07.07.2026
Sl. No.36
Court no.06
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CIRCUIT BENCH OF CALCUTTA HIGH COURT
AT JALPAIGURI

W.P.A. 1005 of 2026

M/s. Rajendra Prasad Agarwala & Sons
Vs.
Union of India and Ors.

Dr. S. Muralidhar, Sr. Adv.
Ms. N. S. Thomas
Mr. Dhiraj Lakhotia
Ms. Radhika Agarwal
Ms. Khushi Kundu
Ms. Nikita Kundu
..for the petitioner

Mr. Dilip Kumar Agarwal
Mr. Bishwaraj Agarwal
..for the respondents

The petitioner challenges an order dated March 27, 2026, passed by the Additional Commissioner, CGST and Central Excise, Siliguri Commissionerate.

By the said order, the adjudicating authority came to a finding that the petitioner was involved in the supply of illegally imported cement in the domestic market without issuing tax invoices as required under Section 31 of the Central Goods and Services Tax Act, 2017, and without payment of tax in terms of Section

9(1) read with Section 49 of the said Act, thereby resulting in evasion of tax.

Accordingly, the adjudicating authority confirmed a demand of Rs. 27,26,29,686/-, imposed a penalty equivalent to 200% of the tax demand, and also directed payment of the applicable interest.

It appears that, while passing the impugned order, the adjudicating authority principally relied upon documents collected by the Directorate of Revenue Intelligence, Siliguri Headquarters, Anti-Evasion Unit, Siliguri. It further appears that copies of the documents relied upon were supplied to the petitioner. However, the petitioner was denied the opportunity to cross-examine the witnesses, although the investigation report of the Directorate of Revenue Intelligence discloses that statements of as many as fifteen witnesses were recorded during the course of the investigation.

It further appears that the investigation conducted by the Directorate of Revenue Intelligence is founded upon a document purportedly received from the Bhutan Customs Authority indicating that 1,330 consignments were exported from Bhutan, whereas the petitioner was able to produce documents in support of only 621 consignments. Prima facie, the documents relied upon by both the Directorate of Revenue Intelligence and the CGST authorities appear to be printouts of Excel spreadsheets without any certification or authentication from the competent authorities of the Bhutan Customs Administration.

Based upon the investigation report of the Directorate of Revenue Intelligence, the Customs authorities have also passed an order under Section 124 of the Customs Act, 1962. It is submitted that the operation of the said order has been stayed for a limited period by this Court.

Prima facie, this Court is of the view that there is no legal impediment to the initiation of parallel proceedings under the Customs Act, 1962 and the Central Goods and Services Tax Act, 2017, provided that the petitioner is afforded a fair opportunity to confront and challenge the materials relied upon by the respective authorities.

Mr. Agarwal, learned counsel appearing for the Revenue, seeks time to produce the documents evidencing the authenticity of the Excel spreadsheets relied upon by the CGST authorities while passing the impugned order. The impugned order, however, records that, in the facts and circumstances of the case, denial of the petitioner's request to cross-examine the aforesaid fifteen witnesses did not occasion any prejudice.

The department shall obtain specific instructions whether the petitioner shall further be permitted to cross-examine the said witnesses.

List this matter on **July 9, 2026** at **2 p.m.** under the same heading.

(Kausik Chanda, J.)