

Panchhi Traders vs State of Gujarat & Anr

Interplay between Sections 129 and 130 CGST Act post-amendment and legality of invoking confiscation during transit proceedings.

Date of Order: December 11, 2025
Case Law No: GIB-GUJHC-2025-23
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CASE DESCRIPTION / SUMMARY

Facts :

The petitioners' goods were intercepted in transit and proceedings were initiated under [Section 129](#) of the CGST Act for detention and seizure.

Subsequently, authorities issued notices in Form GST MOV-10 invoking [Section 130](#) for confiscation without completing [Section 129](#) proceedings.

The petitioners challenged such action contending that post-amendment, [Sections 129](#) and [130](#) are independent and confiscation cannot be initiated midway.

They also argued that confiscation requires intent to evade tax and cannot be presumed at interception stage.

Court Decision:

The Court held that [Sections 129](#) and [130](#) of the CGST Act are independent and mutually exclusive provisions.

It was held that even after amendment, there is no bar on invoking [Section 130](#) at the stage of detention if the authority forms an opinion of tax evasion.

However, invocation of [Section 130](#) requires existence of material indicating intent to evade tax and cannot be based on mere suspicion.

The Court recognized that confiscation can be initiated at threshold, but reasons must be recorded and the case must justify such action.

It upheld the legal position that proceedings under [Sections 129](#), [130](#), and [73/74](#) operate in distinct fields and are not dependent on each other.

Cases Referred:

- *Synergy Fertichem Pvt. Ltd. vs State of Gujarat*
- *M/s ASP Traders vs State of U.P. & Ors.*
- *Dhanlaxmi Metals vs State of Gujarat*
- *Rajiv Traders vs Union of India*

- *State of West Bengal vs Kesoram Industries Ltd.*
- *State of West Bengal vs Sujit Kumar Rana*
- *Mohammad Abdul Samad vs State of Telangana*

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