GSTAT

Division Bench Court No. Court I

APL/20/RPR/2026

CHEEMA TRADING COMPANY **.....Appellant**

Versus

COMMISSIONER STATE GST, COMMISSIONER, STATE GST **.....Respondent**

Counsel for Appellant

MR. BHISHM AHLUWALIA, ADVOCATE
MR. JITENDRA SINGH KHANUJA, CA
MS. SIMRAN DHANER, ADVOCATE

Counsel for Respondent
MR. ABHAY TIWARI, ADVOCATE

Hon'ble Pradeep Kumar Vyas, Member (Judicial)
Hon'ble Chandra Bhushan Singh, Member (Technical)

Form GST APL-04A

[See rules 113(1) & 115]

Summary of the order and demand after issue of order by the GST Appellate Tribunal

whether remand order : Yes

Order reference no. : ZA220050926000245H **Date of order :** 24/09/2026

1.	GSTIN/Temporary ID/UIN - 22AAHFC2456M1ZG	
2.	Appeal Case Reference no. - APL/20/RPR/2026	Date - 15/04/2026
3.	Name of the appellant - CHEEMA TRADING COMPANY , gstvmaloo@gmail.com , 9669205000	
4.	Name of the respondant - 1. COMMISSIONER STATE GST	

5.	Order appealed against - AD220923010400U	
	(5.1) Order Type - Demand Order	
	(5.2) Ref Number - ZD220924011520Y	Date - 23/09/2024
6.	Personal Hearing - 24/09/2026 15/09/2026 01/09/2026 27/07/2026	
7.	Order in brief - These three appeals under Section 112(1) of the CGST/Chhattisgarh GST Acts, 2017 arise from Orders-in-Appeal dated 06.05.2024 in First Appeal Nos. 452/GST/2023, 451/GST/2023 and 450/GST/2023. The proceedings originated from a search under Section 67 conducted on 10/11.02.2021, during which books, registers, invoice books and other records were seized. Proceedings under Section 74 followed, culminating in tax, interest and penalty demands aggregating ₹1,10,86,268 in Appeal No. 05/RPR/2026, ₹36,71,783 in Appeal No. 20/RPR/2026 and ₹22,10,556 in Appeal No. 31/RPR/2026. The respective demands were founded on site-wise registers, seized invoice books and material relating to alleged taxable transportation/GTA activity. The appellants challenged the proceedings on grounds including violation of natural justice, inadequacy of the show-cause notices and relied-upon documents, absence of effective personal hearing, improper reliance on seized material, incorrect estimation of alleged unaccounted supplies, improper taxation of transportation/GTA activity, and absence of the ingredients necessary for invoking Section 74. The respondent supported the orders and contended that adequate opportunity, including inspection of relied-upon documents, had been provided and that the demands were based on contemporaneous seized records. The Tribunal finds that the First Appellate Authority failed to examine the seven substantive grounds raised by the appellants and the numerous authorities cited in support thereof. The appellate orders merely recorded that satisfactory evidence had not been produced, confirmed the original orders and rejected the appeals, without independent consideration of the issues. Such orders are held not to satisfy the requirement of a reasoned and speaking appellate order. Considering also the appellants' objections regarding personal hearing, show-cause notices and access to relied-upon primary seized material, the Tribunal considers remand to the original adjudicating authorities appropriate. Accordingly, all three appeals are allowed by way of remand; the Orders-in-Appeal and corresponding Orders-in-Original are set aside. The adjudicating authorities are directed to identify and make available the relied-upon documents, afford reasonable opportunity to file replies and supporting material, grant effective personal hearing, and thereafter pass fresh reasoned orders in accordance with law.	
	Summary of Order	
8.	If demand order then whether demand quantified: No	

9.	For Other orders and Demand orders which are not quantified:	
Issues as raised by proper officer	Issues as determined by Appellate/Revisional authority	Order by GST Appellate Tribunal
Short or non-payment of tax	The Ld. Joint Commissioner (Appeals), State GST, Civil Lines, Raipur vide impugned Order-in-Appeal No. 451/GST/2023 dated 06.05.2024 dismissed the appeal of the Appellant in its entirety and confirmed the demand as made by the Ld. Adjudicating Authority, without any modification or reduction.	
10.	If remanded with directions:	
	a) Remanded to: Adjudicating Authority	
	b) Directions subject to which remanded, if any: 31. Accordingly, Appeal Nos. 05/RPR/2026, 20/RPR/2026 and 31/RPR/2026 are allowed by way of remand. The respective Orders-in-Appeal dated 06.05.2024 and the corresponding Orders-in-Original are set aside, and the matters are remitted to the respective original adjudicating authorities for fresh adjudication in accordance with law. 32. The adjudicating authorities shall proceed on the basis of the original record of the respective proceedings and consider, in accordance with law, the appellants' objections regarding the contents and sufficiency of the show cause notices and the identification and availability of the documents relied upon. 33. The documents relied upon in support of the respective proposed demands shall be clearly identified and made available to the concerned appellant, if not already made available. Each appellant shall be afforded reasonable opportunity to submit its reply, explanation/reconciliation and supporting material. Thereafter, an effective opportunity of personal hearing, specifying the date, time and mode/place of hearing, shall be afforded before fresh adjudication. 34. Upon consideration of the material forming part of the respective proceedings and the submissions made, the adjudicating authorities shall pass reasoned orders in accordance with law. 35. If, despite due communication of the opportunities so afforded, any appellant fails to avail the same without sufficient cause, the concerned adjudicating authority shall be at liberty to proceed in accordance with law on the basis of the material available on record. Such non-participation shall not, by itself, dispense with the requirement of determining the proposed demand on the evidence available and recording reasons for the conclusions reached.	

Place :RAIPUR

Signature

Date : 24.09.2026

RAIPUR Pradeep Kumar Vyas

Designation : Member

Jurisdiction :Raipur

ORDER

*(Pronounced in Open Tribunal dated ____**24_.09.2026**_____)*

Per Mr. Pradeep Kumar Vyas Member (Judicial)

1. These appeals have been preferred under Section-112(1) of the Central Goods and Services Tax Act, 2017and Chhattisgarh Goods & Service Tax Act,2017 (hereinafter referred to as the "GST Act, 2017") against the orders dated 06.05.2024 passed by the Appellate Authority and Joint Commissioner (Appeal), State Tax, Raipur, in First Appeal No. 452/GST/2023, 451/GST/2023 and 450/GST/2023. whereby the appeals were dismissed and the orders of learnt assessing officer were confirmed by the learned appellate authority.
2. Due to same factual matrix and common question of law all these appeals are decided by this common order. There are legal issues involved in appeal number 20/26 and 31/26 therefore these two appeal are also decided with appeal number 5/26 by this bench.
3. The common background, to the extent relevant for the present purposes, is that search proceedings under Section 67 of the GST Act were conducted on **10/11.02.2021** at the business premises connected with the appellants. Various books, registers, invoice books and other documents were seized during the course of the search. The nature and evidentiary effect of the material relied upon by the Department, however, differ in the three cases and are disputed by the respective appellants. On the basis of the investigation and the material collected thereunder, the Department initiated proceedings under Section 74 of the GST Act. FORM GST DRC-01A dated **02.2023** was issued, followed by FORM GST DRC-01 dated **13.04.2023**. The appellants raised objections during the adjudication proceedings and, inter alia, sought identification and copies/inspection of the documents relied upon by the Department. According to the Department, the relied-upon documents substantially comprised records seized from the appellants' premises or otherwise furnished by them, and opportunity to inspect the relevant documents in the office of the Proper Officer was afforded. The appellants, on the other hand, dispute that the relied-upon material was duly identified and made available to them so as to enable an effective response. These rival contentions are noticed here only as part of the procedural history and shall be considered at the appropriate stage.
4. Thereafter, the respective adjudicating authorities passed the Orders-in-Original under Section 74 of the GST Act. The demands in the three cases were founded upon different sets of primary material: in the case of **M/s Cheema Bricks & Traders**, inter alia, upon the site-wise registers seized during search; in the case of **M/s Cheema Trading Company**, upon the seized invoice books and other material; and in the case of **M/s Cheema Local Carrier & Construction**, upon the material relied upon by the

Department in relation to the alleged taxable transportation/GTA activity. The respective demands were quantified as noticed below.

The tax, interest and penalty determined against the respective appellants under the Orders-in-Original are as follows:

Appellant / Appeal No.	Tax	Interest	Penalty	Total
M/s Cheema Bricks & Traders: 05/RPR/2026	₹47,27,620	₹16,31,028	₹47,27,620	₹1,10,86,268
M/s Cheema Trading Company: 20/RPR/2026	₹15,65,792	₹5,40,199	₹15,65,792	₹36,71,783
M/s Cheema Local Carrier & Construction: 31/RPR/2026	₹9,42,668	₹3,25,220	₹9,42,668	₹22,10,556

In all the three cases, the demand is divided equally between CGST and SGST, with no IGST or cess component. Aggrieved by the respective Orders-in-Original, the appellants preferred First Appeal Nos. **452/GST/2023, 451/GST/2023 and 450/GST/2023**, which came to be dismissed by the respective Orders-in-Appeal dated **06.05.2024**, giving rise to the present second appeals.

Grounds raised by the appellants

5. The appellants have challenged the respective impugned orders on several factual and legal grounds. Commonly, they allege violation of the principles of natural justice and question the contents and sufficiency of the proceedings initiated under Section 74 of the Act. According to them, although the portal-generated show cause notices dated 13.04.2023 were issued, no detailed notice/Annexure setting out the specific allegations and evidentiary basis of the proposed demands, together with the relied-upon documents, was made available to them. They also dispute that the detailed grounds and quantification communicated earlier with FORM GST DRC-01A could, by themselves, be treated as constituting the detailed contents of the subsequently issued show cause notices.
6. On merits, the appellants dispute the evidentiary foundation and quantification of the respective demands. In Appeal No. 05/RPR/2026, M/s Cheema Bricks & Traders disputes the treatment of entries in the seized site-wise registers as unaccounted taxable supplies and the extrapolation made therefrom. In Appeal No. 20/RPR/2026, M/s Cheema Trading Company disputes the reliance placed upon the seized invoice books and the consequential estimation/quantification of alleged unaccounted supplies. In Appeal No. 31/RPR/2026, M/s Cheema Local Carrier & Construction disputes the Department's case regarding an independent taxable transportation/GTA activity and the evidentiary material relied upon for that purpose.

The appellants have also disputed, to the extent applicable to their respective transactions, the separate taxation of transportation/GTA activity. Their case, in substance, is that transportation was undertaken in connection with the supply of goods and that the corresponding value had already formed part of the taxable consideration/turnover. M/s Cheema Bricks & Traders has specifically pleaded that the supply of bricks along with transportation constituted a composite

supply, with transportation charges forming part of the consideration on which tax had been discharged.

The appellants have further challenged invocation of Section 74 of the Act, contending that the requisite ingredients of fraud, wilful misstatement or suppression of facts with intent to evade payment of tax have not been established. Consequently, the levy of tax, interest and penalty has also been disputed. The appellants accordingly seek setting aside of the respective impugned orders and have relied upon various judicial pronouncements in support of the grounds urged.

7. **Replies of the respondent**

The respondent, in the respective replies, has controverted the grounds raised by the appellants and supported the orders passed by the authorities below. According to the respondent, the proceedings originated from the connected search conducted under Section 67 of the Act and the demands are founded upon contemporaneous records and other material recovered or collected during investigation. The respondent maintains that the nature of the material differs from case to case: site-wise registers in the case of M/s Cheema Bricks & Traders; seized invoice books and related material in the case of M/s Cheema Trading Company; and material relating to the alleged transportation/GTA activity in the case of M/s Cheema Local Carrier & Construction. The respondent has disputed the allegation of violation of the principles of natural justice. It is contended that FORM GST DRC-01A followed by the portal-generated show cause notices dated 13.04.2023 was duly issued; that the appellants were informed that the relied-upon documents comprised documents seized during search as well as documents furnished by them in response to earlier notices; and that opportunity for inspection of such documents was made available. According to the respondent, despite the opportunities afforded, the appellants failed to effectively participate in the adjudication proceedings. The communications dated 25.05.2023 required the appellants to file their replies by 12.06.2023.

On merits, the respondent supports the respective inferences drawn from the seized and other material and the consequential computation of turnover/tax liability. It also supports, to the extent involved in the respective cases, the separate demand relating to transportation/GTA services and the circumstances relied upon by the adjudicating authorities in that regard. The respondent maintains that the material discovered during search and the alleged non-disclosure of the corresponding transactions/turnover justified invocation of Section 74 and the consequential levy of tax, interest and penalty. The respondent has also contested the appellants' reliance upon the proceedings before the High Court, contending that the orders passed therein related to interim/coercive measures and did not determine the present tax disputes on merits. On these grounds, the respondent seeks dismissal of the appeals and has relied upon judicial pronouncements in support of its submissions.

8. **Oral submissions on behalf of the appellants**

Learned counsel for the appellants reiterated that, although portal-generated show cause notices dated 13.04.2023 were issued under Section 74, the detailed contents/Annexures setting out the specific allegations and evidentiary basis of the proposed demands were not furnished. It was submitted that the appellants had contemporaneously sought a detailed show cause notice and the relied-upon documents and had disputed that the detailed material accompanying the earlier FORM GST DRC-01A could, without more, be treated as the detailed contents of the subsequently issued show cause notices.

Learned counsel further submitted that the respective Orders-in-Original were passed without affording an effective opportunity of personal hearing and that the First Appellate Authority also failed to properly consider and decide the grounds raised in appeal. It was submitted that the seized documents relied upon for the respective demands were not duly identified and made available despite repeated requests and that the conclusions drawn therefrom were unsupported by proper examination and corroborative material.

9. On merits, learned counsel addressed the appeal-specific evidentiary disputes. In the case of M/s Cheema Bricks & Traders, the treatment of entries in the seized site-wise registers and the extrapolation made therefrom were questioned. In the case of M/s Cheema Trading Company, the reliance upon the seized invoice books and the consequential estimation/quantification were disputed. In the case of M/s Cheema Local Carrier & Construction, the alleged independent taxable transportation/GTA activity and the material relied upon in that regard were disputed. The appellants also relied, to the extent applicable, upon their plea that transportation formed part of the underlying supply of goods and that the corresponding value had already suffered tax.
10. Learned counsel also disputed the applicability of Section 74, submitting that the material on record did not establish the statutory ingredients necessary for invoking that provision. He further questioned the authenticity/reliability of certain authorities cited on behalf of the respondent and relied upon the judicial pronouncements cited by the appellants in support of the appeals.
11. **Oral submissions on behalf of the respondent**

Learned Authorised Representative for the respondent supported the impugned orders and submitted that adequate opportunities had been afforded to the appellants during the proceedings, but they failed to effectively avail the same. It was submitted that the relied-upon material consisted substantially of documents seized from the appellants' own business premises or documents furnished by them and that opportunity for inspection had been afforded.

12. On merits, learned Authorised Representative submitted that the respective Orders-in-Original were founded upon the seized and other material and not upon mere assumptions or presumptions. He relied upon the appeal-specific records - including the site-wise registers in the case of M/s Cheema Bricks & Traders, the seized invoice books in the case of M/s Cheema Trading Company, and the material concerning the alleged transportation/GTA activity in the case of M/s Cheema Local Carrier & Construction - and submitted that the material established suppression/non-disclosure of taxable turnover or transactions, as the case may be. Learned Authorised Representative also supported the transportation/GTA components of the demands wherever involved and the inferences drawn by the respective adjudicating authorities from the material available on record. He submitted that the Orders-in-Original dated 23.06.2023 were reasoned orders based upon the seized documents, returns and other material available with the Department, and supported invocation of Section 74 and the consequential levy of tax, interest and penalty.
13. question of Law involved in the appeals are: -

    1. Whether appellate authority did not follow the principals of natural justice particularly having regard to the appellants' objections concerning the show cause notices and relied-upon documents and the requirement of personal hearing under Section 75(4) of the Act;

2. What would be the appropriate course of action for the second appellate forum where the first appellate authority has failed to decide any of the grounds of appeal on merits?

REASONS OF CONCLUSION

There are three main principals of natural justice: -

a) Right of hearing
b) Rule against bias
c) Reasoned order

15. In these appeals, the aforesaid principles of reasoned order are relevant and deserve consideration. It is a valuable right of every party to know the reasons of the success or failure of its case, as the case may be. The recording of reasons is an essential component of a judicial or quasi-judicial order; reasons constitute the heartbeat and, indeed, the soul of every such order.

16. Hon'ble Apex Court held in the case of **Kranti Associates Vs. Masud Ahmed Khan (2010) 9 SCC 496** para-51 as under: -

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

1. A quasi-judicial authority must record reasons in support of its conclusions.
2. 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.
3. Recording of reasons also operates as a valid restraint on any possible arbitrary exercise of judicial and quasi-judicial or even administrative power.
4. Reasons reassure that discretion has been exercised by the decision maker on relevant grounds and by disregarding extraneous considerations.
5. 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.
6. Reasons facilitate the process of judicial review by superior Courts.
7. 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 life blood of judicial decision making justifying the principle that reason is the soul of justice.**
8. 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.
9. Insistence on reason is a requirement for both judicial accountability and transparency.
10. 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.

11. 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.
12. 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 Harward Law Review 731-737).
13. 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 (1994) 19 EHRR 553, at 562 para 29 and Anya vs. University of Oxford, 2001 EWCA Civ 405, wherein the Court referred to Article 6of European Convention of Human Rights which requires, "adequate and intelligent reasons must be given for judicial decisions".
14. **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".
15. In this regard **S N Mukherjee Vs. Union of India AIR 1990 SC 1984 five judge bench** and **Basudev dutta Vs. State of West Bengal 2024 SCC Online SC 3616 Civil Appeal No-13919/24 SLP No-8026/24 order dt. 05.12.2024** both or judgements of Hon'ble Apex Court are also relevant. **East Coast Railway and Anr. Vs. Mahadev Appa Rao and Ors. 2010 (7) TMI 967 SC And M/S Pacific International P. Ltd. vs. Commissioner (Appeal) GST, Central Excise and Customs 2025 (5) TMI 1533 Orissa H.C.,** produced by the learned advocates of appellants are also useful in this point.

18. The orders of appellate authority are as under: -

6- प्रस्तुत तर्क एवं दस्तावेजों की विवेचना:-

मामले के तथ्यों, अपील ज्ञापन, अपीलकर्ता द्वारा व्यक्तिगत सुनवाई के दौरान मेरे समक्ष प्रस्तुत लिखित और मौखिक तर्क के साथ-साथ संलग्न दस्तावेजों को ध्यान से देखने के बाद अपील निर्धारण के लिए निम्न बिंदुओं पर विचार किया गया है:-

- सहायक आयुक्त, राज्यकर, महासमंुद वृत्त द्वारा पारित आदेश से संबंधित मूल प्रकरण का अवलोकन किया गया। छ.ग. माल एवं सेवा कर अधिनियम 2017 की धारा 74 के तहत व्यवसाय स्थल का सत्यापन किया जाकर जांच छापे की कार्यवाही की गई। उक्त जांच कार्यवाही अवधि अप्रैल 2020 से जून 2021 में देयकर का भुगतना नहीं किए जाने के फलस्वरूप किया गया है। दिनांक 23.06.2023 को आदेश पारित किया जाकर करारोपण की कार्यवाही के संबंध में आदेश जारी किया गया है।

7. अपीलार्थी द्वारा आपत्ति के समर्थन में समाधानकारक साक्ष्य प्रस्तुत करने में असमर्थ रहे हैं। समुचित अधिकारी द्वारा दिनांक 23.06.2023 को पारित आदेश विधि अनुकूल है।

8. अतः सहायक आयुक्त राज्य कर, महासमंुद वृत्त द्वारा पारित आदेश डीआरसी-07 र्; क्220623009297स्द्ध दिनांक 23.06.2023 की पुष्टि की जाती है।

परिणामतः अपील अमान्य की जाती है।

English translation of above para: -

19. Discussion on filled documents and arguments

Facts of the case, memorandum of appeal, presented written and oral argument during personal hearing by the appellant before me, considering along the attached document the following points has been considered for deciding this appeal: -

1. Perused the record of original case of order passed by Asst. Commissioner State Tax Circle-Mahasamund. under Section-74 of C.G. goods and services tax Act, 2017. The business place has been verified, enquiry and raid proceedings has been done due to non-deposition of tax of period April 2020 to June 2021. An order regarding taxation proceeding has been issued on 23.06.2023.

Appellant unable to produce satisfactory evidence in support of his objection. Order dt 23.06.2023 passed by proper officer is legal.

Therefore, the order dt. 23.06.2023 passed by Asst. Commissioner State Tax Mahasamund DRC-07 (ZD220623009297L) has been confirmed.

Consequently, appeal is rejected.

20. In view of the settled legal position discussed above, we now proceed to examine the impugned orders passed in the present appeals. The appellate authority has failed to consider or deal with any of the specific grounds raised by the appellants.

The appellants had raised as many as **seven specific grounds of appeal**, namely:

1. Adjudication in violation of the principles of natural justice;
2. Proceedings void ab initio—non-issuance of show-cause notice under Section 74 of the GST Act;
3. Demand based on mere assumptions and conjectures and, therefore, unsustainable;
4. Allegation of clandestine removal/transactions unsustainable in the absence of any investigation at the buyer's end in respect of the alleged goods;
5. Tax liability having been duly discharged on transportation;
6. Absence of suppression of facts—penalty under Section 74 not imposable; and
7. Interest not chargeable and penalty not imposable.

21.In support of the aforesaid grounds, the appellants relied upon as many as **70 judicial citations**. However, the appellate authority has failed to consider, examine, or deal with any of these grounds or the judicial precedents relied upon by the appellants. The appellate authority, in paragraph 7 of the impugned order, merely observed that the appellant had failed to produce satisfactory evidence in support of his objections and held that the order passed by the proper officer on 23.06.2023 is legal. Thereafter, in paragraph 8, the appellate authority simply

confirmed the assessment order and rejected the appeal. What is particularly significant is that identical paragraphs and an identical conclusion have been recorded in all three appeals, without any independent consideration of the respective grounds raised therein. Thus, the impugned order is, in substance, a **one-line order dealing with seven substantive grounds of appeal and approximately 70 judicial citations** relied upon by the appellants. Such an order cannot be regarded as a reasoned and speaking order. The appellate authority was under a duty to consider each material ground raised by the appellants and to record reasons for accepting or rejecting the same. Mere reproduction of a conclusion, without consideration of the grounds of appeal and the authorities relied upon, amounts to a failure to exercise the appellate jurisdiction vested in the authority.

22. Therefore, it is abundantly clear that the appellate authority has failed to pass a **reasoned and speaking order** and, in doing so, has failed to adhere to the third principle of natural justice, namely, the requirement of recording reasons. Accordingly, **the first question of law is answered in favour of the appellants.**
23. Now we consider the **second question** of **Law**
24. If we proceed to decide the present appeals on merits, the valuable right of appeal available to either party would effectively be curtailed. In the event that the appeals are decided in favour of the appellants, the respondents would be required to approach the Hon'ble High Court. Conversely, if the appeals are decided against the appellants, the appellants would have to approach the Hon'ble High Court for redressal of their grievances. On the other hand, if the matters are remanded to the first appellate authority for a fresh decision on merits, the party aggrieved by the fresh order would have an opportunity to approach the Tribunal in accordance with law. Such a course would also help reduce the burden on the Hon'ble High Court.
25. It is well settled that one of the principal objects behind the establishment of Tribunals is to provide an effective appellate forum and thereby reduce the burden of litigation before the Hon'ble High Courts. If the present appeals are remanded to the first appellate authority for a fresh and reasoned decision on all the grounds raised by the appellants, this object would be better served.
26. We are also conscious of the well-established principle that an appellate forum should ordinarily avoid remanding a matter and should, as far as possible, decide the dispute on merits. We have kept this principle firmly in mind while considering the appropriate course of action in the present appeals.

27. However, where the first appellate authority has failed to consider and adjudicate the grounds raised before it, a remand for proper consideration and determination of those grounds may be necessary in the interest of justice.

28. Hon'ble Apex Court in case of **V. Nagesh vs. H.V. Sreenivasa (2010) 13 SCC 530** in same circumstances remand the appeal to Hon'ble High Court for deciding it on merits and pass order as following: -

4)The appellate Court has jurisdiction to reverse or affirm the findings of the trial Court. The first appeal is a valuable right of the parties and unless restricted by law, the whole case therein is open for re-hearing both on questions of fact and law. The judgment of the appellate Court must, therefore, reflect its conscious application of mind and record findings supported by reasons, on all the issues arising along with the contentions put-forth and pressed by the parties for decision of the appellate Court. Sitting as a court of appeal, it was the duty of the High Court to deal with all the issues and the evidence led by the parties before recording its

findings. The first appeal is a valuable right and the parties have a right to be heard both on questions of law and on facts and the judgment in the first appeal must address itself to all the issues of law and fact and decide it by giving reasons in support of the findings. [Vide Santosh Hazari vs. Purushottam Tiwari, (2001) 3 SCC 179 = JT (2001) 2 SC 407 and Madhukar and Others vs. Sangram and Others, (2001) 4 SCC 756]

5) In view of the above salutary principles, on-going through the impugned judgment, we feel that the High Court has failed to discharge the obligation placed on it as a first appellate Court. In our view, the judgment under appeal is cryptic and none of the relevant aspects have even been noticed. The appeal has been decided in an unsatisfactory manner. Our careful perusal of the judgment in the regular first appeal shows that it falls short of considerations which are expected from the Court of first appeal. Accordingly, without going into the merits of the claim of both parties, we set aside the impugned judgment and decree of the High Court and remand the regular first appeal to the High Court for its fresh disposal in accordance with law.

29. Therefore, in the light of above law laid down by the Hon'ble apex court of the country and factual matrix of these appeals in our considered opinion it is the best course to remand the appeal where first appellate authority who did not decide **any grounds of appeal on merits.** so, **we decide the second question of law in Favor of appellants.**

30. Ordinarily, the aforesaid conclusion would require consideration whether the matters should be remitted to the First Appellate Authority for fresh disposal. In the present appeals, however, the appellants have also raised a more fundamental challenge to the proceedings at the stage of original adjudication, including the alleged absence of an effective opportunity of personal hearing under Section 75(4), their contemporaneous objections concerning the show cause notice and relied-upon documents, and the adjudication of disputed demands founded upon primary seized material. The respective Orders-in-Original were also passed **ex prate**. Therefore, these matters must be remanded to Assessing Officer for consideration on merits.
31. Accordingly, **Appeal Nos. 05/RPR/2026, 20/RPR/2026 and 31/RPR/2026 are allowed by way of remand.** The respective Orders-in-Appeal dated 06.05.2024 and the corresponding Orders-in-Original are set aside, and the matters are remitted to the respective original adjudicating authorities for fresh adjudication in accordance with law.
32. The adjudicating authorities shall proceed on the basis of the original record of the respective proceedings and consider, in accordance with law, the appellants' objections regarding the contents and sufficiency of the show cause notices and the identification and availability of the documents relied upon.
33. The documents relied upon in support of the respective proposed demands shall be clearly identified and made available to the concerned appellant, if not already made available. Each appellant shall be afforded reasonable opportunity to submit its reply, explanation/reconciliation and supporting material. Thereafter, an effective opportunity of personal hearing, specifying the date, time and mode/place of hearing, shall be afforded before fresh adjudication.
34. Upon consideration of the material forming part of the respective proceedings and the submissions made, the adjudicating authorities shall pass reasoned orders in accordance with law.
35. If, despite due communication of the opportunities so afforded, any appellant fails to avail the same without sufficient cause, the concerned adjudicating authority shall be at liberty to proceed in accordance with law on the basis of the material available on

record. Such non-participation shall not, by itself, dispense with the requirement of determining the proposed demand on the evidence available and recording reasons for the conclusions reached.

36. The three appeals stand disposed of in the above terms.

(Pradeep Kumar Vyas) (Chandra Bhushan Singh)

Dated: 24.09.2026