

**IN THE HIGH COURT OF GUJARAT AT AHMEDABAD****R/TAX APPEAL NO. 724 of 2023****With****CIVIL APPLICATION (FOR STAY) NO. 1 of 2023****In R/TAX APPEAL NO. 724 of 2023**

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M/S SHREEJI VITRIFIED PVT. LTD. THROUGH ITS DIRECTOR HARILAL  
KESHRA PATEL

Versus

STATE OF GUJARAT

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Appearance:

MR HIREN J TRIVEDI(8808) for the Appellant(s) No. 1

TAPAN N PATEL(9185) for the Appellant(s) No. 1

MS POOJA ASHAR, AGP for the Opponent(s) No. 1

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CORAM: **HONOURABLE MR. JUSTICE A.S. SUPEHIA**

and

**HONOURABLE MR. JUSTICE PRANAV TRIVEDI**

**Date : 29/01/2026**

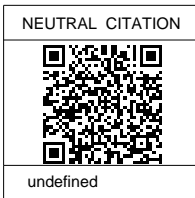
**ORAL ORDER**

**(PER : HONOURABLE MR. JUSTICE A.S. SUPEHIA)**

1. Leave to amend the proposed substantial question of law is granted. The following substantial question of law arises in the present appeal.

*“10. (i) Whether in facts and circumstances of the case whether the Hon'ble Tribunal has committed substantial error of law in confirming the disallowance made by the First Appellate Authority rejecting the claim of Form C to the tune of Rs.92,30,891/- on the basis of negative report shared by the corresponding states without sharing the same with appellant?”*

2. At the outset, learned advocate Mr.Hiren J. Trivedi, appearing for the appellant has drawn attention to the grounds raised by the appellant before the Gujarat Value Added Tax Tribunal, Ahmedabad (in short, “the Tribunal”) regarding production of relevant documents, such as transport receipts,



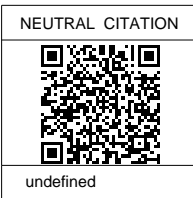
tax invoices etc., to substantiate the genuineness of the interstate sales transactions. However, the First Appellate Authority, on the basis of a negative report and on the ground that the declaration Form-C was not reconciled on the TINXSYS website and rejected the declaration Form-C to the extent of Rs.92,30,891/-. It is submitted that the Tribunal, without application of mind, has cryptically rejected the appeal filed by the appellant, without considering that the matter could have been remanded to the First Appellate Authority.

3. Learned Assistant Government Pleader Ms.Pooja Ashar, appearing for the respondent - State, while opposing the present appeal, has submitted that the impugned orders passed by the Tribunal as well as the First Appellate Authority do not warrant interference, as the appellant failed to produce any Form-C or documentary evidence to controvert the negative report and accordingly, the Form-C to the tune of Rs.92,30,891/- was rightly rejected.

4. We have perused the orders passed by the Tribunal as well as the First Appellate Authority.

5. From the pleadings, it is noticed that the appellant had produced documents such as Form-402, copies of transport receipts, and copies of tax invoices to support the genuineness of the interstate sales transactions and had accordingly sought the benefit of concessional rate of tax.

6. The First Appellate Authority partly allowed the claim and disallowed the claim to the extent of Rs.92,30,891/- by placing reliance on a negative opinion. However, it is an admitted fact

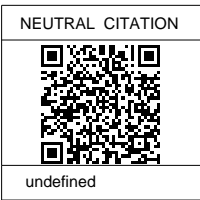


that copies of such negative opinion/reply received by the Department were never supplied to the appellant. This approach is in violation of principles of natural justice.

7. The partial rejection of the claim culminated in appellate proceedings before the Tribunal, by way of Second Appeal No.802 of 2023. The Tribunal has also rejected the appeal without recording any reasons, by passing a cryptic order, without examining the contention regarding negative report advanced by the appellant.

8. In view of the above, we quash and set aside the order passed by the Tribunal. Further, since the First Appellate Authority has committed errors; (i) by not furnishing copies of the negative reply to the appellant; and (ii) by ignoring the documentary evidence produced by the appellant, we also set aside the orders passed by both the Tribunal and the First Appellate Authority and remand the matter to the First Appellate Authority.

9. The First Appellate Authority shall pass a fresh order after granting an opportunity of hearing to the appellant and permitting the production of all relevant documents. The First Appellate Authority shall pass a reasoned order dealing with all contentions raised by the appellant. It is clarified that the First Appellate Authority shall supply a copy of the negative report, on which the reliance is placed, so as to enable the appellant to respond to the same. The necessary order shall be passed within a period of **twelve (12) weeks** from the date of receipt of this order.



10. With these observations, the substantial question of law is answered in favour of the appellant. Accordingly, the present appeal is allowed.

11. The connected civil application does not survive and stands disposed of accordingly.

Sd/-

**(A. S. SUPEHIA, J)**

Sd/-

**(PRANAV TRIVEDI,J)**

MAHESH/13