



Relief to Assessee from Pre-Deposit and Freezing of Bank Account

The Supreme Court has provided relief to an assessee from the pre-deposit requirement for preferring an appeal, prescribed under Section 35(f) of the erstwhile Central Excise Act, 1944 and also defreeze the bank account for operating business.

In this case, the aggrieved assessee preferred an appeal against the order of the Adjudicating Officer before the CESTAT, however, on account of failure to comply with Section 35(f), the CESTAT dismissed the appeal, so as the jurisdiction Hon'ble High Court. Thereafter, the assessee preferred an SLP before the Hon'ble Supreme Court, titled as ***Sikkim Organics v. Union of India***¹.

The Hon'ble Supreme Court in pursuance of the facts and circumstances, reverted back the appeal to CESTAT to be decided on merits. Further, the Hon'ble Apex Court granted relief by de-freezing of the bank account of the assessee for the purpose of his business.

The decision of the Hon'ble Supreme Court is a relief to the assessee who are unable to meet the high statutory requirements of provisions like Section 35(f) on account of attachment of all property and assets including the bank account, making it difficult to operate businesses. The order of the Hon'ble Court is appreciable in understanding the plight of businesses.

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² Majesty legal is law firm and aim of the present article is to provide recent updates in the legal world. The opinions presented in the article are personal in nature and not to be deemed as legal advice.