Contents

		PAGE
About	t the Authors	<i>I-5</i>
Prefa	Preface to Second Edition	
Ackno	owledgement	<i>I</i> -9
Chap	ter-heads	I-11
List o	f Cases	I-21
	<u>1</u>	
	INSPECTION, SEARCH AND SEIZURE UNDER GST	
1.1	Difference between Inspection and Search	1
1.2	Provisions regarding initiation of 'Inspection' under GST	2
1.3	Provisions regarding initiation of 'Search and Seizure' proceedings in GST	4
1.4	Meaning of Reason to believe	5
1.5	Term 'Secreted Place' under section 67(2) is really secreted?	8
1.6	'Goods liable to Confiscation' - Situation based test	13
1.7	Meaning of 'book'	18
1.8	Power of Proper Officer to break/seal any premise/almirah/electronic device, etc.	20
1.9	Power to get copies of documents/books, etc. seized by the Proper Officer	22

	CONTENTS	I-14
		PAGE
1.10	Release of Goods Seized	24
1.11	Seizure of Perishable/hazardous Goods	26
1.12	Seizure of books of account/registers/documents by Proper Officer without Search Proceedings	27
1.13	Purchase of goods or availment of service or both by Commissioner or Proper Officer in order to check sanctity of transactions of the taxpayers	29
1.14	Cross examination of witnesses	30
1.15	Practical Case Studies	37
	2	
	LITMUS TEST OF SECTION 67(2) OF THE CGST ACT IN THE CONSTITUTIONAL FRAMEWORK	
2.1	Introduction	47
2.2	Constitutional test of section 67(2) <i>vis-à-vis</i> article 14 of the Constitution of India	48
2.3	Examination of search and seizure proceedings in the light of Doctrine of Manifest Arbitrariness	53
2.4	Doctrine of Manifest Arbitrariness	53
	3	
	'REASON TO BELIEVE' - A MYSTERIOUS TERM	
3.1	Reason to believe must be based on reasonable belief	57
3.2	Power of Court while examining the Reason to believe - Court cannot sit as appellate forum	60
3.3	Recording of 'Reason to believe'	63
3.4	Reason to believe must be reasonable based on credible material	67
3.5	Formation of 'Reason to believe' subsequent to search and seizure proceedings	68

		PAGE
3.6	Judicial Review of 'Reason to believe'	71
3.7	Practical Case Studies	72
	<u>4</u>	
	APPLICABILITY OF PROVISIONS OF CODE OF CRIMINAL PROCEDURE, 1973	
4.1	Application of Special legislation vis-à-vis General legislation	76
4.2	Applicability of safeguards as provided under Code of Criminal Procedure	79
4.3	Panchnama - Critical Document	82
	5	
	SUMMON PROCEEDINGS UNDER GST	
5.1	Introduction	85
5.2	Meaning of Judicial Proceedings	86
5.3	Right of the silence of summoned person during the summon proceedings <i>vis-a-vis</i> article 20(3) of the Constitution of India	92
5.4	Is statement given under Summon proceedings having an evidentiary value?	96
5.5	'Refreshing the memories' during judicial proceedings/recording of statement	106
5.6	Can an Advocate or Chartered Accountants present at the time of recording of statement	108
5.7	Issuance of summon in the name of Company/ Partnership Firm - Is it necessary for only managing partner/managing director to appear before the authorities	114
5.8	Judicial Review of Summon Proceedings	115
5.9	Long custodian of accused	119
5.10	Practical Case Studies	121

PAGE

6

SECTION 83 - PROVISIONAL ATTACHMENT TO PROTECT REVENUE IN CERTAIN CASES

6.0	Introduction	128
6.1	Provision for provisional attachment in Pre-GST regime	129
6.2	Procedure prescribed for provisional attachment of property including bank account of the taxable person	130
6.3	Can Bank account be attached where only summon have been issued under section 70 of the CGST Act/SGST Act	132
6.4	Can Objections in terms of Rule 159(5) of the CGST Rules file after expiry of Seven (7) days?	135
6.5	Meaning of 'Commissioner Opinion'	137
6.6	Can mere initiation of search and seizure proceedings under section 67 of empower the Commissioner to invoke section 83 of the CGST Act and accordingly empower to attach property including bank account of the taxable person	139B
6.7	Supply of reason to believe/commissioner's opinion, regarding for invoking provisions of provisional attachment under section 83 of the CGST Act	141
6.8	Delegation of Power by the Commissioner to its subordinate regarding provisional attachment of properties of taxable person under the provisions of section 83	142
6.9	Can Cash Credit (CC) Account or Overdraft (OD) account be provisionally attached by the departmental authorities	151
6.10	Conclusion	155
6.11	Amendment in section 83 of the CGST Act <i>vide</i> Finance Act, 2021	157

I-17 CONTENTS

		PAGE
	7	
	PROSECUTION AND ARREST UNDER GST	
7.1	Introduction	161
7.2	Definition of Arrest	163
7.3	Power of Arrest for classified offences	164
7.4	Attempt to commit or abets the commission of any specified offence - Is this for bringing professionals under lens	171
7.5	Power of Arrest is linked with Reason to believe	175
7.6	Filing of First Information Report (FIR) by the Commissioner of Central Tax/State Tax under the provisions of the Indian Penal Code, 1860 with Police for offences committed under GST	184
7.7	Arrest of Person prior to completion of Assessment - A Great Conundrum	191
7.8	Applicability of provisions of sections 41 and 41A of the Code of Criminal Procedure, 1973 while arrest of person for an offence committed under section 132 of the Central Goods and Services Tax Act, 2017	202
	8	
	JAIL OR BAIL - ANALYSIS OF PROVISIONS OF BAIL FOR OFFENCES COMMITTED UNDER GST - BAIL IS RULE, JAIL IS EXCEPTION	
8.1	Introduction	208
8.2/3	Provisions regarding grant of Bail under Code of Criminal Procedure, 1973	211
8.4	Grant of Bail under Bailable offences	211
8.5	Are authorities/courts posses power to refuse to grant bail even for bailable offence	212
8.6	Grant of Bail for Non-Bailable offence	213

	CONTENTS	I-18
		PAGE
8.7	Bail under Economic Offence Matters	217
8.8	Completion of investigation would be a ground to grant bail	223
8.9	Default Bail	225
8.10	Bail in case where there are two or more Co-accused	238
8.11	Consideration of Flight Risk while grant of Bail	239
8.12	Provisions regarding Cancellation of Bail	240
8.13	Anticipatory Bail	244
8.14	Power to grant Anticipatory Bail should be used objectively not arbitrarily	247
8.15	Anticipatory Bail in Economic Offence matter	253
8.16	Anticipatory Bail for offences committed under GST	254
8.17	Arrest Memo and right of accused person	259
	<u>9</u>	
	SANCTION OF COMMISSIONER PRIOR TO INITIATION OF PROSECUTION	
9.1	Introduction	263
9.2	Necessity of prior sanction of commissioner prior to initiator of Prosecution	266
9.3	Issue notice prior to sanction for initiation of Prosecution - Principles of Natural Justice to followed in Letter & Spirit	269
9.4	Period of Limitation for launching Prosecution	270
9.5	Order for sanction of initiation of Prosecution is not an Appealable Order	271
	10	
	PRESUMPTION OF CULPABLE MENTAL STATE	
10.1	Brief Summary of provision and its necessity	273

I-19 CONTENTS

		PAGE
10.2	Presumption to culpable mental state and discharge application under section 245 of the Criminal Procedure Code, 1973	277
	11	
	COMPOUNDING OF OFFENCES	
11.1	Meaning of term 'Compounding'	283
11.2	Key issues under section 138 of the CGST Act read with Rule 162 of the CGST Rules regarding compounding of offences can be summarised as follows	286
11.3	Compounding of Offence - Is it a ground to avoid arrest for offence committed under section 69 read with section 132 of the CGST Act or ground to secure bail for offence committed under GST?	288
11.4	Court's power to deny/reject plea regarding Compounding of Offence	289
11.5	Power of High Court for allowing Compounding for Non-Compoundable Offences	290
11.6	Effect of Compounding of Offences	293
	12	
	OFFENCES COMMITTED BY COMPANIES & NON-INDIVIDUALS UNDER GST	
12.1	Introduction	294
12.2	Offences Committed by Companies under GST	295
12.3	Liability of an Individual	298
12.4	Offences by the Companies - Company should be arraigned as an accused along with director/responsible person	299
12.5	Corporate Criminal Liability and mens rea	300
12.6	Criminal Liability for non-individual juristic person other than Company	305
12.7	Applicability of provisions of section 137 on Hindu Undivided Family (HUF)	307