



Section - 68 - Inspection of goods in movement

68(1)

Government may Require
Person in charge of conveyance
Carrying goods above the
specified limit & Documents &
device specified

68(2)

Details of documents required in
sec 68(2) shall be validated in
prescribed manner

68(3)

In case of Intercept by proper
officer he may require the In
charge of conveyance to
produce document , device for
verification and also allow
inspection of goods



Section- 68

- (1)** The Government may require the person in charge of a conveyance carrying any consignment of goods of value exceeding such amount as may be specified to carry with him such documents and such devices as may be prescribed.
- (2)** The details of documents required to be carried under sub-section (1) shall be validated in such manner as may be prescribed.
- (3)** Where any conveyance referred to in sub-section (1) is intercepted by the proper officer at any place, he may require the person in charge of the said conveyance to produce the documents prescribed under the said sub-section and devices for verification, and the said person shall be liable to produce the documents and devices and also allow the inspection of goods.





Section - 69 - Power to arrest

69(1)

When commissioner believe that person has committed offence u/s Sec 132(1)(a) to Sec 132(1)(d) which is punishable under clause (a), (b) of sub section 1 or sub section 2. he may orde, authorise any officer of central tax to arrest such person.

69(2)

Person arrested under Subsection (1) for offence under subsection (5) of section 132, the authorised officer shall inform arrested person grounds of arrest & produce gim before magistrate within 24 hours of arrest

69(3)

Subject to provision of CCP 1973(2 of 1974)

(i) person arrested under subsection (!) for offence u/s 132(4) shall be admitted for bail & in default of bail shall be forwarded to custody of magistrate.

(ii) in case of non cognizable and bailable offence deputy or assistant commissioner has same power for bail of arrested person.



Section- 69

(1) Where the Commissioner has reasons to believe that a person has committed any offence specified in clause (a) or clause (b) or clause (c) or clause (d) of sub-section (1) of section 132 which is punishable under clause (i) or (ii) of sub-section (1), or sub-section (2) of the said section, he may, by order, authorise any officer of central tax to arrest such person.

(2) Where a person is arrested under sub-section (1) for an offence specified under sub-section (5) of section 132, the officer authorised to arrest the person shall inform such person of the grounds of arrest and produce him before a Magistrate within twenty-four hours.

(3) Subject to the provisions of the Code of Criminal Procedure, 1973 (2 of 1974),--

(a) where a person is arrested under sub-section (1) for any offence specified under sub-section (4) of section 132, he shall be admitted to bail or in default of bail, forwarded to the custody of the Magistrate;

(b) in the case of a non-cognizable and bailable offence, the Deputy Commissioner or the Assistant Commissioner shall, for the purpose of releasing an arrested person on bail or otherwise, have the same powers and be subject to the same provisions as an officer-in-charge of a police station.





Section - 70 - Power to summon persons to give evidence and produce documents.



The proper officer under this act shall have power to summon a person , to give evidence or to produce document, any other thing as provided in Civil court under CPC 1908 (5 of 1908)

Every inquiry referred in Subsection(1) shall be deemed as "Judicial Proceedings" within the meaning under section 193 and 228 of IPC(45 of 1860)



Section- 70

- (1)** The proper officer under this Act shall have power to summon any person whose attendance he considers necessary either to give evidence or to produce a document or any other thing in any inquiry in the same manner, as provided in the case of a civil court under the provisions of the Code of Civil Procedure, 1908 (5 of 1908).
- (2)** Every such inquiry referred to in sub-section (1) shall be deemed to be a “judicial proceedings” within the meaning of section 193 and section 228 of the Indian Penal Code (45 of 1860).





Section - 71 - Access to business premises



71(1)

Any officer under this Act, shall have access any place of business of a registered person to inspect books of account, documents, computers, computer programs, computer software for the purposes of carrying out any audit, scrutiny, verification and checks as may be necessary to safeguard the interest of revenue

71(2)

In charge of place shall provide/ make available officer authorised under sub-section (1) or the audit party deputed by the proper officer or a cost accountant or chartered accountant following

- (i) records as prepared or maintained by the registered person
- (ii) trial balance or its equivalent;
- (iii) statements of financial accounts
- (iv) cost audit report, income tax audit report or any other record



Section- 71

(1) Any officer under this Act, authorised by the proper officer not below the rank of Joint Commissioner, shall have access to any place of business of a registered person to inspect books of account, documents, computers, computer programs, computer software whether installed in a computer or otherwise and such other things as he may require and which may be available at such place, for the purposes of carrying out any audit, scrutiny, verification and checks as may be necessary to safeguard the interest of revenue.

(2) Every person in charge of place referred to in sub-section (1) shall, on demand, make available to the officer authorised under sub-section (1) or the audit party deputed by the proper officer or a cost accountant or chartered accountant nominated under section 66-

(i) such records as prepared or maintained by the registered person and declared to the proper officer in such manner as may be prescribed;

(ii) trial balance or its equivalent;

(iii) statements of annual financial accounts, duly audited, wherever required;



(iv) cost audit report, if any, under section 148 of the Companies Act, 2013 (18 of 2013);

(v) the income-tax audit report, if any, under section 44AB of the Income-tax Act, 1961 (43 of 1961); and

(vi) any other relevant record,

for the scrutiny by the officer or audit party or the chartered accountant or cost accountant within a period not exceeding fifteen working days from the day when such demand is made, or such further period as may be allowed by the said officer or the audit party or the chartered accountant or cost accountant.





Section - 72 - Access to business premises

72(1)

officers of Police,
Railways, Customs, officers
engaged in the collection
of land revenue (state &
union territory) shall assist
proper officer in
implementation of act

72(2)

Government may, by
notification empower and
require to assist the proper
officers in the implementation
of this Act (when called upon to
do so by the commissioner



Section- 72

- (1)** All officers of Police, Railways, Customs, and those officers engaged in the collection of land revenue, including village officers, officers of State tax and officers of Union territory tax shall assist the proper officers in the implementation of this Act.
- (2)** The Government may, by notification, empower and require any other class of officers to assist the proper officers in the implementation of this Act when called upon to do so by the Commissioner.





Rule - 139- Inspection, search and seizure

139(1)

PO has reason to believe that any place is to be visited for purpose of inspection or search or seizure in acc. With Sec - 67, he shall issue an authorization in **FORM GST INS - 01**

139(2)

Goods, documents, books or things are liable to be seized PO shall issue an order in **FORM GST INS - 02**

139(3)

PO may entrust custody of goods liable to be seized to the Owner/ custodian of the goods itself for safe keep , Such person shall not remove, part with or deal with goods/things without permission of such officer.

139(4)

Where it is not practicable to seize any goods/things PO shall server an order of prohibition in **FORM GST INS - 03** that he shall not remove, part with or deal with goods/things

139(5)

PO seizing anything shall make an Inventory conataing inter alia, description, quantity or unit, make mark or model & get it signed from such person.



RULE - 139

Inspection, search and seizure

- (1) Where the proper officer not below the rank of a Joint Commissioner has reasons to believe that a place of business or any other place is to be visited for the purposes of inspection or search or, as the case may be, seizure in accordance with the provisions of section 67, he shall issue an authorisation in **FORM GST INS-01** authorising any other officer subordinate to him to conduct the inspection or search or, as the case may be, seizure of goods, documents, books or things liable to confiscation.
- (2) Where any goods, documents, books or things are liable for seizure under sub-section (2) of section 67, the proper officer or an authorised officer shall make an order of seizure in **FORM GST INS-02**.
- (3) The proper officer or an authorised officer may entrust upon the the owner or the custodian of goods, from whose custody such goods or things are seized, the custody of such goods or things for safe upkeep and the said person shall not remove, part with, or otherwise deal with the goods or things except with the previous permission of such officer.



- (4) where it is not practicable to seize any such goods, the proper officer or the authorised officer may serve on the owner or the custodian of the goods, an order of prohibition in FORM GST INS-03 that he shall not remove, part with, or otherwise deal with the goods except with the previous permission of such officer.
- (5) The officer seizing the goods, documents, books or things shall prepare an inventory of such goods or documents or books or things containing, inter alia, description, quantity or unit, make, mark or model, where applicable, and get it signed by the person from whom such goods or documents or books or things are seized.





RULE - 140 - Bond and security for release of seized goods

140(1)

Seized goods may be released on provisional basis upon execution of bond in **FORM GST INS - 04** & furnishing of a security in form of bank guarantee equivalent to applicable tax, int, or penalty

Explanation - applicable tax shall include central tax & state tax/union tax & Cess

140(2)

Person fails to produce goods that were released on provisional basis, PO shall encash the securities & adjust them against tax interest & penalty, if any payable.



RULE - 140

Bond and security for release of seized goods.-

- (1) The seized goods may be released on a provisional basis upon execution of a bond for the value of the goods in FORM GST INS-04 and furnishing of a security in the form of a bank guarantee equivalent to the amount of applicable tax, interest and penalty payable.

Explanation.- For the purposes of the rules under the provisions of this Chapter, the “applicable tax” shall include central tax and State tax or central tax and the Union territory tax, as the case may be and the cess, if any, payable under the Goods and Services Tax (Compensation to States) Act, 2017 (15 of 2017).

- (2) In case the person to whom the goods were released provisionally fails to produce the goods at the appointed date and place indicated by the proper officer, the security shall be encashed and adjusted against the tax, interest and penalty and fine, if any, payable in respect of such goods.





RULE - 14 -Procedure in respect of seized goods

141(1)

Goods & things are of perishable/hazardous nature & TP pays an amount equivalent to market price or tax, interest, penalty Whichever is Lower, Such goods shall be released on Proof of payment by an order in **FORM GST INS - 05**

141(2)

TP fails to pay the referred in sub rule (1), PO may dispose such goods & the amount realized shall be adjusted against tax, interest, Penalty or any other amt. Payable.



RULE - 141

Procedure in respect of seized goods

(1) Where the goods or things seized are of perishable or hazardous nature, and if the taxable person pays an amount equivalent to the market price of such goods or things or the amount of tax, interest and penalty that is or may become payable by the taxable person, whichever is lower, such goods or, as the case may be, things shall be released forthwith, by an order in **FORM GST INS-05**, on proof of payment.

(2) Where the taxable person fails to pay the amount referred to in sub-rule (1) in respect of the said goods or things, the ~~Commissioner~~ proper officer may dispose of such goods or things and the amount realized thereby shall be adjusted against the tax, interest, penalty, or any other amount payable in respect of such goods or things.

Substituted vide Notification No. 16/2020 – Central Tax dated 23-03-2020



Important Case Laws & Advance rulings:

S.no	Description
1.	<u>Bhumi enterprises Vs Union of india Guj HC</u>
2.	<u>guj HC in case of Synergy ferticam vs state of guj</u>
3.	<u>In supreme court MS KAY PAN FRAGRANCE PVT. LTD vs State of UP</u>
4.	<u>Katnatka HC -Virendra khanna Vs state of karnatka & police inspector, CCB police</u>
5.	<u>Delhi HC - MS NAPIN IMPEX PRIVATE LTD Vs COMMISSIONER OF DGST</u>
6.	<u>Gujarat HC -Paresh Nathalal Chauhan Vs. State of Gujarat</u>
7.	<u>Gujarat HC -PRAKASHSINH HATHISINH UDAVAT Vs STATE OF GUJARAT</u>

