JUDICIAL PRONOUNCEMENTS

1. **Cancellation of GST Registration through a Non-Speaking Order Violates Principles of Natural Justice** *[Nijumoni Gogoi Versus Union of India – High Court of Gauhati - W.P.(C) No. 2383 of 2026]*

Background

The petitioner, Nijumoni Gogoi, was engaged in the business of transport services and was registered under the CGST/SGST Acts with GST registration effective from 07.03.2022. A Show Cause Notice (SCN) dated 12.02.2025 was issued proposing cancellation of GST registration on the ground of failure to furnish returns for a continuous period of six months. Simultaneously, the registration was suspended.

The petitioner allegedly failed to notice the SCN uploaded on the GST portal and did not file a response within the prescribed time limit. Consequently, the Proper Officer passed an order dated 17.04.2025 cancelling the GST registration. The petitioner challenged the cancellation order before the Hon'ble Gauhati High Court under Article 226 of the Constitution, contending that the cancellation order was arbitrary, non-speaking, and violative of principles of natural justice.

Issue Involved

Whether cancellation of GST registration on the basis of a non-speaking cancellation order, without assigning cogent reasons as required under Rule 22 of the CGST Rules, 2017, is legally sustainable.

Contentions of the Respondent

The respondents contended that:

1. The petitioner had defaulted in filing returns for a continuous period exceeding six months, thereby attracting Section 29(2)(c) of the CGST Act read with Rule 21 of the CGST Rules.
2. The petitioner neither filed a reply to the show cause notice nor appeared before the Proper Officer despite opportunity being granted.
3. The petitioner also failed to avail the statutory remedies of filing an application for revocation of cancellation or preferring an appeal within the prescribed limitation period.
4. The conduct of the petitioner demonstrated negligence and lack of vigilance, and therefore no interference under writ jurisdiction was warranted.

Court's Observations

The Court observed that the SCN merely alleged non-filing of returns for a continuous period of six months without specifying the exact tax periods or months for which returns were allegedly not filed. Hence, the SCN lacked material particulars necessary for an effective response. The Court further noted that Rule 22(3) of the CGST Rules mandates that cancellation orders must be passed in Form GST REG-19 and must contain specific reasons for cancellation.

However, the impugned order merely referred to "Others – Rule 22(1)/Rule 21A(2A)" without assigning any substantive reasons. It was emphasized that even if the assessee failed to respond to the SCN or appear for hearing, the Proper Officer was still obligated to pass a speaking order. Orders having adverse civil consequences cannot be treated as mere formalities.

The Court reiterated that recording reasons is an integral part of natural justice and fair procedure. Absence of reasons indicates lack of application of mind and renders the order arbitrary and illegal. The Court also observed that cancellation of GST registration has serious civil consequences since it effectively prevents the assessee from conducting business lawfully under the GST regime.

Although there was delay in approaching the Court, the Court held that the statutory infirmities and violation of principles of natural justice in the cancellation order outweighed the delay.

Order

The Hon'ble Gauhati High Court set aside and quashed the cancellation order dated 17.04.2025. The matter was restored to the stage of issuance of the Show Cause Notice in Form GST REG-17.

The Court granted liberty to the petitioner to:

1. File a reply to the SCN showing cause against cancellation; or
2. Furnish all pending returns and make payment of tax dues along with applicable interest, late fee, and penalty.

The Proper Officer was directed to proceed thereafter in accordance with Section 29 of the CGST Act and Rule 22 of the CGST Rules and pass an appropriate order in Form GST REG-19 or REG-20 expeditiously.

2. **Provisional Attachment of Bank Accounts under Section 83 Valid despite Absence of Pre-Decisional Hearing** *[Mohammed Kamran Versus Additional DGGI, Bangalore - High Court of Karnataka - Writ Petition No. 9407 of 2026]*

Background

The petitioner, Mohammed Kamran, proprietor of M/s MK Traders engaged in the business of old steel and iron scrap trading, was initially subjected to inspection by the State GST authorities on 17.06.2025. The petitioner claimed to have furnished all documents requisitioned by the authorities for the assessment years 2021-22 to 2025-26. Subsequently, the Directorate General of GST Intelligence (DGGI) initiated investigation based on intelligence inputs alleging that the petitioner was involved in a network of fictitious entities engaged in fraudulent availment of

Input Tax Credit (ITC). The petitioner was arrested on 16.09.2025 under Section 132(1)(b) and (c) of the CGST Act and remained under judicial custody till 31.12.2025. During the period of custody, the respondent provisionally attached the petitioner's bank accounts under Section 83 of the CGST Act through an order dated 27.10.2025. The petitioner challenged the provisional attachment before the Hon'ble High Court of Karnataka under Article 226 of the Constitution.

Issues Involved

1. Whether proceedings initiated by the Central GST authorities were barred under Section 6(2)(b) of the CGST Act on account of alleged prior initiation of proceedings by State GST authorities.
2. Whether provisional attachment of bank accounts under Section 83 without granting a pre-decisional hearing violated principles of natural justice.
3. Whether interference under Article 226 was warranted at the stage of investigation and provisional attachment.

Contentions of the Respondent

The respondents contended that:

1. The DGGI investigation was initiated independently based on specific intelligence inputs revealing large-scale fraud involving fake invoices, circular trading, fictitious firms, and wrongful availment of ITC through non-existent entities.
2. Investigation through BIFA analytics disclosed coordinated fraudulent activity involving common IP addresses and fictitious firms.
3. The proceedings initiated by the Central GST authorities were distinct from any preliminary inquiry conducted by the State GST authorities.
4. Section 83 of the CGST Act does not mandate a pre-decisional hearing before provisional attachment.
5. Adequate statutory remedy was available to the petitioner under Rule 159(5) of the CGST Rules by way of filing objections against the attachment order.

Court's Observations

The Court observed that the petitioner had failed to place any material on record demonstrating formal initiation of adjudicatory proceedings by the State GST authorities. No show cause notice, adjudication document or particulars regarding identity of subject matter or tax period were produced.

Therefore, the plea of statutory bar under Section 6(2) was held to be premature and unsupported by evidence. On the issue of natural justice, the Court relied upon the decision in Principal Commissioner of Central Tax GST Commissionerate v. Narasimhan Engineering Contractors (P.) Ltd. (W.A. No.1015/2025, dated 10.09.2025) and held that Section 83 does not contemplate any pre-decisional hearing before provisional attachment. The statutory framework under Rule 159(5) provides a complete post-decisional remedy by enabling the affected person to file objections and seek release of the attached property. The Court further referred to the decision of the Supreme Court of India in Radha Krishan Industries v. State of Himachal Pradesh (2021), wherein it was clarified that provisional attachment is a protective measure intended to safeguard the interest of revenue and that procedural safeguards are available through post-attachment objections and hearing. The Court held that absence of prior notice, even during the petitioner's custody, did not invalidate the provisional attachment since the statute consciously omitted such requirement and adequate alternative remedies were available.

It was also observed that allegations involving fake invoices, circular trading and fraudulent ITC are factual matters requiring adjudication in appropriate proceedings, including pending criminal proceedings. Therefore, the High Court would be slow to interfere in exercise of writ jurisdiction at a nascent stage of investigation.

Order

The High Court of Karnataka held that:

1. The plea of bar under Section 6(2) of the CGST Act was not substantiated by any material and therefore rejected.
2. The provisional attachment order was not vitiated merely because no pre-decisional hearing was granted.
3. No case for interference under Article 226 of the Constitution was made out. Accordingly, the writ petition was disposed of with liberty to the petitioner to avail the statutory remedy under Rule 159(5) of the CGST Rules. The Court further clarified that the provisional attachment proceedings would remain subject to the outcome of connected proceedings pending in W.P. No. 38771/2025.

3. **Summary Show Cause Notice Cannot Substitute Statutory Notice under Section 73 of GST Act – Court Quashes Demand Order for Violation of Mandatory Procedure** *[M/s. Riyan Enterprises & Anr. Versus State of Assam & Ors. - High Court of Gauhati - WP(C)/2258/2026]*

Background

The petitioner, M/s. Riyan Enterprises, a proprietorship concern engaged as a Government contractor and registered under the GST regime, challenged the validity of the order dated 30.04.2024 passed under Section 73(9) of the Assam GST Act, 2017. The challenge was primarily on the ground that no proper show cause notice under Section 73(1) had been issued prior to adjudication. The petitioner had only been served with a Summary Show Cause Notice in Form GST DRC-01 dated 18.12.2023. Consequentially, further proceedings such as suspension of GST registration and cancellation proceedings were also initiated against the petitioner.

Issue Involved

Whether issuance of only a Summary Show Cause Notice in Form GST DRC-01, without issuance of a proper and prior show cause notice under Section 73(1) of the AGST Act, constitutes valid compliance with the statutory requirements for adjudication under Section 73(9).

Contentions of the Respondent

The respondent authorities submitted that the issue involved in the present case was substantially covered by the earlier common judgment of the Gauhati High Court in Construction Catalysers Private Limited & Ors. v. State of Assam & Ors. The Standing Counsel contended that, in case the impugned order was set aside, liberty should be granted to the department to initiate de novo proceedings in accordance with paragraph 29(F) of the earlier judgment.

Court's Observations

The Court observed that Section 73(1) mandates issuance of a proper show cause notice by the Proper Officer before initiating adjudication proceedings. Rule 142(1) only requires that a summary of such notice be issued electronically in Form GST DRC-01. Therefore, the summary notice cannot substitute the statutory show cause notice itself.

The Court relied upon its earlier judgment dated 26.09.2024 wherein it had categorically held that:

- Form GST DRC-01 is merely a summary and not the actual show cause notice;
- The statement under Section 73(3) cannot replace the notice under Section 73(1);
- The show cause notice, statement and adjudication order must all be issued by the Proper Officer in compliance with the statutory scheme;
- Compliance with Sections 73(1) to 73(11) and Rule 142 is a condition precedent for a valid adjudication order under Section 73(9).

Since it was undisputed that no proper and prior show cause notice had been issued to the petitioner, the Court held that the adjudication proceedings were legally unsustainable.

Order

The Gauhati High Court set aside and quashed the impugned order dated 30.04.2024 passed under Section 73(9) along with all consequential actions arising therefrom. However, liberty was granted to the respondent authorities to initiate fresh proceedings in accordance with law and the directions contained in paragraph 29(F) of the earlier common judgment. The Court further directed that the period from issuance of the Summary Show Cause Notice dated 18.12.2023 till service of the certified copy of the present order would stand excluded for the purpose of computing limitation under Section 73(10) of the AGST Act. The writ petition was accordingly allowed.

4. **Corporate Guarantees Without Consideration: Taxable Supply or Outside the Ambit of CGST? / Whether providing corporate guarantees without consideration for subsidiary companies constitutes a taxable supply under the CGST Act.** *[M/s. D P Jain & Co. Infrastructure Private Limited Versus Union of India & Ors. - High Court of Bombay - Writ Petition No. 2087 of 2025]*

Background

M/s. DP Jain & Co. Infrastructure Private Limited is engaged in the construction of National and State Highways under contracts awarded by National Highways Authorities and State Corporations between 2020 and 2022, the Petitioner executed three unconditional corporate guarantees on behalf of its group/subsidiary companies to secure loans sanctioned by the State Bank of India and Bank of Maharashtra. Each guarantee deed, the explicitly contained a clause stating that the Petitioner had neither received nor would receive any commission, fee, or other consideration from the borrower.

The Assistant Commissioner of State Tax conducted a detailed investigation into the Petitioner's books for the financial years 2017–18 to 2022–23, and although these guarantees were visible in the books of accounts, no GST liability was raised.

Thereafter, the Senior Intelligence Officer, the Directorate General of GST Intelligence (DGGI) issued a summons dated July 20, 2023, alleging non-payment of GST. This was followed by the Ministry of Finance issuing Notification No. 52/2023-Central Tax dated October 26, 2023, which inserted Sub-Rule (2) into Rule 28 of the CGST Rules, 2017. The said impugned Sub-Rule (2) in Rule 28 amended by Notification No. 12/2024-Central Tax, dated 10.07.2024, And Circular No. 204/16/2023 dated October 27, 2023, declaring that corporate guarantees provided to related entities constitute a taxable supply of service even when made without consideration.

Subsequently, (DGGI) initiated investigation proceedings alleging non-payment of GST on such corporate guarantees. The petitioner challenged:

- Circular No. 204/16/2023-GST dated 27.10.2023,
- Circular No. 225/19/2024-GST dated 11.07.2024,
- Rule 28(2) inserted in the CGST Rules vide Notification No. 52/2023, and
- The show cause notice/summons issued against it.

Issue Involved

Whether furnishing a corporate guarantee by a holding company to banks on behalf of its subsidiary entities, without any consideration, constitutes a "taxable supply of service" under the CGST Act, and is exigible to tax under GST? Another issue concerned the constitutional validity of Rule 28(2) of the CGST Rules, which deemed the value of corporate guarantee services to be 1% per annum of the guaranteed amount.

Contentions of the Respondents

Corporate guarantees provided by the petitioner to related entities amounted to supply of services under GST law. Rule 28(2) of the CGST Rules, inserted through Notification No. 52/2023 dated 26.10.2023, specifically prescribed valuation of such corporate guarantees at 1% of the guaranteed amount per annum. Even prior to insertion of Rule 28(2), valuation could be undertaken under Rule 28(1)(c) read with Rules 30 and 31 because corporate guarantees were supplies between related persons. The DGGI investigation was valid because the earlier investigation conducted by State GST authorities did not cover the "corporate guarantee issue," and hence there was no bar under Section 6(2)(b) of the CGST/MGST Acts. The respondents argued that corporate guarantees had an element of service since they enabled subsidiaries to obtain credit facilities from banks.

Court's Observations

- The court extensively analyzed the concepts of "consideration," "service," "supply," and "corporate guarantee" under the CGST Act and the Indian Contract Act.
- The Court noted that all three guarantee deeds specifically stated that the petitioner had neither received nor would receive any fee, commission, or consideration for issuing the guarantees, hence without consideration.
- The guarantees in question were issued without consideration and therefore lacked an essential ingredient of taxable supply which is consideration under Section 7 of the CGST Act
- The Court distinguished corporate guarantees from bank guarantees. It observed that the petitioner was not in the business of issuing guarantees commercially; rather, the guarantees were internal support mechanisms intended to safeguard subsidiaries and group companies.
- The Court heavily relied on the Supreme Court decision in Commissioner of CGST & Central Excise Vs. Edelweiss Financial Services Ltd., where it was held that issuance of corporate guarantees without consideration does not constitute a taxable service.
- Execution of a corporate guarantee by a holding company for its subsidiaries, without consideration, is not a "supply" or "supply of service" taxable under Section 9 of the CGST Act. it is a contingent contract and cannot be pressed into service unless the guarantee is invoked;
- Although the court granted relief to the petitioner on merits, it refused to strike down Rule 28(2). The court reiterated the settled principle that fiscal legislation enjoys a strong presumption of Constitutionality, and courts should exercise restraint while examining economic and taxation measures.

Order

The Hon'ble Bombay High Court (at Nagpur) partly allowed the Writ petition and held that there is no supply of service when corporate guarantee is extended by the holding company without consideration. Further, the proceedings initiated against the petitioner, including the show cause notice dated 28.01.2025, were quashed.

Furthermore, the Court held that Rule 28(2) of the CGST Rules is not unconstitutional or ultra vires.

5. Whether Education Consultancy and Recruitment Support Services Provided to Foreign Universities Qualify as Export of Services or Intermediary Services? *[Fateh Education Consulting Private Limited Versus Assistant Commissioner, CGST Division, CGST Delhi West Commissionerate, Commissioner, Division Central Tax Delhi West Commissionerate - High Court of Delhi - No.- W. P. (C) 17500/2025]*

Background

The petitioner, Fateh Education Consulting Private Limited, was engaged in providing education consultancy, marketing, and recruitment support services to foreign universities. It filed a refund claim of ₹2,63,38,771/- for the period September 2023 to March 2024 paid on account of export of services with payment of tax. On 30.10.2025, the Assistant Commissioner of Central Tax rejected the refund on the ground that the petitioner was promoting courses of foreign universities, identifying suitable prospective students, assisting in recruitment of such students, and receiving commission linked to tuition fees paid by such students. It was held that the petitioner was acting as an agent of the foreign university and was liable to be treated as an intermediary under Section 2(13) of the IGST Act, with the result that the services did not qualify as export of services. The petitioner challenged this rejection via a writ petition.

Issue Involved

Whether the education consultancy, marketing, and recruitment support services rendered by an Indian entity to foreign universities qualify as an "export of services," or if they fall under the definition of "intermediary" services under Section 2(13) of the IGST Act, thereby disentitling the petitioner from claiming refund of IGST?

Contentions of the Respondents

The respondent department contended that the petitioner was promoting courses of foreign universities, identifying prospective students, assisting in admissions, and receiving commission linked to tuition fees. On this basis, it was argued that the petitioner acted as an agent/intermediary of the foreign universities rather than providing services on a principal-to-principal basis. The respondent admitted that the nature of the services in this case is materially identical to the services evaluated in the Commissioner of Delhi Goods and service Tax DGST v. Global Opportunities Private Limited 2025 SCC Online Del 6316, where in it was held to qualify as export of services and not intermediary services. Therefore, the services could not qualify as export of services and refund was inadmissible.

Court's Observations

The Court observed that the issue was already settled by earlier decisions including Commissioner of Delhi Goods and service Tax DGST v. Global Opportunities Private

Limited 2025 SCC Online Del 6316 and The Union of India & Ors. Versus Kc Overseas Education Pvt Ltd Nagpur. The Court emphasized three determinative tests for identifying intermediary services are contractual recipient of the service, the person liable to pay consideration, and the nature of the service supplied.

Since the petitioner had agreements directly with foreign universities, raised invoices on them, received payment from them, did not charge students, and had no authority to bind the universities or guarantee admissions, the services could not be treated as intermediary services merely because assisting students in India is merely incidental. Therefore, the services qualified as export of services.

Order

The Delhi High Court set aside the impugned order dated 30.10.2025 rejecting the refund claim. The Court ruled that the petitioner's activities constitute an export of services rather than intermediary services. The Court directed the respondent authorities to process and grant the refund to the petitioner along with applicable statutory interest within two months in accordance with law.

6. **Restoration of GST registration may be considered under the statutory cancellation framework upon filing pending returns and payment of outstanding tax dues.** *[Smti Bina Taipodia Versus The Union of India, The Principal of Commissioner Excise and Customs Arunachal Pradesh., The Superintendent CGST and SGST Department, Arunachal Pradesh - High Court of Gauhati - WP(C)/212/2026]*

Background

The petitioner, Smti Bina Taipodia, proprietor of M/s Luknu Buchi Enterprises was registered under the Goods and Services Tax (GST) Act, 2017.The Superintendent, CGST and SGST Department, Arunachal Pradesh on 07.10.2024 issued a show cause notice as to why the GSTR-3B returns had not been filed, for which the GST Registration was liable to be cancelled. Subsequently on 29.05.2025 GST registration was cancelled as the petitioner had failed to reply to the said Show Cause Notice. But the petitioner contended that she never received it. She later filed the pending returns and paid the requisite tax and penalty amount on 23.04.2026, but restoration of registration was not granted because of delay in applying for revocation.

Issue Involved

Whether the petitioner, whose GST registration was cancelled for non-filing of returns, was entitled to restoration of registration after complying with the pending return filings and tax/penalty obligations?

Contentions of the Respondent

The respondents fairly submitted that the present case was covered by earlier order passed by the Gauhati High Court on 19.03.2026, in case of Dug Rade v. Union of India. They agreed that similar relief could be granted to the petitioner by permitting her to apply for restoration of GST registration in accordance with law.

Court's Observations

The Hon'ble High Court observed that the cancellation was based solely on failure to file GST returns and that the petitioner had already filed the returns and deposited the penalty amount. The Court reviewed the case of Dug Rade, which itself relied on a string of coordinate bench precedents such as Pankaj Mohan and Dhirghat Hardware Stores, dealing with identical facts where registrations were cancelled under Section 29(2)(c) of the Act for failing to furnish returns for a continuous period of six months. The Court noted that under the proviso to Rule 22(4) of the CGST Rules, proceedings for cancellation may be dropped if pending returns are furnished and tax dues with interest and late fees are paid. The Court further held that cancellation of GST registration carries serious civil consequences and therefore restoration should be considered where compliance has been made.

Order

The Court disposed of the writ petition by directing the petitioner to file an appropriate application for restoration of GST registration within 20 days from the date of the order. Upon receiving the application, the respondent authorities were directed to verify and consider the application in accordance with law and restore the GST registration thereafter. The entire exercise was directed to be completed within four weeks from receipt of the certified copy of the order.

7. **Alternate Remedy Prevails: MP High Court Directs Assessee to GSTAT** *[SNS Minerals Private Limited Versus Assistant Commissioner and Others - High Court of Madhya Pradesh - Writ Petition No. 9413 of 2023]*

Background

The petitioner, SNS Minerals Private Limited, is engaged in mining and supply of limestone and was registered under the CGST Act. During April 2018 to December 2018, it paid GST at 18% on royalty under reverse charge mechanism, while its output supply was taxable at 5%, resulting in accumulation of excess input tax credit. The petitioner reversed the ITC and claimed refund under Section 54(3) of the CGST Act amounting to ₹84,26,536/-. Initially, the refund claim was rejected, but later the appellate authority allowed the appeal, and the refund was sanctioned. Subsequently, the department challenged the refund sanction order and the appellate authority set aside the refund already granted, leading to the present writ petition before the High Court.

Issue Involved

Whether the High Court should entertain the writ petition challenging the Order-in-Appeal dated 17.02.2023, despite the constitution and functioning of the GST Appellate Tribunal, and whether the petitioner should instead be relegated to the statutory appellate remedy available under the GST law.

Contentions of the Respondent

The Respondents submits that:

- The refund sanction order dated 19.08.2021 was erroneous and prejudicial to revenue.
- The CGST Act empowers the department to review and challenge legally unsustainable orders.
- The appeal against the refund sanction order was maintainable and validly decided.
- The petitioner was not entitled to refund as ITC benefit had already been availed.
- The appellate authority had not reviewed its earlier order but had examined the legality of the refund sanction order independently.
- Adequate opportunity of hearing was granted; therefore, principles of natural justice were not violated.
- Proceedings under Section 73 for recovery of erroneous refund were independent and legally permissible.

Court's Observations

The High Court observed that:

- The writ petition was entertained earlier only because the GST Appellate Tribunal had not been constituted at that time.
- The GST Appellate Tribunal is now functional in Madhya Pradesh, and an effective alternate statutory remedy is available.
- The issues raised by both parties require adjudication by the specialized GST Appellate Tribunal.
- The petitioner had participated in the adjudication proceedings and was not alleging violation of natural justice, lack of jurisdiction, or challenge to constitutional validity.
- The Supreme Court decisions in Radha Krishan Industries v. State of H.P. and Whirlpool Corporation v. Registrar of Trademarks were relied upon to reiterate that when a statute provides an effective appellate remedy, parties should ordinarily exhaust such remedy before invoking writ jurisdiction under Article 226.

Order

The High Court dismissed the writ petition with the liberty to the petitioner to file an appeal before the GSTAT against the impugned order. Further, the interim relief/protection previously granted to the petitioner will continue to remain in force until its stay application is decided by the GSTAT.

8. **Release of Perishable Goods under Section 129(1)(a) cannot be Denied Absent Prima Facie Evidence Against Ownership –** *[M/s Raja Supari Processing Unit v. Union of India & Anr.- High Court of Calcutta - WPA 647 of 2026]*

Background

The petitioner, M/s Raja Supari Processing Unit, supplied and transported 17,710 kilograms of dried areca nuts to a consignee in New Delhi. During transit, the truck carrying the goods were intercepted by the CGST authorities and both the consignment and conveyance were detained. A show cause notice under Section 129(3) of the CGST Act read with Section 20 of the IGST Act was issued, followed by a demand order raising liability of ₹34,58,000 in respect of the goods and an additional ₹2,00,000 relating to the conveyance.

The petitioner approached the Calcutta High Court seeking release of the detained goods under Section 129 of the CGST Act.

Issue Involved

Whether the detained consignment of perishable goods could be released in favour of the petitioner upon compliance with Section 129(1)(a) of the CGST Act, when the revenue failed to produce prima facie evidence disputing the petitioner's ownership of the goods.

Contentions of the Respondent

The revenue relied upon the detention and demand order issued under Section 129 of the CGST Act. However, during the hearing, the revenue fairly submitted that no appeal had yet been preferred against the earlier judgment of the Calcutta High Court in Ranjeet Kumar Poddar v. Assistant Commissioner of CGST & CX, where in similar circumstances release of goods had been permitted upon compliance with Section 129(1)(a).

Court's Observations

The Court observed that the goods in question were perishable in nature and that the revenue authorities had failed to place any concrete or unimpeachable evidence on record to prima facie establish that the petitioner was not the owner of the consignment.

Relying upon its earlier judgment in Ranjeet Kumar Poddar, the Court held that where ownership of the goods is not prima facie disproved, the petitioner is entitled to release of the consignment upon compliance with Section 129(1)(a) of the CGST Act.

The Court further clarified that r elease o f t he g oods in favour of the petitioner would not depend upon payment relating to the conveyance by the owner of the vehicle.

Order

The Calcutta High Court directed the revenue authorities to release the detained consignment in favour of the petitioner within three days from payment of the amount payable under Section 129(1)(a) of the CGST Act. The Court also observed that if the petitioner failed to file a statutory appeal within the prescribed period and the demand attained finality, the revenue authorities would be at liberty to recover the demand in accordance with law. The writ petition was accordingly disposed of.