

Court No. - 39

Case :- WRIT TAX No. - 896 of 2024

Petitioner :- M/S Gallantt Ispat Limited

Respondent :- Union Of India And 4 Others

Counsel for Petitioner :- Rahul Agarwal

Counsel for Respondent :- A.S.G.I.,Dhananjay Awasthi

Hon'ble Saumitra Dayal Singh,J.

Hon'ble Donadi Ramesh,J.

1. Heard Sri Tarun Gulati, learned Senior Counsel assisted by Sri Rahul Agarwal and Sri Kumar Sambhav, learned counsel for the petitioner, Sri Dhananjay Awasthi, learned counsel for respondent nos. 2 to 5 and Sri Krishna Agarwal, learned counsel for Union of India.

2. Submission is, besides the statutory law, the own understanding of the CBIC, the Director of General of GST Intelligence as contained in Instruction No. 1/2022-23 dated 25.05.2022 issued by the Commissioner (GST- Inv), CBIC and letter dated 08.02.2024 issued by ADG, DGGI (Hqrs.) read with Instruction No. 2/2022-23 dated 17th August, 2022 issued by the Commissioner (GST-Inv), CBIC, it is clear that all the field informations have been duly intimated of the discipline to be maintained by them in search matters. Thus, it has been provided:

(i) No recoveries of tax dues may be made during course of the search or inspection or investigation.

(ii) Due care may be taken before initiating investigation in cases of listed companies or PSUs or Corporations or Government Departments etc. and summons should not be used as a means to seek information.

(iii) Vague expressions i.e. "GST Inquiry" or "GST Evasion" may not be used while issuing summons etc.

(iv) Summons may not be issued for fishing and roaming inquiry.

(v) Investigation, if any initiated, must be completed expeditiously i.e. (within one year).

(vi) Strict observance of the law may be made in making arrest and those provisions may not be readily invoked.

3. While detailed reference has been made to such Circulars and Letters, it is a case of the petitioner that the respondent authorities have acted wholly in defiance of the same. The petitioner, who had not made any violation of law, has been forced to deposit amount excess to Rs. 10.03 Crores in the course of investigation that has continued for more than one and half year. Further, its Principal Officers and Senior Officers are being threatened with arrest etc, without any valid proceeding or ground.

4. On the other hand, Sri Dhananjay Awasthi, learned counsel for the respondent upon instructions states that at present no further recoveries or other coercive measures are contemplated against the petitioner, pending investigation.

5. As to the merits of the present case, he prays for and is granted six weeks' time to file counter affidavit. Petitioner shall have a week thereafter for filing rejoinder affidavit.

6. List in the week commencing 12th August, 2024.

7. In view of the statement made by Sri Dhananjay Awasthi, learned counsel for the respondent, it is expected that the respondent authorities would strictly abide by the statement made.

Order Date :- 27.5.2024

Noman

(Donadi Ramesh, J.) (S.D. Singh, J.)