5. One CC to SRI KARTHIK RAMANA PUTTAMREDDY, Advocate [OPUC]
6. One CC to SRI B.JITHENDER, CENTRAL GOVT COUNSEL [OPUC]
7. One CC to SRI GADI PRAVEEN KUMAR, DEPUTY SOLICITOR GENERAL OF INDIA, High Court for the State of Telangana at Hyderabad [OPUC]
8. Two CCs to SPL GP FOR STATE TAX, High Court for the State of Telangana at Hyderabad [OUT]
9. Two CD Copies

BSR  
GJP

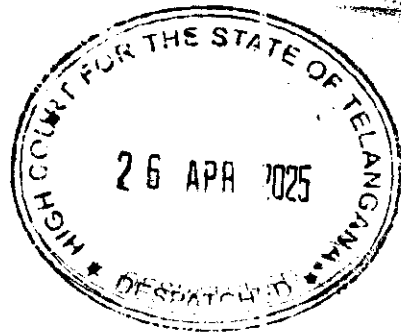


HIGH COURT

DATED: 20/02/2025

ORDER

WP.No.4481 of 2025



DISPOSING OF THE WRIT PETITION,  
WITHOUT COSTS

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MMA  
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05/4/2025