

Issue Involved

Whether GST authorities can conduct search and seizure proceedings against an assessee operating in SEZ? {Section 8 and Section 13 of IGST Act,2017}

Held that

State GST authorities are empowered to conduct search and seizure proceedings against an assessee operating in an SEZ unit.

Case Reference

[2023] 151 taxmann.com 134 (Gujarat)

Facts of the Case:

Revenue:

The case involves the State GST authorities, who conducted search and seizure proceedings against an assessee operating in a Special Economic Zone (SEZ). The revenue department sought to exercise its jurisdiction and carry out investigations, inspections, and seizures at the premises of the petitioner.

Petitioner:

The petitioner, in this case, is RHC Global Exports (P.) Ltd., an entity operating within the SEZ. They contested the jurisdiction of the State GST authorities and argued that their business premises, being situated in an SEZ, should be treated as foreign territory. They claimed that the respondent authorities had no jurisdiction to conduct search proceedings at their premises.

Summary:

In the case of RHC Global Exports (P.) Ltd., the issue at hand was the jurisdiction of State GST authorities to conduct search and seizure proceedings against an assessee operating in a Special Economic Zone (SEZ). The petitioners argued that as their business premises were situated in an SEZ, the State GST authorities had no authority to carry out search proceedings.

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The court examined the relevant provisions of the SEZ Act and the GGST Act and found that the Central Government had authorized the officers of the State GST authorities to conduct search, seizure, investigation, or inspection in SEZs through a notification. Therefore, the court concluded that the respondent authorities had the lawful authority to carry out the proceedings.

The court also noted that accepting the petitioners' arguments would undermine the purpose of the IGST Act and create inconsistencies between the SEZ Act and the GST Act. Additionally, the Development Commissioner of the SEZ was duly informed before the search and seizure proceedings took place. As a result, the court rejected the petitioners' claims as unworthy of acceptance.

Notes to News & Updates:

Please note that Facts of the Case and Queries are as summarized by us based on our reading of case law and our interpretation based on law prevailing as on the judgement date. No assurance is being given on the correctness of the facts, and our opinion / analysis is given solely based on facts provided herein above.

Please note that this news and update is prepared by author for spreading knowledge, and the view is a matter of interpretation, and law is subject to various interpretations. The application of law and impact can vary widely based on the specific facts and interpretation of statute. Our views expressed above is based on facts and assumptions indicated above. No assurance is given that the authorities and/or Courts will concur with our views. We do not accept any liability, for any loss or damage caused as a result of any action taken on the above opinion expressed by us.

We hope you will find the above in order and we shall be too glad to provide any other assistance as may be required. In case you are looking specific expert help in relation to matters connected to this update or otherwise, please feel free to write to us on vaibhavjain@mehragoelco.com ; mg@mehragoelco.com

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