

Allahabad HC quashed detention order levying penalty due to truck not on route of its destination

Facts of the case - Om Prakash Kuldeep Kumar v. Additional Commissioner Grade-2 - [2023] (Allahabad)

In the present case, the goods in transit of petitioner were intercepted by GST authorities. During inspection of required documents, a seizure/detention order was issued on ground that truck was not on route of its destination and penalty was levied as there was intention to evade tax. The petitioner paid an amount under protest as demanded by authorities and filed appeal against the demand order but the same was also dismissed. Thereafter, it filed writ petition against the order.

Decision of the case :

The Honorable High Court noted that in the instant case, interception and seizure of goods were not justified as documents accompanying goods were genuine. Moreover, there is no specific provision under GST Act requiring disclosure of route for transporting goods unlike earlier VAT Acts, which had such provision. The power of detention and seizure of goods could only be exercised when goods were not accompanied by genuine documents. Therefore, the Court held that the impugned order was to be quashed and cost of Rs. 5000 was to be paid by State to petitioner.