



Inspection, Search and Seizure

Provisions and analysis

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Access to premises

Access to premises

Section 71 of CGST Act, 2017

- ▶ Any officer under this Act, authorised by the proper officer not below the rank of Joint Commissioner, **shall have access to any place of business of a registered person**
- ▶ to inspect
 - ▶ books of account, documents, computers, computer programs, computer software whether installed in a computer or otherwise and such other things as he may require and which may be available at such place,
 - ▶ for the purposes of carrying out any audit, scrutiny, verification and checks as may be necessary to safeguard the interest of revenue.

Access to premises

Section 71 of CGST Act, 2017

Every person in charge of place referred to in sub-section (1) shall, on demand, make available to the officer authorised under sub-section (1) or the audit party deputed by the proper officer or a cost accountant or chartered accountant nominated under section 66—

- Records, trial balance, financials, cost report, income tax audit report, other relevant records

for the scrutiny by the officer or audit party or the chartered accountant or cost accountant **within a period not exceeding fifteen working days** from the day when such demand is made, or such further period as may be allowed by the said officer or the audit party or the chartered accountant or cost accountant. et



Search and Seizure

Search and Seizure

Section 67 of CGST Act, 2017 - Case 1 for inspection

- ▶ When proper officer not below the rank of JC, has reason to believe that a taxable person:
 - ▶ has suppressed any transaction relating to supply of goods or services or both
 - ▶ has suppressed the stock of goods in hand
 - ▶ has claimed input tax credit in excess of his entitlement
 - ▶ has indulged in contravention of any of the provisions of this Act or the rules made thereunder to evade tax under this Act

Search and Seizure

Proper Officer

2(91) "proper officer" in relation to any function to be performed under this Act , means the Commissioner or the officer of the central tax who is assigned that function by the Commissioner in the Board.

Circular No.3/3/2017-GST, dated 5-7-2017

- *Officers who have been assigned powers by Board:
Additional or Joint Commissioner - Sub-sections (1), (2), (5) and (9) of S. 67
- Golden Cotton Industries – Gujarat High Court*

Reasons to believe

- *Indian Penal Code, 1860, "A person is said to have 'reason to believe' a thing, if he has sufficient cause to believe that thing but not otherwise."*

Search and Seizure

Reasons to believe

- ***Pukhraj v. D.R. Kohli [1983 (13) E.L.T. 1360 (S.C.)]***

*“After all, when we are dealing with a question as to whether the belief in the mind of the officer who effected the seizure was reasonable or not, we are not sitting in appeal over the decision of the said officer. All that we can consider is, **whether there is ground which prima facie justifies the said reasonable belief.**”*

- **Durga Prasad’s [1983 (13) E.L.T. 1501 (S.C.)]**

Power of search granted under Section 105 of the Customs Act (para materia to Section 67 of the Act, 2017) is a power of general search but it is essential that before this power is exercised, the preliminary **conditions required by the section must be strictly satisfied**, that is, the officer concerned must have reasons to believe that the documents and things which in his opinion are relevant for any proceedings under the Act, are secreted in their place.

Search and Seizure

Reasons to believe

- **Sheonath Singh's (AIR 1971 SC 2451),**
“Court can examine the materials to find out whether an honest and reasonable person can base his reasonable belief upon such materials although the sufficiency of the reasons for the belief cannot be investigated by the Court.”
- **Golden Cotton Industries [2019 (29) G.S.T.L. 587 (Guj.)]**
‘Belief’ is a mental operation of accepting a fact as true, so, without any fact, no belief can be formed. It is true that it is not necessary for the Proper Officer under the Act to state reasons for his belief. But if it is challenged that he had no reasons to believe, in that case, he must disclose the materials upon which his belief was formed

Search and Seizure

Reasons to believe

- ***M.R. Nirman Pvt. Ltd. [2015 (40) S.T.R. 20 (Cal.)]***

Assimilation of the ratio culled out from the aforesaid report “reason to believe” is not synonymous to a subjective satisfaction but based on good faith which is opposed to a mere pretence. The belief cannot be formed on mere rumour, gossip or suspicion but based on something which have a relevance and nexus to the concealment or evasion of the Service Tax.

Search and Seizure

Section 67 of CGST Act, 2017 - Case 2 for inspection

- ▶ When proper officer not below the rank of JC, has reason to believe that a transporter or storage service provider:
 - ▶ Is keeping goods which have escaped payment of tax
 - ▶ has kept his accounts or goods in such a manner as is likely to cause evasion of tax payable under this Act

Search and Seizure

Section 67 of CGST Act, 2017 - Case 2 for inspection

- ▶ Transporter or storage service provider do not have their own supply of goods,
- ▶ Their premises can be inspected only where they are engaged in engaging themselves in storage of goods escaping tax
- ▶ This provision does not capture in movement inspection of goods (which is covered by Section 68)

Search and Seizure

Section 67 of CGST Act, 2017,

- ▶ **Inspection orders in such cases**
- ▶ JC or higher proper officer may then:
 - ▶ may authorise in writing any other officer of central tax
 - ▶ to inspect **any places of business**
 - ▶ of the taxable person or
 - ▶ the persons engaged in the business of transporting goods or the owner or the operator of warehouse or godown
 - ▶ **Or any other place (may include residence etc).**

Search and Seizure

▶ **Actions under the earlier Acts – are they illegal**

▶ **Magma Fincorp Limited [2019 (29) G.S.T.L. 193 (Bom.)]**

The writ challenged that the State of Maharashtra could not have continued the application and effect of the provisions of the VAT Act, beyond one year after the appointed day

Hon'ble Court dismissed the petition observing as under:

“No such law made or repealed or saved by the State Legislature can be said to be inconsistent with Article 246A of the Constitution brought in by the Amendment Act.

Secondly, and at any rate, Section 19 of the Constitution Amendment Act cannot be said to have taken away the power of the State Legislature to amend or repeal or save any law relating to tax on goods or services or on both in force in any State immediately before the Constitution Act, so long, of course, as such amendment, repeal or saving is not inconsistent with the Constitution as amended.”

Search and Seizure

Section 67(2) of CGST Act, 2017,

- ▶ When proper officer not below the rank of JC, has reason to believe that :
 - ▶ any goods liable to confiscation or any documents or books or things,
 - ▶ which in his opinion shall be useful for or relevant to any proceedings under this Act,
 - ▶ are secreted in any place, he may authorise in writing any other officer of central tax to search and seize or may himself search and seize such goods, documents or books or things
- ▶ In case seizure is not possible, then serve an order to owner / custodian, not to part with / remove etc such goods except under permission
- ▶ No time limit for period till when such goods can be held under seizure

Search and Seizure

Search has to be person specific

- ▶ **Commissioner of Income Tax v. Smt. Umlesh Goel & Ors. reported in [2016] 387 ITA 575 (Raj.)**

“16.3 Since by the exercise of the power a serious invasion is made upon the rights, privacy and freedom of the taxpayer, the power must be exercised strictly in accordance with law and only for the purposes for which the law authorises it to be exercised. If the action of the officer issuing the authorisation or of the designated officer is challenged, the officer concerned must satisfy the court about the correctness of his action. Therefore, in our considered view a search under Section 132(1) has to be “person specific”.”

Search and Seizure

▶ Secreted?

▶ Gian Chand v. State of Punjab, reported in [1962] Supp. 1 S.C.R. 364

“...It cannot be said that the documents have not been ‘secreted’ within the meaning of Section 105 of the Customs Act unless they are hidden or concealed. In the context of the section the word means ‘documents which are not kept in the normal or usual place’ or it may even mean ‘documents or things which are likely to be secreted’; in other words documents or things which a person is likely to keep out of the way or to put in a place where the officer of the law cannot find it. [1005 F-G].

The power to search granted under Section 105 of the Customs Act is a power of general search and it is not necessary for its exercise that the authorisation should specify the documents for which search is to be made. But it is essential that before this power is exercised the preliminary conditions required by the section must be strictly satisfied that is, the officer concerned must have reason to believe that any documents or things which in his opinion are relevant for any proceeding under the Act are secreted in the place searched. [1006 C-F]993.”

Search and Seizure

- ▶ **Secreted?**

- ▶ **Golden Cotton Industries [2019] 102 taxmann.com 412 (Gujarat)**

“in the facts of the present case, the goods in respect of which the impugned order of prohibition under rule 139(4) of the rules has been issued, are the goods which are accounted for in the books of account and are not secreted anywhere, and hence, the order of prohibition is contrary to the provisions of sub-section (2) of section 67 of the Act.”

Hon'ble court has issued notice in the above matter to GST authorities.

Search and Seizure

Section 67(2) of CGST Act, 2017,

▶ Can Cash be seized?

▶ Prakashsinh Hathisinh Udavat v State of Gujarat:

In this regard, it may be noted that the powers to attach **the property to protect the interest** of the revenue are conferred by section 83 of the GGST Act. However, a condition precedent for exercise of powers under section 83 of the GGST Act is that any proceeding should be pending under section 62 or section 63 or section 64 or section 67 or section 73 or section 74 thereof.

23. In the opinion of this court, when an officer functioning under the GGST Act, acts in a highhanded and arbitrary manner in excess of the authority vested in him the same is required to be viewed very seriously.....This court is, therefore, inclined to award exemplary costs in favour of the petitioner.

Search and Seizure

- ▶ **Act of Officers towards family members**

- ▶ **Paresh Nathalal Chauhan [2019] 111 taxmann.com 482 (Gujarat)**

“Sub-section (2) of section 67 does not empower the officer concerned to record statements of family members through force or coercion or to record their conversations in their mobile phones.

In exercise of powers under sub-section (2) of section 67 of the CGST Act, it is not permissible for the authorised officer to use coercive measures against family members to find out the whereabouts of the taxable person.

It is shocking to see that in a premises where there are three ladies, namely, the petitioner's mother, wife and young daughter, male officers together with a CRPF Officer have stayed throughout day and night despite the fact that the goods, articles and things were already seized on 11.10.2019.

Search and Seizure

▶ Amount collected during Search

- ▶ Naresh Kumar & Company v. Union of India & Ors; reported in (2011) 38 VST 332 (Cal.)

Authorities are not empowered to collect an amount at the time of raid but to take recourse to the measures provided in the statute.

- ▶ M. R. Nirman P. Ltd. [2015(40)STR 20 (Cal.)

Any cheque given during search proceedings in admission of liability (which was not objected by Appellant) shall not be invalid.

- ▶ Capri Bathaid Private Limited v. CTT - 2016 (155) DRJ 526

By no means does S. 87(6) enable the officers who undertake a search and seizure operation under S. 60 to collect tax dues on the spot from the dealers

Search and Seizure

Contents of a search warrant

- ▶ the violation under the Act,
- ▶ the premise to be searched,
- ▶ the name & designation of the person authorized for search,
- ▶ the name of the issuing officer with full designation,
- ▶ date and place of issue,
- ▶ serial number of the search warrant,
- ▶ period of validity i.e. a day or two days etc.

Search and Seizure

Admissibility of material taken during illegal search

▶ ***Pooran Mal v. Director of Inspection (Investigation) [1974] 93 ITR 505 (SC),***

Hon'ble Supreme Court held even assuming that the search and seizure were in contravention of the provisions of section 132 of the Income-tax Act, still the material seized was liable to be used subject to law before the Income-tax authorities against the person from whose custody it was seized. Therefore, if the opposite parties think that the books of account or any portion thereof are or is relevant for their purpose, they are entitled to take copy of such documents or portion of such books of account.

Search and Seizure

Admissibility of material taken during illegal search

- ▶ **Commissioner of Income Tax v. Smt. Umlesh Goel & Ors.** reported in [2016] 387 ITA 575 (Raj.)

“16.3 initiation of the proceedings being invalid, all subsequent action of AO including order of assessment is not sustainable in law.”

- ▶ **Agrawal Engineering Stores and Ors. v. The State (1972) 29 S.T.C. 446**

It was held that there is no constitutional impediment in the way of using the evidence obtained through illegal search and the common law permits the user of such evidence with certain exceptions. Therefore, such evidence need not be excluded from consideration in assessment proceedings under the Act.

Search and Seizure

Admissibility of material taken during illegal search

- ▶ ***Magraj Patodia v. R.K. Birla and Ors. MANU/SC/0322/1970 : [1971] 2 SCR 118***
Court said that a document which was procured by improper or even by illegal means could not bar its admissibility provided its relevance and genuineness were proved.”
- ▶ **Jones v. Owens [1870] 34 J.P. 759.**

Where a constable searched the appellant illegally and found a quantity of offending article in his pocket that it would be a dangerous obstacle to the administration of justice if it were held, because evidence was obtained by illegal means, it could not be used against a party charged with an offence.

Search and Seizure

Section 67(11) of CGST Act, 2017,

- ▶ Seizure of Accounts etc when produced
 - ▶ Where the proper officer has reasons to believe that any person has evaded or **is attempting to evade the payment of any tax**, he may, for reasons to be recorded in writing,
 - ▶ **seize** the accounts, registers or documents of such person
 - ▶ **produced before** him and shall grant a receipt for the same, and
 - ▶ **shall retain** the same for **so long as may be necessary** in connection with any proceedings under this Act or the rules made thereunder for prosecution.

Search and Seizure

Section 67(3) of CGST Act, 2017,

- ▶ No specific time limit
- ▶ Time Limit for holding such seized goods, documents or things
 - ▶ The documents, books or things referred to in sub-section (2) or any other documents, books or things produced by a taxable person or any other person,
 - ▶ **which have not been relied upon for the issue of notice under this Act or the rules made thereunder,**
 - ▶ shall be returned to such person within a period not exceeding thirty days of the issue of the said notice.
 - ▶ Exception for perishable goods

Search and Seizure

Section 67(5) of CGST Act, 2017,

- ▶ Power to take copies of seized documents
 - ▶ Person from whose custody any documents are seized
 - ▶ shall be entitled to make copies thereof or take extracts therefrom in the presence of an authorised officer at such place and time as such officer may indicate in this behalf
 - ▶ **except** where making such copies or taking such extracts may, in the opinion of the proper officer, prejudicially affect the investigation.

Search and Seizure

Section 67(5) of CGST Act, 2017 - Power to take copies of seized documents

▶ **Navrang Roadlines (P.) Ltd.**

Court required authorities to provide copy of data as interim relief where despite repeated requests of the petitioner to provide a copy of the data that is lying with the respondents, they have not been acceded to such requests and that, in the meanwhile, the statutory period for filing the income-tax return is likely to be over.

Search and Seizure

Section 67(4) of CGST Act, 2017,

- ▶ Power to break open
 - ▶ Authorised officers shall have the **power to seal or break open**
 - ▶ the door of any premises or to break open **any almirah, electronic devices, box, receptacle** in which
 - ▶ any goods, accounts, registers or documents of the person are **suspected** to be concealed,
 - ▶ where access to such premises, almirah, electronic devices, box or receptacle is **denied**.

Search and Seizure

- ▶ Sealing of premises – is it proper?
- ▶ Napin Impex P. Ltd. [2018 (19) G.S.T.L. 578 (Del.)]

Given the plain text of the statute i.e. especially Section 69(4), which merely authorizes the concerned officials to search the premises and if resistance is offered, break-open the lock or any other almirah, electrical device, box, etc. containing books and documents, the complete sealing of the premises, in the opinion of the Court is per se illegal.

Indefinite sealing is not assumed in Act

*Even if it were assumed that the respondents temporarily restrained the petitioner from using its premises, for a few hours, till the books of accounts are made available in order to secure the evidence available in the premises, **that could not have assumed the life on “its own”, at least indefinitely.***

Search and Seizure

Section 67(10) of CGST Act, 2017,

- ▶ *The provisions of the Code of Criminal Procedure, 1973, relating to search and seizure, shall, so far as may be, apply to search and seizure under this section subject to the modification that sub-section (5) of section 165 of the said Code shall have effect as if for the word “Magistrate”, wherever it occurs, the word “Commissioner” were substituted.*

Search and Seizure

Section 100 of the Code of Criminal Procedure describes the procedure for search as below:-

- ▶ *In case of search, person in charge or residing in such premises shall allow inspecting officer free ingress thereto, and afford all reasonable facilities for a search therein.*
- ▶ *Where any person in or about such place is reasonably suspected of concealing about his person any article for which search should be made, such person may be searched*
- ▶ *Before making a search under this Chapter, the officer or other person about to made it shall call upon two or more independent and respectable inhabitants of the locality*

Search and Seizure

Section 100 of the Code of Criminal Procedure describes the procedure for search as below:-

- ▶ *a list of all things seized in the course of such search and of the places in which they are respectively found shall be prepared by such officer or other person and signed by such witnesses*
- ▶ *The occupant of the place searched, or some person in his behalf shall, in every instance be permitted to attend during the search.*

Search and Seizure

Important Points in respect of a search:

- ▶ *No search of premises should be carried out without a valid search warrant issued by the proper officer*
- ▶ *There should invariably be a lady officer accompanying the search team to residence.*
- ▶ *Signature of two witness and person in charge of premises should be taken on warrant*
- ▶ *A Panchnama / Mahazar of the proceedings of the search should necessarily be prepared on the spot.*

Search and Seizure

Important Points in respect of statement:

▶ **Pool Pandi V. Superintendent Central Excise, 1992 (60) ELT 24 (SC)**

A person called for interrogations has no right to have his lawyer present during questioning by the officers as such person cannot be equated with an accused.

▶ **Sudhir Kumar Aggarwal v DGGI [2019] 112 Taxmann.com 360 (Del.)**

So far as apprehension of petitioner that he may be physically assaulted or manhandled is concerned, this Court is of the opinion that it is a well settled law now that no inquiry/investigating officer has a right to use any method which is not approved by law to extract information from a witness/suspect during examination and in case it is so done, no one can be allowed to break the law with impunity and has to face the consequences of his action.

Search and Seizure

Important Points in respect of statement:

- ▶ **K. I. Povunny v. ACCE 1997 (90) ELT 241,255 (SC)**

Voluntary statements recorded under Section 14 are admissible as evidence in departmental proceeding and also in a court of law.

- ▶ **Pulkngode Rubber Produce Co. Ltd. v. State of Kerala [1973] 91 ITR 18 (SC)**

An admission is an extremely important piece of evidence but it cannot be said that it is conclusive and it is open to the person who made the admission to show that it is incorrect and that the assessee should be given a proper opportunity to show that the books of account do not correctly disclose the correct state of facts.

Search and Seizure

Important Points in respect of statement:

▶ **Laxman Padma Bhagat v. State of Maharashtra, AIR 1965 Bom 195, 210**

Service of summon is not a condition precedent to recording of statement. There is no rule prescribing procedure for issuing any summon nor is there any form prescribed, therefore service of summon is not a condition precedent to recording of statement. Laxman Padma Bhagat v. State of Maharashtra, AIR 1965 Bom 195, 210

Search and Seizure

Summons to Top officials [*Instruction Letter F. No. 208/122/89-CX.6, dated 13-10-1989*]

- ▶ *Action under this section is to be taken only as a last resort in cases where assesseees are not cooperating or investigations are to be completed expeditiously.*
- ▶ *This Section should not be used for harassing the top management for forcing them to pay up demands which are disputed by them.*

Demand and Recovery

ORDER NO. 2/2019-GST [CBEC-20/16/15/2018-GST]

| Sl. No. | Officer of Central Tax | Monetary limit of the amount of central tax (including cess) not paid or short paid or erroneously refunded or input tax credit of central tax wrongly availed or utilized for issuance of show cause notices and passing of orders under sections 73 and 74 of CGST Act | Monetary limit of the amount of integrated tax (including cess) not paid or short paid or erroneously refunded or input tax credit of integrated tax wrongly availed or utilized for issuance of show cause notices and passing of orders under sections 73 and 74 of CGST Act made applicable to matters in relation to integrated tax vide section 20 of the IGST Act | Monetary limit of the amount of central tax and integrated tax (including cess) not paid or short paid or erroneously refunded or input tax credit of central tax and integrated tax wrongly availed or utilized for issuance of show cause notices and passing of orders under sections 73 and 74 of CGST Act made applicable to integrated tax vide section 20 of the IGST Act |
|---------|---|--|---|--|
| (1) | (2) | (3) | (4) | (5) |
| 1. | Superintendent of Central Tax | Not exceeding Rupees 10 lakhs | Not exceeding Rupees 20 lakhs | Not exceeding Rupees 20 lakhs |
| 2. | Deputy or Assistant Commissioner of Central Tax | Above Rupees 10 lakhs and not exceeding Rupees 1 crore | Above Rupees 20 lakhs and not exceeding Rupees 2 crores | Above Rupees 20 lakhs and not exceeding Rupees 2 crores |
| 3. | Additional or Joint Commissioner of Central Tax | Above Rupees 1 crore without any limit | Above Rupees 2 crores without any limit | Above Rupees 2 crores without any limit |



Arrest

Arrest

Section 69 of CGST Act, 2017,

- ▶ Order to Arrest
 - ▶ Where the **Commissioner** has reasons to believe that a person has committed any specified offence
 - ▶ he may, by order, authorise any officer of central tax to arrest such person.
- ▶ Post Arrest
 - ▶ Where a person is arrested under sub-section (1) for an offence specified
 - ▶ under sub-section (5) of section 132, the officer authorised to arrest the person
 - ▶ shall inform such person of the grounds of arrest
 - ▶ and produce him before a Magistrate within twenty four hours.

Arrest

Specified offence

- ▶ supplies any goods or services or both without issue of any invoice, in violation of the provisions of this Act or the rules made thereunder, with the intention to evade tax;
- ▶ issues any invoice or bill without supply of goods or services or both in violation of the provisions of this Act, or the rules made thereunder leading to wrongful availment or utilisation of input tax credit or refund of tax;
- ▶ avails input tax credit using such invoice or bill referred to in clause (b);
- ▶ collects any amount as tax but fails to pay the same to the Government beyond a period of three months from the date on which such payment becomes due;

Arrest

Term of imprisonment

| Amount of Offence | Punishment |
|--|---|
| Exceeds one hundred lakh rupees but does not exceed two hundred lakh rupees | Imprisonment for a term which may extend to 1 year and with fine |
| Exceeds two hundred lakh rupees but does not exceed five hundred lakh rupees | Imprisonment for a term which may extend to 3 years and with fine |
| exceeds five hundred lakh rupees | imprisonment for a term which may extend to 5 years and with fine |

Arrest

Makemytrip (India) (P.) Ltd (Case of straight arrest) - Affirmed in [2019] 104 taxmann.com 245 (SC)

- ▶ Before making arrests under service tax, department must adjudicate demand and also grant hearing to assessee as to materials collected;
- ▶ In case of habitual tax-evaders, arrests may be made straightaway, but, subject to review of past conduct and only after recording prima facie view as to how assessee is a habitual tax-evader
- ▶ For arrest it has to be determined with some degree of certainty that a person has collected service tax but has failed to pay the amount so collected to the Central Government
- ▶ The decision to arrest a person must not be taken on whimsical grounds; it must be based on 'credible material'.

Arrest

P.V. Ramana Reddy Vs Union of India & Ors. (Supreme Court of India)

- ▶ Supreme Court upholds decision of Hon'ble Telangana HC which rejected challenge to the power to issue summons under GST and held that a person can be arrested by the competent authority in cases of Goods and Service Tax (GST) evasion
- ▶ High Court - If, even before the GST regime is put on tracks, some one can exploit the law, without the actual purchase or sale of goods or hiring or rendering of services, projecting a huge turnover that remained only on paper, giving rise to a claim for input tax credit to the tune of about Rs.225.00 crores, there is nothing wrong in the respondents thinking that persons involved should be arrested.

Rejection of bail by HC:

- ▶ Ajay Khanna [2019] 110 taxmann.com 452 (Madhya Pradesh)

Arrest

Union of India v Sapna Jain & Ors. (Supreme Court of India)

- ▶ Larger bench to examine the power to arrest by GST officers
- ▶ Apex Court made it clear that the High Courts while entertaining such request in future, will keep in mind that the Apex Court by its order dated 27 th May, 2019 passed in SLP (Crl.) No.4430 of 2019 had dismissed the special leave petition filed against the judgment of the Telangana High court in similar matter, wherein the High Court of Telangana had taken a view contrary to Shubhada S Kadam 2/3 506 wp 1996, 1997 & 1998.19.doc what has been held by the High Court in the present case.

Arrest

Jayachandran Alloys (P.) Ltd. [2019] 105 taxmann.com 245 (Madras)

- ▶ Power to punish set out in section 132 would stand triggered only once it is established that an assessee has 'committed' an offence that has to necessarily be post-determination of demand due from an assessee, that itself has to necessarily follow process of an assessment
- ▶ Prayer of assessee for furnishing copies of documents and records seized from its premises could have been denied by department only if department had taken averment in counter that documents were sensitive or such production would prejudice its interests

Arrest

C. Pradeep vs The Commissioner Of GST and ... on 6 August, 2019

- ▶ It was argued that petitioner is allowed to file appeal after the assessment order is passed; and as per the statutory stipulation, such appeal could be filed upon deposit of only 10% of the disputed liability. In that event, the deposit amount may not exceed Rs. 2,00,00,000/- (Rupees Two Crores), which the petitioner was willing to deposit within one week without prejudice to his rights and contentions in the assessment proceedings and the appeal to be filed thereafter, if required.
- ▶ Hon'ble Court held that no coercive action till disposal of SLP.
- ▶ Could be seen as a favourable decision for bail on deposit of 10% of total amount in dispute, however, finality awaited from Apex Court on the issue.



Thank you

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