

GIB/CH/K.P. Sugandh /16-03-2020/HC-115

High Court Category : Search & Seizure

State : Chattishgarh

Order No.: GIB/CH/K.P. Sugandh /16-03-2020/HC-115

Name of Entry :

K.P. Sugandh Ltd. Vs. State of Chhattisgarh

Date : 16-03-2020

Breif Issue :

Facts & Issue Of The Case :

The petitioner herein are the manufacturers of 'Pan Masala and Tobacco Products'. The said vehicle through which they had dispatched their goods, has been seized by the respondent authorities on the ground of discrepancies in the valuation of the goods. The petitioner has contented that the in charge of the vehicle is required to keep the documents along with him required as per section 68 of CGST Act, 2017 and the respondent authorities can't seized the goods on the ground of discrepancy in the valuation of goods.

The item so seized by the petitioners have its own shelf life, and the goods if not soon released by the respondent authorities, petitioner will have to suffer with a irrecoverable loss with no fault of theirs. According to the respondents ,they immediately have issued a notice under section 129(3) ,to which the petitioner have submitted their reply which is not satisfactory.

It has later been found that ,the price at which the product has been sold to the customer, was not matching the MRP of the product, but the driver with him had the invoice bill duly issued which matched the quantity found in the vehicle.

Decision of Advance Ruling Authority :

Decision :

The court held that :

- When the vehicle was intercepted ,the person in charge of the vehicle was in fact carrying the documents, which he was suppose to carry in the course of transportation of goods .
- Just because the manufacturer sells his products to its customer or dealer at a price lower than the MRP, as such cannot be a ground on which the product or the vehicle could be seized or detained.
- The court also found that the that the proceedings of detention and seizure of the goods and the vehicle by the respondents is without any authority of law.

As a decision by the opinion of the court ,the under valuation of goods cannot be a reason for detention of the Goods and the vehicle for the proceedings of section 129.