

Responsibility of purchaser would be limited to verifying GST registration of seller on GST portal: HC

GST : Responsibility of purchaser would be limited to extent of establishing that he bona fide purchased goods from seller for valuable consideration by verifying GST registration of seller available on official web portal; purchaser needed not aware of credentials and business activities of seller or about fact that seller obtained GST registration by producing fake documents

Detention of goods and conveyance - Proceeding against consignor v. proceeding against purchaser -Revenue authority detained goods of petitioner-purchaser while they were in transit from Vijaywada to Telangana - Revenue authority initiated proceedings against R-4 consignor under section 130 of CGST Act in view of his absence in given address and not holding any business premises at Vijayawada - HELD :Revenue authority could not confiscate goods of petitioner purchaser merely for reason that petitioner purchased goods from R-4 - Responsibility of petitioner purchaser would be limited to extent of establishing that he bonafidely purchased goods from R-4 for valuable consideration by verifying GST registration of R-4 available on official web portal and he needed not aware of credentials of said R-4 - Purchaser had to establish mode of payment of consideration and mode of receiving of goods through authenticated documents - Except that petitioner purchaser could not be expected to speak about business activities of R-4 and also whether he obtained GST registration by producing fake documents - In that view, respondent authority was not correct in roping petitioners in proceedings initiated against R-4 consignor without initiating independent proceedings under section 129 of CGST/APGST Act against petitioners - Writ petitions were, accordingly, to be disposed of giving liberty to respondent authority to initiate proceedings against petitioners under section 129 [Section 129, read with section 130 and 68 of Central Goods and Services Tax Act, 2017/Andhra Pradesh Goods and Services Tax Act, 2017 - Rule 138A of Central Goods and Services Tax Rules, 2017/Andhra Pradesh Goods and Services Tax Rules, 2017] [Paras 16 and 17] [In favour of assessee]

Pl. click below link for the judgment:

<https://www.taxmann.com/research/gst-new/top-story/101010000000339248/responsibility-of-purchaser-would-be-limited-to-verifying-gst-registration-of-seller-on-gst-portal-hc-caselaws>

(Source: Taxmann.com)