

# Golden Traders & Others vs Deputy Assistant Commissioner of State Tax & Others

*Legality of detention/confiscation of goods in transit under Section 129 CGST/SGST Act on ground of undervaluation and entitlement to release.*

**Date of Order:** February 16, 2026  
**Case Law No:** GIB-APHC-2026-19  
**Source:** GST INDIA Biz (www.gstindia.biz)

## CASE DESCRIPTION / SUMMARY

### Facts :

The petitioners' goods and vehicles were intercepted and detained under [Section 129](#) of the CGST/SGST Act on allegations of undervaluation of goods in transit.

Orders in Form GST MOV-06 and MOV-10 were issued proposing confiscation and penalty.

Petitioners challenged the detention and confiscation proceedings as without jurisdiction and sought release of goods and vehicles.

The matters involved multiple writ petitions raising a common issue regarding valuation of goods at the stage of interception.

### Court Decision:

The Court held that at the stage of interception under [Section 129](#), authorities cannot undertake determination of valuation of goods.

Issues relating to valuation and tax liability must be examined by the assessing authority and not by officers at check post during transit.

Confiscation or penalty merely on the ground of undervaluation of goods in transit is not a valid exercise of power under [Section 129/130](#).

The Court also held that one State's authorities cannot levy penalty or confiscate goods for alleged tax evasion in another State.

Accordingly, goods and vehicles seized under the impugned orders were directed to be released.

### Cases Referred:

- [Alfa Group vs Assistant State Tax Officer](#) (Kerala High Court)
- *K.P. Sugandam & Ors. vs State of Chhattisgarh & Ors.*
- *Pattal Andrea and Company vs Assistant Commercial Tax Officer & Ors.*
- *Panchi Trades vs State of Gujarat*

- [\*Shambu Saran Agarwal & Company vs Additional Commissioner\*](#) Grade 5
- 

© 2026 GST INDIA Biz. All rights reserved.

GST INDIA BIZ