# IN THE HIGH COURT FOR THE STATE OF TELANGANA AT HYDERABAD

**THE HON'BLE THE CHIEF JUSTICE SRI APARESH KUMAR SINGH**
**AND**
**THE HON'BLE SRI JUSTICE G.M.MOHIUDDIN**

## WRIT PETITION No.8187 of 2026

**DATED: 09.06.2026**

**Between:**

M/s.Gayathri Enterprises, Warangal,
Rep. by its Proprietor Mr. Janardhan Bandi

... Petitioner

**AND**

The Joint Commissioner, Appeals-II,
Basheerbagh, Hyderabad and three others

... Respondents

**ORDER:**

Heard Mr. Shaik Jeelani Basha, learned counsel appearing for the petitioner and Ms. Pravalika, learned counsel appearing for Mr. Dominic Fernandes, learned Senior Standing Counsel for Central Board of Indirect Taxes and Customs for respondent Nos.1, 2 and 4.

2. The petitioner is aggrieved by the show cause notice dated 24.10.2024, the order-in-original dated 02.01.2025 and the summary of the order in Form GST DRC-07 of the same date for the tax period 2020-21 and also the order-in-appeal dated 31.12.2025 on grounds of violation of principles of natural justice and non-consideration of the documents submitted by the petitioner even by the appellate authority. The adjudicating authority had by the impugned

order-in-original dated 02.01.2025 confirmed the demand of Integrated Goods and Services Tax (IGST) of Rs.1,06,40,912/- along with applicable interest under Section 50 of the Central Goods and Services Tax Act, 2017 (for short 'CGST Act') and penalty of the equivalent amount under Section 74 of the CGST Act read with Section 122(2)(b) of the CGST Act, on the grounds of non-compliance of conditions for availing benefit under Notification No.41/2017-IGST (Rate), dated 23.10.2017. During the course of the appeal proceedings, the petitioner was allowed to submit shipping bills and proof of export to substantiate that the goods have been exported and the conditions of the notification have been complied with. By letters dated 30.05.2025 and 09.05.2025, he supplied the documents which are as follows:

1. Recipients details
2. Bill of lading shipping bill number and date
3. Purchase orders
4. Copies of invoices issued by the supplier
5. Export General Manifest (58)

3. According to the petitioner, the appellate authority has neither dealt with the grounds of appeal nor the documents submitted during personal hearing to substantiate that the goods have been exported and the conditions of the notification have been complied with. The petitioner had in his grounds of appeal also questioned the invocation of Section 74 of the CGST Act as there was no fraud, willful misstatement or suppression of facts to evade tax. Even if the conditions of Notification No.41/2017-IGST (Rate) are not fulfilled, it cannot be held that the goods were supplied by reason of fraud or any willful

misstatement or suppression of facts to evade tax. The petitioner had fulfilled one or more conditions with reference to 103 invoices.

4. Learned counsel for the petitioner submits that the authority ought to have seen that in terms of condition No.9 of the Notification No.41/2017-IGST (Rate), the burden is cast on the registered recipient to provide the documents and not otherwise. It is therefore, submitted that the order-in-appeal and the order-in-original suffer from clear non-application of mind and failure to deal with the grounds of appeal and the documents evidenced to substantiate that the goods were exported and conditions of the notification were fulfilled. In such circumstances, the impugned order-in-appeal also deserves to be set aside by remanding the matter for re-consideration to the original authority.

5. Learned counsel for the Revenue in reply refers to the finding rendered by the appellate authority in the order-in-appeal particularly para 7.2 thereof, which, according to the learned counsel, deals with the documents of Export General Manifests (EGMs) along with tax invoices furnished by the petitioner during the course of appeal proceedings, on consideration of which, the appellate authority categorically held that the EGMs merely reflect shipping bill numbers and do not establish invoice-wise correlation or particulars of the goods supplied. In the absence of shipping bills evidencing such correlation and the date of export, compliance with the conditions of the Notification No.41/2017-IGST (Rate) could not be conclusively verified. It is submitted that the appellate

authority therefore rightly held that the petitioner has failed to furnish the documentary evidence to demonstrate compliance with the conditions of Notification No.41/2017-IGST (Rate) despite sufficient opportunity. The discrepancy remained un-rebutted. It is further submitted that the petitioner has availed the remedy of the appeal under Section 107(1) of the Act before the first appellate authority. It is open for him to take all such grounds of law and fact before the second appellate authority i.e., Goods and Services Tax Appellate Tribunal (GSTAT) under Section 112 of the CGST Act. It is submitted that the time limit for filing of the appeal is up to 30.06.2026. Therefore, the petitioner may be relegated to the appellate remedy.

6. We have considered the submissions of the learned counsel for the parties. We have also taken note of the materials placed on record including the grounds raised before the appellate authority and the documents submitted by the petitioner during appeal proceedings.

7. On consideration of the materials on record and the submissions of the learned counsel for the parties, we are of the view that the contention of the petitioner that the appellate authority has violated the principles of natural justice by not considering the relevant documents produced even during the appeal proceedings and the grounds urged in the memo of appeal does not merit acceptance. Perusal of the appellate order shows consideration of the material documents relied upon by the petitioner upon which the appellate authority has

held that they do not establish invoice-wise correlation or particulars of the goods supplied. Whether the materials and the documents placed before the original authority or the appellate authority did satisfy the conditions of notification No.41/2017-IGST (Rate) is the question relating to the merits of the case which the appellate body i.e., GSTAT can properly appreciate. The writ Court should refrain from entering into the merits of the findings of the inferior Tribunal or Authority unless the ingredients to invoke the jurisdiction of the Court under Article 226 of the Constitution of India is made out i.e., (i) if the impugned decision suffers from violation of principles of natural justice, and (ii) if it is without jurisdiction or in violation of the statutory rules or (iii) suffers from *mala fides*.

8. In the facts and circumstances, we do not find these grounds made out to interfere in the decision of the appellate authority. It is trite to say that in exercise of the powers under writ jurisdiction, this Court is entitled to examine the infirmity in the decision making process while restraining itself from entering into the correctness of the decision itself, which is for the statutory appellate authority to examine. In such circumstances, we are not inclined to entertain the Writ Petition on the grounds urged. The petitioner is at liberty to avail the appellate remedy under Section 112 of the CGST Act before the learned GSTAT within the limitation period with statutory deposit. Needless to say, it is open for the petitioner to take all such grounds of law and facts before

the second appellate authority. Needless to say, we make it clear that this Court has not made any comment on the merits of the case of the petitioner.

9. The Writ Petition is disposed of with the above said observations. However, there shall be no order as to costs.

Miscellaneous applications pending, if any, shall stand closed.

**APARESH KUMAR SINGH, CJ**

**G.M.MOHIUDDIN, J**

Date: 09.06.2026

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