

NON-REMITTANCE OF SERVICE TAX IS NON-BAILABLE OFFENCE

The Bombay High Court in a recent decision pronounced on 5th March 2014 *RE: Kandra Rameshbabu Naidu vs. superintendent (A.E) & Ors* that non-remittance of service tax which is collected by the assessee is a non-bailable offence.

In the instant case, the assessee has collected Rs.2.59 Crores of service tax during the period 2010-11 to 2013-14 but had not deposited the said amount except Rs.15 lakhs. The assessee had in fact never filed any service tax returns and as such knowingly utilized the Government monies for his personal use.

Though the assessee was willing to deposit the tax amount in arrears, in the considered opinion of the Bombay High Court, it being a continuing offence and there were huge outstanding, it is not a case in which the applicant can be released on bail when the investigation is still going on.

Disclaimer: This document does not constitute an opinion or professional advice. The information in this publication has been obtained or derived from sources believed by RBCO to be reliable but does not guarantee that it is accurate or complete. The users of this document are advised to seek their own professional opinion before taking any course of action or decision, for which they are entirely responsible, based on the contents of this publication. RBCO neither accepts or assumes any responsibility or liability to any reader of this publication in respect of the information contained within it or for any decisions readers may take or decide not to or fail to take.