

No anticipatory bail, GST violators can be arrested sans FIR

Goods and Services Tax (GST) defaulters may face arrest as the Supreme Court on suggested to high courts not to grant anticipatory bail in such cases. The apex court reminded them that it had upheld a Telangana high court decision not to grant bail to such defaulters. A division bench of the Telangana HC had on April 18 upheld the authority and power of the Commissioner of Central Goods and Services Tax (CGST) to arrest, and rejected any interim relief to people who were accused of violating the CGST Act, 2017. The SC, on May 27, had dismissed an appeal against the Telangana HC order. The Centre had argued that CGST officers were not police and hence not required to follow the provisions of Criminal Procedure Code, which mandates filing of FIR prior to arrest. The Centre had filed a bunch of appeals in the SC against a series of orders passed by the Bombay HC, which had granted pre-arrest bail to CGST Act violators on the grounds that CGST officials had not filed FIR as warranted under CrPC.

Explaining the procedure under CGST Act, the Centre in its appeal said the law terms GST violations as a cognisable offence and provides power to the GST commissioner to arrest a person on the basis of “reasons to believe” that a person has committed the offence under Section 132 of the CGST Act.