GSTAT

State Bench Hyderabad

Division Bench Court No. Court I

APL/16/HYD/2026

MEERA ASSOCIATES **.....Appellant**

Versus

SESHAGIRI RAO TOTAKURA, DEPUTY COMMISSIONER SECUNDERABAD STU 1 SECUNDERABAD, DEPUTY COMMISSIONER (ST) SECUNDERABAD & ORS. **.....Respondent**

Quorum

Hon'ble Sushil Kumar Sharma, Member(Judicial)
Hon'ble Duvvuri Krishna Srinivas, Member (Technical)

Counsel for Appellant
ASHOK KUMAR GUNDA
ASHOK KUMAR GUNDA

Counsel for Respondent
SHRI SRINIVASULU STATE REPRESENTATIVE
SHRI NARENDER
SHRI SRINIVASULU STATE REPRESENTATIVE
SHRI NARENDER

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. : ZA360361026000383H **Date OF Hearing: 28/09/2026**

Date of order : 27/10/2026

1.	GSTIN/Temporary ID/UIN - 36ADWPR2152D1ZC	
2.	Appeal Case Reference no. - APL/16/HYD/2026	Date - 27/01/2026
3.	Name of the appellant - MEERA ASSOCIATES , MADHUG.ICWAI@GMAIL.COM , 9700693914	

4.	Name of the respondant - 1. NV Satyanarayana Assistant Commissioner State Tax , ac-genl@tgct.gov.in , 9121629255 2. SESHAGIRI RAO TOTAKURA
5.	Order appealed against - AD3602240018189
	(5.1) Order Type - Demand Order
	(5.2) Ref Number - ZD361224010790S | Date - 10/12/2024
6.	Personal Hearing - 27/10/2026 28/09/2026 12/08/2026 24/06/2026
7.	Order in brief - circumstances of the case and in view of the various judicial decisions discussed in above paras, the impugned order is non-speaking and passed without considering the explanation and evidences produced by the appellant. In these circumstances the impugned order is set aside. The matter is remitted to the original adjudicating authority to pass fresh order after taking into account, the explanations furnished by the petitioner and documents, in support thereof. Let such order be passed within eight weeks from the date of receipt of a copy of this order.
	Summary of Order
8.	If demand order then whether demand quantified: Yes

Section-I

Particulars	Central tax		State/UT tax		Integrated tax		Cess		Total	
	Disputed Amount	Determined Amount	Disputed Amount	Determined Amount	Disputed Amount	Determined Amount	Disputed Amount	Determined Amount	Disputed Amount	Determined Amount
1	2	3	4	5	6	7	8	9	10	11
(a) Tax	2294339	0	2294339	0	0	0	0	0	4588678	0
(b) Interest	0	0	0	0	0	0	0	0	0	0

(c) Penalty	229434	0	229434	0	0	0	0	0	458868	0
(d) Fees	0	0	0	0	0	0	0	0	0	0
(e) Others		0		0		0		0		0
(f) Refund		0		0		0		0		0

Section-II

Place of Supply/Name of State/UT	Demand	Tax	Interest	Penalty	Other	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Amount in dispute	0	0	0	0	0
	Amount Determined	0	0	0	0	0

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	5047546.	
10.	If remanded with directions:	
	a) Remanded to: Adjudicating Authority	

	b) Directions subject to which remanded, if any: circumstances of the case and in view of the various judicial decisions discussed in above paras, the impugned order is non-speaking and passed without considering the explanation and evidences produced by the appellant. In these circumstances the impugned order is set aside. The matter is remitted to the original adjudicating authority to pass fresh order after taking into account, the explanations furnished by the petitioner and documents, in support thereof. Let such order be passed within eight weeks from the date of receipt of a copy of this order.

ORDER

FINAL ORDER 24/COURT-1/HYD/2026

Per Duvvuri Krishna Srinivas, Member (Technical)

1.0 M/s Meera Associates (hereinafter referred to as "the Appellant") has instituted the present appeal under Sec 112 of Central Goods and Services Act, 2017 (hereinafter referred to as "the Act") against the Order in Appeal No. ZD3612240107905, dated 10.12.2024, (hereinafter referred to as "the order impugned") passed by the First Appellate Authority (hereinafter referred to as the FAA")

2.0 The Appellant is a registered taxable person engaged in "transportation of goods through rail. He is a registered lease holder of Railways. The appellant collects goods / materials from the customers and arranges to send them in railway parcel services and issues taxable invoices for the services rendered.

3.0 The issue under dispute arise out of examination of the information filed in annual return in GSTR-9 form (for the financial year 2017-18) under various Heads and the information furnished in Tran-I, GSTR-01, GSTR-2A, GSTR-3B, E-Way bills and other records available, by the department. This exercise resulted in allegations of (i) underdeclaration of net tax liability and (ii) excess

claim of ITC. Accordingly, SCN dated 17.11.2021 was issued proposing to tax demand on outward supplies and recovery of excess ITC in GSTR-3B compared to the net ITC available in GSTR-9. The learned Adjudicating Authority passed order dated 28.12.2022, rejecting Appellant's submissions and confirming all proposals made in SCN on the grounds that tax payer has not submitted any documentary evidences in support of their explanations.

4.0 Aggrieved by the OIO, the appellant preferred an appeal before the FAA under Section 107(1) of the Act. The FAA disposed the appeal vide the order impugned. In the order impugned, the main observations are as follows:

(i) Regarding underdeclared tax on outward supplies, the appellant submitted that they have transported goods (hatchery eggs) by rail, is an exempt service. Their contentions were rejected on ground that appellants have not submitted any documentary evidence in their support except a copy of notification 12/2017.

(ii) Regarding excess utilisation of ITC, as party contended that their latest GSTR 2A was up-to-dated, the same was verified with records and found that as per tax liability and ITC summary obtained from GSTN portal. Accordingly, the demand s modified / reduced and ordered for payment of balance excess ITC, alongwith applicable penalty.

5.0 Being aggrieved with impugned order as FAA has not appreciated the factual and legal position in right perspective, the appellant has filed an application for rectification under Section 161 of the Act on 07.01.2025. The same was rejected by FAA, observing that fresh documentary evidence cannot be submitted during rectification proceedings.

Submissions by Appellants.

6.0 The appellants, being aggrieved by the order impugned, is in appeal on the grounds summarised in succeeding paragraphs.

6.1 The evidence was placed before FAA and adjudicating authority to show that their outward supplies were exempt from payment of tax to indicate their stand that there was no warrant for payment of tax on transport of goods (hatchery eggs) by rail. In support of their claim, they have produced copy of notification No. 12/2017 and also copy of Advance Rulings by AAR authorities confirming that fresh eggs including hatching eggs, qualify as "agricultural produce" and their transportation by rail is exempt from GST.

6.2 The learned FAA failed to see that in respect of transportation of goods by rail for the subsequent period during 2021-22, by order dated 29.11.2025 the learned GST authorities granted benefit of exemption under notification No. 12/2017. Therefore, mere reflection of their supplies for the earlier period under wrong taxable category in the concerned GSTR-9 due to error in data entry at the time of filing, would not disentitle them, the benefit of exemption.

6.3 They incorrectly filed GSTR-3B and GSTR-9 returns for the year 2017-18 without claiming exemption status for transportation of hatching eggs via Railways and showing all receipts as taxable. Further, they stated that, as there is no provision in the Act to file revised returns, they could not rectify the same. The learned FAA and Adjudicating Authorities ought to have seen that even if appellant does not claim benefit under a particular notification in the initial stage, the appellant is not prohibited from claiming such benefit at a later stage. In support of their contention they submitted a copy of decision of Hon'ble Apex

Court in the case of Share Medical Care Vs UOI reported in 2007 (209) ELT 321(SC)

6.4 They further contended that the FAA is duty bound to decide the substantive issue of taxability since it goes to the very root of demand. The appellant has also stated that all necessary documents like sample copies of Indian Railway parcel way bills / luggage tickets, invoices for transportation of eggs, to satisfy the eligible criteria were filed before the FAA; hence the orders passed ignoring these documents are unsustainable in law. Further, they have submitted sample copies of parcel way bills / luggage tickets issued by Indian Railways for the months of July 2017 to March, 2018 alongwith their present appeal.

6.5 They submit that the order impugned is a non-speaking order, without discussing the evidence submitted and closing to say that appellant simply provided a copy of notification No. 12/2017 is not correct and proper. Further, they stated that they have rectified the GSTR-1 returns for the years 2017-18, 2018-19 and 2019-20 in the month of July, August, 2018 and March 2020, respectively.

6.6 In line, the appellant prays that the order impugned be set aside and that such other order as may be deemed fit be passed.

Cross-objection by the Respondents.

7.0 The order impugned and OIO concerned are well considered orders passed strictly in accordance with mandate of provisions of the Act. It is submitted that the appellant has not filed any documents to show the goods transported by him are exempt from payment of tax in terms of Notification No. 12/2017 Central Tax (R) dated 28.06.2017.

7.1 The Deputy Commissioner concerned, after going through the returns filed by the appellant for the period 2017-18, noticed that the appellant has not declared

correct tax liability and also claimed excess ITC. In view of the same, he issued a SCN dated 17.11.2021 under Section 73 read with Rule 142. After examining the averments made by appellants and documents / replies submitted by appellants, OIO was passed.

7.2 The appellant has not filed any documents even before the FAA. However, after going through the available records, the FAA found that the appellant is eligible for ITC to some extent and same was allowed. He also reduced penalty consequent to reduction of demand. Though, a reasoned order was passed by FAA, the appellant filed a petition seeking rectification of orders introducing new evidence, invoking the provisions of Section 161 of the Act, which was not applicable to the facts of the present case. Hence, the said application was rejected.

7.3 In reply to other grounds, they stated that the same are repetitive in nature and need not be specifically answered. The appellant has not produced any material in support of his case and hence, the FAA passed orders in accordance with law giving cogent reasons.

Issues for determination.

8.0 On consideration of the appeal, cross objections, oral and written submissions of both sides, the following issue arise for determination.:

(i) whether the FAA and Adjudicating authority were correct in rejecting the appeals by the appellants in cryptic and non-speaking manner.

(ii) whether the FAA was correct in passing rejection order stating that “no documentary evidence is produced” when the appellant has produced the same as evidenced by acknowledgements on the written submissions.

(iii) whether the appellant deserves another chance for passing a speaking and reasoned orders after examining the evidences produced by him.

FINDINGS:

9.0 From the appeal papers and from the various oral and written submissions by both the sides, following points were noticed.

(i) In SCN, under-declaration of net tax liability was alleged, basing on the examination of various returns filed by the tax payer.

(ii) Tax payer has accepted the difference of figures between GSTR-9 and other returns and attributed it to wrong filing and to showing exempted turnover under taxable turnover Head due to error in data entry.

(iii) Original adjudicating authority rejected the claim stating that no documentary evidence was submitted in support of their contention.

(iv) In the order impugned, the FAA, at para 4 stated that, counsel for tax payer appeared for personal hearing and reiterated the same objections and submitted copy of notification No. 12/2017 alongwith certain documents.

(v) From the documents submitted by the appellant, it was seen that written submissions dated 15.02.2024 were submitted to FAA and acknowledgement stamp on that shows receipt 19.02.2024. The document indicates submission of copies of 1). Advance ruling for transport of eggs through railway as exempted service 2). Reply already submitted before adjudicating authority dated 04.03.2021. 3) Turnover statements for the year 2017-18.

(vi) Further, the tax payer has submitted another letter dated 11.07.2024 to FAA, which was acknowledged on 11.07.2024, enclosing copies of GSTR-1, GSTR-3B, GSTR-9 returns for the period from July 2017 to March 2018 and month-wise taxable and exempted turnover details from July 2017 to March, 2018.

(vii) The tax payer vide his letter dated 28.02.2024 (ack 29.02.2024) to FAA, has submitted, copy of notification No. 12/2017, freight marketing circular NO. 3 of 2019, statement showing the details of taxable and exempted goods transported through rail from July 2017 to March 2018, reply filed on 25.11.2021 DRC-06 alongwith reply letter GST on sales amendment sheet 2017-18 and tax payer response sheet, GSTR-2A from July 2017 to March 2018 and reply filed by tax payer.

(viii) At para 7 of the order impugned, FAA mentioned that "the contention raised by the appellants are verified with record and found that the appellant have not submitted any documentary evidence in their support except submitted simply a copy of notification No. 12/2017". Basing on that argument, FAA rejected the claim of appellant.

10.0 At the outset, the contentions of adjudicating authority and FAA that tax payer has not produced any evidence to support his claim doesn't appear to be correct. As discussed in para 9 above, there is clear evidence that appellant has submitted documents in support of his claim. Further, in the cross objections filed by respondents, they still maintained same stand (para 7 supra). Further in the cross objections, they stated that the averments of appellant are repetitive in nature and need not be specifically answered.

10.1 It appears that the averments of respondents, “no documentary evidence is produced” is untrue and devoid of merits in view of discussions in above paras. Hence passing a non-speaking order without reasons/discussions on the evidence produced by the appellant is unfair and against the basic canons of judicial process. It is a well settled principle of law that every order by an administrative authority in exercise of its judicial or quasi-judicial function must be supported by reason. Such principles of law has been settled by the Five Judges Bench of Hon’ble Supreme Court in the case of S.N. Mukherjee Vs Union of India reported in (1990) 4SCC 594 and particularly paragraph 40 of the said judgment is relevant which is quote herein:-

“ For the reasons aforesaid, it must be concluded that except in cases where the requirement has been dispensed with expressly or by necessary implication, an administrative authority exercising judicial or quasi-judicial functions is required to record the reasons for the decision”.

10.2 In case of cosmos Business machines vs UOI (TSCDB) -GST -HC (Guj 2024), the Gujarat High Court quashed and set aside the order, since the same was passed without considering the reply as it confirms SCN, resulting in total non-application of mind.

10.3 Similarly in case of Chetak Logistics Limited vs UOI (TSCDB)-GST HC (Delhi) 2024) and in case of J.P. Polymers vs State Tax Officer (Gr.2) Chengalpattu (TS DB)-GST-HC (MAD) 2024-970) the quasi-judicial orders were quashed on the ground that the orders lacked reasons and also lacked an application of mind to replies given by the petitioner. In case of writ petition No. 13248 of 2026, the Telangana High Court in its order dated 8.6.2026, set aside the rejection order

holding that it is cryptic and non-speaking order without proper consideration of tax payer's explanation.

10.4 From the above discussions, it is evident that the findings in the order impugned are arrived at without considering the evidence produced by the Appellant, warranting reconsideration. Further, after due consideration of judicial decisions discussed supra, we are of the opinion that the principles laid down therein are relevant and applicable to the facts and circumstances of the present case and have been duly taken into consideration by us while arriving at our conclusions.

10.5 Accordingly, the issues (i) & (ii) framed in para 8 above are answered.

11.0 Coming to merits of the case of appellants, it was noticed that the goods transported are "hatching eggs" as mentioned in the sample parcel way bills/luggage tickets alongwith sender's name as "Meera Associates. Copy of freight marketing circular No. 3 of 2019 of Railway Board, clarified that "fresh eggs" in shell on which no further processing is done are covered under definition of "agricultural produce" and, therefore exemption at S.No.20 of the notification No. 12/2017 Central Tax ® dated 28.06.2017 appears to be available in case of transportation of eggs by rail.

11.1 Notification No. 12/2017-Central tax (Rate) dated 28.06.2017 exempts the intra-state supply of services of description mentioned in table given there from tax as indicated under respective columns.

TABLE

Sl.No.	Chapter Heading Code	Description of services	Rate	Condition
(1)	(2)	(3)	(4)	(5)
-- -- -- --		-- -- -- --		
20	9965	Services by way of transportation by rail or a vessel from one place in India to another of the following goods (a) ….. (b)….. (c)…. (d)…. (e) agricultural produce	NIL	NIL
		… …. ….		

It can be observed from the notification that services by way transportation of "agricultural produce" by rail from one place in India to another is unconditionally exempt from GST.

11.2 In their submissions, the appellant has relied on Apex Court judgement in case of share Medical Care Vs UOI, 20078 (209) E.L.T. 321 (SC) wherein Hon'ble Supreme Court at Para 15 has stated that "From the above discussions, it is clear that even if an applicant does not claim benefit under a particular notification at the initial stage, he is not debarred, prohibited or stopped from claiming such benefit at a later stage". The Ld. counsel contended that the order impugned and adjudication proceedings were initiated by violations of the principles of natural justice in as much as neither the OIO or the order impugned set out the reasons or particulars, denying / rejecting the claims of the appellant.

11.3 Further, it was observed that concerned GST authorities, while assessing the tax for the later period i.e. Financial year 2021-22 vide order dated 29.11.2025, for the appellants, has granted the benefit of exemption notification No. 12/2017 Central Tax (Rate) dated 28.06.2017, with regard to transport of hatchery eggs by rail.

Accordingly, we are of the view that the appellant deserves a chance to claim the benefit of exemption notification, if otherwise eligible. The issue (iii) in para 8 above is answered accordingly.

12. Considering the above facts, circumstances of the case and in view of the various judicial decisions discussed in above paras, the impugned order is non-speaking and passed without considering the explanation and evidences produced by the appellant. In these circumstances the impugned order is set aside. The matter is remitted to the original adjudicating authority to pass fresh order after taking into account, the explanations furnished by the petitioner and documents, in support thereof. Let such order be passed within eight weeks from the date of receipt of a copy of this order.

13. On the above terms, the appeal is disposed of.

14. There shall be no order as to costs.

(pronounced in open court on 27.10.2026)

(Sushil Kumar Sharma)

(Duvvuri Krishna Srinivas)

Dated: 27.10.2026