

**HC: Authority has power to specify penalty under section 129(3) only after evaluating goods**

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**REFER THE DECISION OF THE HON'BLE PATNA HIGH COURT IN THE CASE OF**

**Aaria Enterprises vs. State of Bihar, Citation: (2025) 34 Centax 235 (Pat.)**

The issue before the Patna High Court concerned the imposition of penalty under Section 129(3) of the CGST Act, 2017. The petitioner challenged the penalty order on the ground that the Proper Officer had mechanically imposed penalty without properly evaluating the goods and without relying on corroborative evidence such as invoices, e-way bills, or other supporting documents.

The Court observed that under Section 129(3), the Proper Officer is empowered to specify the penalty payable only after making a due evaluation of the goods and considering corroborative material. A mechanical or presumptive approach to levy penalty was held to be unsustainable.

**Outcome:**

The Patna High Court held that penalty determination under Section 129(3) requires proper application of mind to goods and documentary evidence. Any penalty imposed without such evaluation is liable to be set aside. The matter was remanded for fresh adjudication in accordance with law.

**// भगवान महावीर का संदेश //**

**"जीवो और जीने दो" — यही हो हमारा संकल्प।**

**🙏 जय जिनेन्द्र 🙏**