



Issued in case of M/S Om Prakash Kuldeep Kumar by Allahabad High Court  
WRIT TAX No. - 277 of 2022 | Date: 03-10-2023

## Ruling

### **The GST Act Has No Provision Mandating the Disclosure of the Transportation Route for Goods, Rendering Non-disclosure of Route an Insufficient Basis for Detention.**

## Observations & Findings

The petitioner, M/S Om Prakash Kuldeep Kumar, is a dealer involved in the trade of items such as Bidi, Matchbox, and Tobacco. During the transportation of these goods, which were loaded by the petitioner's suppliers in Mainpuri and Kannauj in Uttar Pradesh, they were intercepted in transit. Subsequently, an order was issued under Section 129(3) of the UP GST Act, 2017, demanding Rs. 2,36,304.68. The petitioner paid this amount under protest after their appeal contesting the demand was dismissed.

The petitioner argued that all the necessary documents accompanied the goods and that the detention was based on the fact that the driver could produce only one tax invoice and E-way bill. Furthermore, it was emphasized that unlike the VAT Act, the GST Act does not mandate the declaration of the route to be taken by the driver before transportation. Consequently, no adverse inference could be drawn by the authorities in the absence of such a provision.

The Court noted that the driver's statement, which the Respondent relied on, did not mention unloading the goods in Mainpuri, contrary to the location specified in the invoice.

The Court held that in accordance with the GST Act, there exists no explicit requirement that compels the selling dealer to declare the transportation route of goods or their transit path. Nevertheless, it's worth noting that the VAT Act did include a provision necessitating the disclosure of the transportation route leading to the final destination. Given that the legislative authorities deliberately removed this provision from the statute, this Court's view is that the authorities erred in issuing the seizure order, even if the vehicle deviated from its regular or intended route.

Additionally, the Court determined that the power of detention and seizure could only be exercised when the goods lacked the genuine documents required by the Act. In this case, the authenticity of the documents was never disputed at any stage.

In light of these observations, the Court allowed the writ petition and imposed a cost of Rs. 5000 on the State, to be paid to the petitioner.