IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

CWP No. 10373 of 2016

Date of Decision: 23.5.2016

M/s Dutta Knit Pvt. Ltd., Ludhiana

....Petitioner.

Versus

Union of India and others

...Respondents.

1. Whether the Reporters of the local papers may be allowed to see the judgment?
2. To be referred to the Reporters or not?
3. Whether the judgment should be reported in the Digest?

CORAM:- HON'BLE MR. JUSTICE AJAY KUMAR MITTAL.
HON'BLE MRS. JUSTICE RAJ RAHUL GARG.

PRESENT: Mr. Jagmohan Bansal, Advocate for the petitioner.

AJAY KUMAR MITTAL, J.

1. In this writ petition filed under Articles 226/227 of the Constitution of India, the petitioner has prayed for issuance of a writ in the nature of certiorari for quashing the letters dated 22.3.2016 (Annexures P-6 and P-7, respectively) vide which respondents No.2 and 3 have directed respondent No.4 to freeze bank account of the petitioner. Further a writ of mandamus has been sought directing respondents No.3 and 4 to immediately de-freeze bank account No. 34240633902 of the petitioner and to direct respondent No.4 to allow operation of bank account to the petitioner.

2. The petitioner is engaged in the business of manufacture and trading of readymade and hosiery articles, i.e. T-shirts, shirts,

lowers, jackets etc. and is regularly exporting all the articles. The petitioner is having importer/exporter code dated 10.4.2015 (Annexure P-1). Since the articles in question were not subject to central excise duty, so the petitioner was not required to get itself registered with the Central Excise Department and to file returns. The petitioner got itself registered with the Excise and Taxation Department and regularly filed its returns. It is regularly filing VAT 15 (quarterly returns) as well as VAT-20 (annual return). As per VAT-20 of 2014-15, the total turnover of the petitioner was ₹ 35 crores approximately. During 2015-16, the petitioner filed quarterly returns, i.e. VAT-15 (Annexures P-2 to P-5, respectively) with total turnover of ₹ 34.06 crores. Respondent No.2 got some intelligence that several firms were indulging in fraudulent availment of drawback using taxi/bogus firms for which no remittance were received. Accordingly, respondent No.2 formed an opinion that 488 firms are taxi/bogus firm and have used to siphon drawback of more than ₹ 300 crores in a period of about two years. Respondent No.2 vide letter dated 22.3.2016 (Annexure P-6) directed respondent No.3 to freeze bank account of all the firms including the petitioner. Respondent No.3 vide letter dated 22.3.2016 (Annexure P-7) directed bankers of all the exporters named in the letter, Annexure P-6, to freeze all the drawback/ current bank account including the foreign remittance account. On coming to know about the freezing of its account, the petitioner vide letter dated 24.3.2016 (Annexure P-8) requested respondent No.2 to de-freeze its bank account No. 34240633902, but to no effect. Thereafter, the petitioner sent reminders dated 7.4.2016, 11.4.2016, 19.4.2016 and 5.5.2016 (Annexure P-9 to P-12, respectively) for de-freezing its bank account, but no response has been received till date. Hence, the present writ petition.

3. Learned counsel for the petitioner submitted that for the relief claimed in the writ petition, the petitioner has sent a letter dated 24.3.2016 (Annexure P-8) followed by reminders dated 7.4.2016, 11.4.2016, 19.4.2016 and 5.5.2016 (Annexure P-9 to P-12, respectively) to respondent No.2, but no action has so far been taken thereon.

4. After hearing learned counsel for the petitioner, perusing the present petition and without expressing any opinion on the merits of the case, we dispose of the present petition by directing respondent No.3 or the concerned authority to take a decision on the letter dated 24.3.2016 (Annexure P-8) followed by reminders dated 7.4.2016, 11.4.2016, 19.4.2016 and 5.5.2016 (Annexure P-9 to P-12, respectively), in accordance with law by passing a speaking order and after affording an opportunity of hearing to the petitioner within a period of 15 days from the date of receipt of certified copy of the order.

(AJAY KUMAR MITTAL)
JUDGE

May 23, 2016
gbs

(RAJ RAHUL GARG)
JUDGE