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IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH

CWP-13014-2024 (O&M)

Date of Decision: 8th September, 2026.

M/S. DHILLON OVERSEAS

.....Petitioner(s)

V/s

CENTRAL BOARD OF INDIRECT TAXES & CUSTOMS AND OTHERS

.....Respondent(s)

CORAM: **HON'BLE THE CHIEF JUSTICE**
 HON'BLE MR. JUSTICE ROHIT KAPOOR

Present Mr. Saurabh Kapoor, Advocate,
 Ms. Muskaan Gupta, Advocate,
 Ms. Tanya Kumar, Advocate and
 Mr. Vivek Sharma, Advocate, for the petitioner(s).

Mr. Ajay Kalra, Senior Standing Counsel,
for respondents No.1 to 3.

Ms. Tarannum Madan, Advocate,
for respondent No.4.

Mr. Abhinav Sood, Advocate,
Ms. Anmol Gupta, Advocate, and
Ms. Mehndi Singhal, Advocate, for respondent No.5.

ASHWANI KUMAR MISHRA, CHIEF JUSTICE (Oral)

1. This is a classic case demonstrating as to how an importer is unduly harassed by the respondents No.3 to 5, on account of the inter-se disputes raised amongst themselves.

2. The brief facts of the case are that the petitioner, who is an importer of Ferrous and Non-Ferrous Scrap, had imported goods described as “Low Alloy Scrap,” which arrived on 18.12.2023. The Bill of Entry No. 9307732 was presented before the Customs authorities on

19.12.2023. Upon examination, the Customs authorities detained the imported goods on 24.01.2024, being of the view that the imported products were “Wire Bundles” and not “Low Alloy Scrap.” Consequently, additional duty was imposed upon the petitioner, which was paid pursuant to the reassessment carried out on 14.02.2024.

3. Thereafter, a communication dated 18.03.2024 was issued by the Customs Department to respondent No. 4, intimating that the imported goods had been detained and that, consequently, detention charges were liable to be waived under the applicable provisions of the Sea Cargo Manifest and Transshipment Regulations, 2014, as well as Regulation 6(1)(1) of the Handling of Cargo in Customs Areas Regulations, 2009. Vide a separate communication, the Customs authorities directed issuance of a detention certificate for waiver of detention charges, for the period commencing from the date of detention of the consignment until the date of “out of charge” of the subject goods. Notwithstanding such directions, and the respondent’s averments in their reply being that detention waiver certificate was issued on 18.03.2024 and “out of charge” was granted by the customs authorities on 18.04.2024; the goods continued to remain in the custody of respondent No. 5 at the Inland Container Depot. It is in this backdrop that the present writ petition came to be instituted by the petitioner in 2024, alleging that the authorities have acted arbitrarily in withholding release of the imported goods, despite payment of additional duty and issuance of the certificate dated 18.03.2024.

4. Notice of motion in the present Writ Petition was issued on 28.05.2024. On 16.12.2024, this Court has passed the following orders:-

“Learned counsel for the petitioner submits that the goods are of perishable nature and required to be released. It is informed that the petitioner has already paid full customs/excise duty. However, considering the facts and circumstances of the case, direction is issued to release the goods subject furnishing of surety bonds equivalent to the value of the goods. On furnishing the said bonds, the goods shall be released forthwith.

Adjourned to 28.01.2025.

In the meantime, reply be filed in the Registry.”

5. Order dated 16.12.2024, passed by this Court, was also not complied with by the petitioner, on account of which, a Contempt Petition came to be filed by the petitioner bearing No. COCP-2388-2025. In the Contempt Petition, an order came to be passed by the then Chief Justice on 04.08.2025, which is reproduced hereinafter:-

“1. The present contempt petition alleges wilful disobedience of the interlocutory order dated 16.12.2024 passed in CWP-13014-2024.

2. Learned counsel for the petitioner informs that despite furnishing of surety bonds by the petitioner on 20.03.2025 vide Annexure A-2 with Deputy/Assistant Commissioner of Customs, ICD Adani, Ludhiana, the goods have not yet been released in terms of interim order dated 16.12.2024.

3. Shri Abhinav Sood, Advocate, appearing on behalf of respondent No.5, submits that surety bonds were furnished by the petitioner with respondent No.5 as late as on 09.07.2025. In this regard, the indemnity bond along stamp paper purchased on 09.07.2025 has been produced, which is taken on record as Annexure ‘A’.

3.1 *Learned counsel for respondent No.5 further submits that though goods are in possession of his client, but the same can be released only when Delivery Order is issued by respondent No.4, in light of circular dated 14.10.2025, bearing No. 24/2015 – Customs, issued by Government of India, Ministry of Finance, Department of Revenue, Central Board of Excise and Customs.*

4. *Learned counsel for respondent No.4, on the other hand, contends that her client, who was respondent No.4 in CWP-13014-2024, was never issued notice in the writ petition. Therefore, he was unaware of pendency of the writ petition. It is informed that it is only on receipt of contempt notice that respondent No.4 came to know about pendency of CWP-13014-2024.*

5. *In view of the above, it is obvious that there is no deliberate non-compliance of interim order dated 16.12.2024 passed in CWP-13014-2024, on the part of the respondents. Therefore, this contempt petition is disposed of with direction to the respondents to ensure compliance of the aforesaid interim order, which continues to hold the field till date.*

6. *However, the petition is kept pending for the purpose of requisitioning the compliance report, which shall be submitted within a period of 15 days, failing which this Court may initiate contempt proceedings against respondent No.4.*

6.1 *List on 28.08.2025.”*

6. The contempt proceedings, however, were kept pending in view of the pendency of the Writ Petition. The fact remains that despite orders having been passed by the Customs authorities on 18.03.2024, and despite the interim order passed by this Court in the present Writ Petition on 16.12.2024 as well as the order passed in the contempt proceedings, the respondents have failed to release the goods.

7. On behalf of respondents, it is urged that waiver of detention can only be for the period of seizure of subject goods and not beyond it. Respondent No.4, which is a shipping line, states that the release orders were not passed in its presence and that such orders were obtained on account of misstatement of facts. Respondent No.4 has also challenged order dated 18.03.2024 before the Customs, Excise and Service Tax Appellate Tribunal, Chandigarh, Regional Bench – Court No. I, which too failed with dismissal of the matter on 03.02.2026.

8. Learned counsel representing respondent No.5 states that so long as the delivery orders were not issued by respondent No.4, the imported goods, lying in the custody of respondent No.5, could not be released. In this regard, reliance is placed on the Circular bearing No.24/2015 – Customs dated 14.10.2025, issued by the Government of India. Learned counsel representing respondent No.4 states that the delivery order cannot be issued as the orders of release were *ex-parte* and were obtained on furnishing of incorrect information.

9. So far as the objection taken by respondent No.4 i.e. Shipping line with regard to release order being passed on account of misstatement is concerned, it would be worth noticing that the Writ Court, on 01.10.2025, had already passed the following orders:-

“Prayer in this application is for modification/rectification of order dated 16.12.2024 passed in this writ petition. Said order reads as under:-

“Learned counsel for the petitioner submits that the goods are of perishable nature and required to be released. It is informed that the petitioner has already

paid full customs/excise duty. However, considering the facts and circumstances of the case, direction is issued to release the goods subject to furnishing of surety bonds equivalent to the value of the goods. On furnishing the said bonds, the goods shall be released forthwith.

Adjourned to 28.01.2025.

In the meantime, reply be filed in the Registry."

Learned counsel for petitioner argues that at the time of arguments on 16.12.2024, he had relied on certain orders passed by this High Court involving similar issues, wherein direction for release of goods had been issued subject to furnishing of security bonds equivalent to value of the goods and it is in these precedents that goods have been referred to as of perishable nature. It had never been projected before the Court that goods in the present case are of perishable nature.

Learned counsel for respondents No.1 to 3 in whose presence order dated 16.12.2024 was passed, affirms that such a statement regarding perishable nature of the goods was indeed not made by learned counsel for petitioner and it may be due to some inadvertent error on account of mention of the goods to be perishable in the judgments relied upon, that it is so reflected in order dated 16.12.2024.

Learned counsel for respondent No.4 who was admittedly not present at the time of passing of order dated 16.12.2024, however insists that it cannot be a case of an inadvertent mistake and the petitioner has deliberately made such a statement only in order to secure an interim order. In case, there had been an inadvertent error, such an application would have been filed much earlier and not after this was brought to notice during contempt proceedings.

Having heard learned counsel for the parties, we do not find any merit in the arguments as raised by learned counsel for respondent No.4 especially keeping in view the specific statement of learned counsel for respondents No.1 to 3 who was

present in Court at the time of passing of order dated 16.12.2024.

We have perused interim order dated 12.02.2024 passed in CWP No. 1355 of 2024 which is stated to have been referred to by learned counsel on 16.12.2024.

Keeping in view the facts and circumstances as above, observation in order dated 16.12.2024 regarding the goods being of perishable nature is directed to be deleted.

Application is disposed of, accordingly. ”

10. The above order would clearly indicate that reference to the perishable nature of goods was on account of inadvertence and has already been directed to be deleted. Notwithstanding such position, respondent No.4 has neither issued the delivery orders nor in its absence, has respondent No.5 released the imported goods.

11. In the facts of the case, we find action on part of the respondents is wholly arbitrary for the reasons enumerated hereinafter.

12. First and foremost, it is to be noticed that the Bill of Entry was presented before the Customs authorities on 19.12.2023. There was no reason why the goods, brought vide Bill of Entry dated 19.12.2023, were not immediately examined by the Customs authorities.

13. A circular/instructions, in this regard, has already been issued by the Chief Commissioner of Central Excise, Delhi Zone on 22.08.2006, pursuant to an order passed by this Court in CWP-9882-2006, as per which the first appraisalment of imported goods must take place within 48 hours and the assessment thereafter be concluded within 24 hours. In case of second appraisalment, the

assessment can be done within 24 hours of filing of bill of entry and the examination should be completed within 48 hours. The Circular further provides that the importer must be intimated in writing that the goods in question could be shifted to bonded warehouse under Section 49 of the Customs Act, 1962 and if the importer does not wish to avail this facility, then the goods could incur demurrage.

14. Accordingly, the authorities, having been apprised of the import vide Bill of Entry dated 19.12.2023, were expected to have concluded the proceedings within the timelines indicated in the circular dated 22.08.2006. This, however, was not done. Even after the imported goods were examined on 24.01.2024, the re-assessment orders were passed on 14.02.2024. The additional duty was paid by the petitioner whereafter the detention memo making reference to issue of detention waiver certificate was also issued on 18.03.2024. Notwithstanding such orders having been passed, the imported goods were not released by the respondents. Legality of such action is under challenge in the present case.

15. Having heard learned counsel for the parties, we find that once the Bill of Entry was presented by the petitioner on 19.12.2023, the Customs authorities ought to have concluded the proceedings within a reasonable time. The proceedings have ultimately concluded with detention memo issued on 18.03.2024. The period during which the imported goods were kept in detention, despite intimation of their

arrival vide Bill of Entry, would clearly render impugned action arbitrary.

16. The manner in which the responsibilities are being shifted by respondent No.5 upon respondents 3 and 4 would clearly indicate that for *inter-se* disputes amongst the respondents, the petitioner has been made to suffer for the last more than two years.

17. In view of the admitted factual position, as per which the imported goods had arrived on 18.12.2023, and the detention waiver certificate was issued on 18.03.2024, yet the continued non-release of goods, despite orders passed by this Court in the contempt proceedings, shows complete apathy on part of the respondents in dealing with the claim of the present petitioner.

18. So far as the payment of demurrage charges and ground rent charges are concerned, the petitioner cannot be saddled with any liability for the imported goods which were detained by the respondents even after payment of additional duty determined by the customs authorities. The delay in release of imported goods post 18.03.2024, would have to be adequately met inter-se amongst the respondents.

19. In that view of the matter, this Writ Petition succeeds and is **allowed**. Writ of *mandamus* is accordingly issued to the authorities concerned to release the imported goods reported by Bill of Entry on 19.12.2023, within two weeks from today. Respondent No.4 shall issue the delivery orders to respondent No.5 within three days from the date of uploading of this order.

20. It is clarified that the petitioner would not be saddled with any liability of payment of demurrage charges as well as ground rent charges from 18.03.2024 till the goods are actually released. Even for the period from 19.12.2023 to 24.01.2024, it would be the respondents, who would have to bear the liability of demurrage charges as well as the ground rent charges.

21. In view of the statement made by respondent No. 4 that the delivery order shall be issued within three days from the date of uploading of this order, we refrain from imposing costs upon respondent No. 4 for having compelled the petitioner to approach this Court by filing the present writ petition and thereafter a contempt petition, and for not having complied with the orders passed by this Court.

22. It is further provided that any *inter se* dispute amongst respondents Nos. 1 to 5 shall remain open to adjudication in appropriate proceedings.

23. Pending application(s), if any, shall stand disposed of accordingly.

[ASHWANI KUMAR MISHRA]
CHIEF JUSTICE

[ROHIT KAPOOR]
JUDGE

September 8, 2026
Ess Kay/mohit goyal

Whether speaking / reasoned	:	Yes	/	No
Whether Reportable	:	Yes	/	No