

## **Penalty can't be levied for multiple batch numbers on bags being no requirement of use of new bags for carrying raw materials: HC**

### **Facts of the case - Anchor Health v. Additional Commissioner - [2023] (Allahabad)**

The petitioner was carrying on the business of manufacturing soaps and the department intercepted raw material which was transported from Kutch, Gujarat to Haridwar, Uttarakhand. The goods were detained on the ground that bags which were being used in transit of raw material had two batch numbers and without e-way bill.

The department issued a notice which was replied by the petitioner. Thereafter, the goods were released on payment of penalty as the explanation afforded by the petitioner was not accepted and appeal was dismissed. It filed writ petition against the order levying penalty and detention of goods.

### **Decision of the case :**

- The Honorable High Court noted that E-way bill was not required for transportation of raw materials in view of instructions issued by GST Council as the requirement of having e-way bill till 31.03.2018 was dispensed with. The contention of petitioner that the bags were used multiple times for transportation of raw materials and due to this reason, these bags contained multiple batch numbers was not considered in the impugned orders.

Moreover, the requirement of use of new bags would not arise as the bags were used for carrying raw materials and not finished products. Therefore, the Court held that the impugned orders were liable to be set aside and any amount deposited shall be refunded.