

The State of Gujarat & Anr. v. Paresh Nathalal Chauhan

Case number: Civil Appeal No. 4618 of 2024, arising out of SLP (C) No. 666 of 2021

Citation: 2024 INSC 277 **Decision date:** 2024-03-12

Section 157 good-faith defence: premature observations against GST search officers expunged

Court: Supreme Court

Bench: Pamidighantam Sri Narasimha and Aravind Kumar, JJ.

Decision stage: Final disposal of the limited appeal against interim High Court observations

01 Facts

The respondent had approached the Gujarat High Court seeking protection from arrest under sections 69 and 132 of the GST Act. In an interim order dated 24 December 2019 in Special Civil Application No. 18463 of 2019, the High Court criticised the search party's prolonged stay at the residence. Paragraph 28 suggested that the officers' conduct might fall outside the good-faith protection in section 157. The State challenged those observations. When issuing notice on 16 July 2021, the Supreme Court expressly confined scrutiny to observations affecting a statutory defence that had been made in the officers' absence, without condoning their conduct. At final disposal the underlying writ petition remained pending, and the respondent represented that he did not wish to initiate proceedings against the officers in the present matter. The appeal concerned expunction of the anticipatory observations, rather than adjudication of the search's legality or a substantive tax demand.

Pinpoint: Paragraphs 2-7; official PDF pages 1-3. High Court case and date: footnote 2, page 2.

02 Court Discussion

The Court explained that a statutory good-faith clause gives limited protection to a functionary acting honestly and in furtherance of the statute's purpose. Section 3(22) of the General Clauses Act defines good faith by honesty, whether the act is negligent or not; this does not make the immunity unlimited. Good faith must be raised as a defence and determined by the court or judicial body in proceedings against the officer, with regard to the facts and circumstances. Here the High Court was considering the taxpayer's writ petition, not a suit, prosecution or other proceeding against the individual functionaries. Even its tentative comments about the possible unavailability of the defence amounted to premature rulings that could compromise the independence of a future adjudication for prosecution and defence alike. The Supreme Court preserved both sides of that process: a citizen may pursue available remedies seeking accountability, and an officer may invoke good faith, with the court deciding the defence. It declined to decide the underlying merits.

Pinpoint: Paragraphs 4-5 and 8-11; official PDF pages 2-5. Limits of immunity: paragraph 8; need for case-specific adjudication: paragraphs 9-11.

03 Decision

The Supreme Court expunged paragraph 28 of the Gujarat High Court's interim order and disposed of the appeal. It did not set aside the entire High Court order, decide the pending arrest-protection writ petition,

adjudge the search lawful, or hold that the officers had established a good-faith defence. The precise operative relief was removal of the specified paragraph.

Pinpoint: Paragraph 12; official PDF page 6. Limited scope and pending writ petition: paragraphs 2-5, pages 1-3.

04 In Favour Of

State of Gujarat / concerned officers on expunction only; legality of conduct and good-faith defence not adjudicated

In favour of the State of Gujarat and the concerned officers only to the extent of removing premature adverse observations about section 157. This is procedural relief in a finally disposed limited appeal, not a final merits vindication of the officers' conduct or a blanket immunity ruling. The Court expressly reaffirmed the citizen's ability to seek accountability through available legal remedies.

Pinpoint: Paragraphs 5 and 8-12; official PDF pages 2-6.

05 AKHB REVIEW POINT

AKHB REVIEW POINT: Separate a challenge to the legality of GST enforcement from an individual officer's good-faith defence in proceedings seeking personal accountability. Preserve the authorisation, scope, duration and contemporaneous record of the search, and identify the conduct and remedy actually in issue. An officer's entitlement to raise section 157 is not proof that its conditions are satisfied. Equally, adverse observations about that defence should not pre-judge proceedings in which it has not yet been pleaded and tested. For litigation use, cite the limited expunction ordered here and the Court's express preservation of accountability; do not portray this decision as approving prolonged residential searches or barring proceedings against officers. The taxpayer's stated wish not to proceed in this matter is a case-specific representation, not a general restriction on remedies.

Pinpoint: AKHB analysis based on paragraphs 4-5 and 8-12; official PDF pages 2-6.

Sources and limitations

Relevant provisions

GST Act: section 157, especially subsection (2), governing protection for acts done or intended in good faith

GST Act: sections 69 and 132 (underlying arrest-protection writ petition)

General Clauses Act, 1897: section 3(22) (good faith)

Constitution of India: article 21 (in the High Court observations reproduced in the judgment)

Statutory note

The note reports the Court's interpretation of the good-faith protection quoted in the judgment. No independent comprehensive statutory-amendment check has been completed. It does not certify the later outcome of the underlying Gujarat High Court writ petition or any separate officer-accountability proceeding.

Treatment note

Primary judgment verified on 12 October 2026. No comprehensive search for subsequent judgments, review proceedings, overruling, legislative amendments or present case status has been completed; current

precedential treatment is not certified. This is an AI-assisted source-based AKHB research note, not evidence of human legal review or a substitute for professional advice on the reader's facts.

Scope of source review

Complete 6-page official judgment, paragraphs 1-12, including footnotes, read in full. Case title, neutral citation, signed bench and decision date checked against the original. The signed rendition leaves the civil appeal number blank; Civil Appeal No. 4618 of 2024 is corroborated by the official Supreme Court eSCR case entry. The signature-page date, 12 March 2024, is used rather than the later digital-signature processing date. Signed judgment authorship is Pamidighantam Sri Narasimha, J.

Primary source

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Judges: Pamidighantam Sri Narasimha; Aravind Kumar

Outcome kind: procedural

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