

IN THE HIGH COURT AT CALCUTTA  
CONSTITUTIONAL WRIT JURISDICTION  
APPELLATE SIDE

**WPA 12641 of 2025**

M/s. Traco Enterprises & Anr.  
Versus  
The Deputy Commissioner of Revenue,  
WBGST Park Street Charge & Ors.

Mr. Ankit Kanodia  
Ms. Megha Agarwal  
Ms. Tulika Roy  
Mr. Piyush Khaitan  
... For the petitioner.

Mr. Anirban Ray, GP  
Md. T. M. Siddiqui, AGP  
Mr. Tanoy Chakraborty  
Mr. Saptak Sanyal  
... For the State.

1. Challenging, *inter alia*, the show cause notice dated 27<sup>th</sup> May, 2025 issued under Section 122 (1)(xviii) read with Section 35(6) of the WBGST/CGST Act, 2017 (hereinafter referred to as the “said Act”) the instant writ petition has been filed.
2. Mr. Kanodia, learned advocate representing the petitioners at the very outset by drawing attention of this Court to a report prepared by the Deputy Commissioner of Revenue, State Tax, West Bengal, Park Street Charge, would submit that the proper officer in course of inspection of the petitioner no.1’s factory and the office premises has purported to seize the goods and documents relevant for the case under

Section 67 of the said Act. According to him, there is no satisfaction recorded by the proper officer in his report/memo recording that the proper officer has reasons to believe that the goods are liable for confiscation or the documents or books or things in his opinion shall be useful or relevant to any proceeding under the said Act. He has also drawn attention of this Court to the show cause notice dated 27<sup>th</sup> May, 2025 for the financial year 2024-25 issued under Section 122 of the said Act and would submit that the said Act does not authorize the proper officer to issue a notice under Section 122 in furtherance of a search and seizure proceeding especially having regard to Section 35(6) of the said Act.

3. Mr. Chakraborty, learned advocate appears on behalf of the respondents. He would submit that admittedly in course of search and seizure the proper officer had been able to identify secreted books of accounts and goods and since those were relevant for the purpose of proceeding, the same had been seized. On the question of issuance of the show cause under Section 122 of the said Act he would submit that since the goods are liable for confiscated having regard to the provisions contained in Section 130 of the said Act, the aforesaid notice under Section 122 of the said Act has been issued. There is no irregularity in this regard. In any

event, he would submit that at this stage no interference is called for. He seeks leave to file affidavit-in-opposition.

4. Having heard the learned advocates appearing for the respective parties and noting that the petitioner no.1 is exclusively involved in the supply of goods to the Ministry of Defence which are required by the Indian Army and further taking into consideration that there are subsisting work order by the Ministry of Defence for supply of diverse items, I am of the view that having regard to the suggestion made by the petitioners, the petitioner no.1 shall be at liberty to seek release of the goods subject to the petitioner no.1 securing 20 per cent of the penalty amount as proposed in the show cause notice dated 27<sup>th</sup> May, 2025 by way of a bank guarantee.
5. In the event, the petitioner no.1 approaches the proper officer with a written application enclosing therewith a bank guarantee aggregating 20 per cent of the proposed demand in terms of the show cause dated 27<sup>th</sup> May, 2025 issued under Section 122 of the said Act, the proper officer shall forthwith take steps for release of the goods and shall release the same as expeditiously as possible but not later than three (3) working days from the date of filing of such application.

6. Since, prima facie, it appears that the aforesaid show cause has been issued under Section 122 read with Section 35(6) of the said Act, and noting that as per Section 35(6) of the said Act, the respondents were obliged to proceed under Section 73 or 74 of the said Act, I am of the view though hearing of the show cause may proceed further but the final decision in this regard shall not be communicated to the petitioner without leave of this Court.
7. It is made clear that the issue of blocking of electronic credit ledger shall be heard out separately on the returnable date.
8. List this matter for further consideration under the same heading in the Combined Monthly List of July, 2025.

**(Raja Basu Chowdhury, J.)**