

**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

CWP No. 12141 of 2015 (O&M)

Date of decision : 11.6.2015

M/s Prahlad Metal Company

..... Petitioner

VS

State of Punjab and others

..... Respondents

Present: Mr. Avneesh Jhingan, Advocate, for the petitioner.
Mr. Rajesh Bhardwaj, Additional Advocate General, Punjab.

Rajesh Bindal, J.

The petitioner has filed the present petition seeking a direction to the respondents to release the goods being carried in the trucks bearing Nos. PB-23J-7141 and NL01-G-9846, which were detained by respondent no. 2 on 12.5.2015. The petitioner claimed that the goods were purchased by him from M/s Satguru Enterprises, Mohali and were being carried to Delhi. The drivers of the vehicles were carrying requisite documents. The seller of the goods was paid part of the sale consideration through RTGS bank transaction prior to even purchase of goods. Despite this fact, the goods were not released, even though on 26.5.2015, the petitioner had furnished two bank guarantees for a total sum of ₹ 6,13,839 i.e. 30% of the value of the goods shown in the bills being ₹ 10,23,631/- and ₹ 10,22,505/-, Annexures P-1 and P-2, respectively.

Learned counsel for the State, on instructions from S. S. Channi, AETC, Mobile Wing, Ludhiana, submitted that the bank guarantee having been furnished, the vehicles and the goods detained shall be released immediately. He has no justification for detention of the goods at least after 26.5.2015 when the petitioner had furnished the bank guarantee.

After hearing learned counsel for the parties, the present petition is disposed of in terms of undertaking given by learned counsel for

the State that the vehicles and goods in question shall be released to the petitioner forthwith. However, considering the fact that there is no justification available for detention of goods from 26.5.2015 onwards after the petitioner had furnished the bank guarantees to the tune of 30% of the value of the goods shown in the invoices in terms of Section 51(6) of the Punjab VAT Act 2005, the petitioner shall be entitled to costs of ₹ 25,000/-. Firstly, the cost shall be paid by the State within a period of one month by way of bank draft, however, the State shall be at liberty to recover the same from the guilty officer(s).

(Rajesh Bindal)
Judge

11.6.2015
vs

(G. S. Sandhawalia)
Judge