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Judgment No.: 019
Dt.: 25-11-2023



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Judgment Deals With

Section/Rule	Section 67
Authority	Delhi High Court
Case Name	M/s. Goyal Metal Udyog VS Commissioner Of CGST & Anr.
Dated	22 nd August, 2023

Brief Facts:

The petitioner's business premises were searched by the Officers of the Anti-Evasion Branch of the CGST on 03.05.2018. During the search, the concerned officers examined the stocks of raw material and finished goods and found that the same were duly recorded in the books of accounts and record. However, during the search, the Officers also found Indian currency amounting to ₹50,70,000/-, which was lying in a locker. Summons under Section 70 of the of the CGST Act, 2017 was issued, calling upon the petitioner to produce various documents including all documents relating to sales and purchases effected during the preceding five years; the statement of bank account for the preceding five years; and the details of all other related companies along with documents relating to sales and purchases. The cash seized from the premises of the petitioner was deposited with Syndicate Bank in the name of the Commissioner, CGST, Delhi. The petitioner continued to pursue the Department for the release of the said cash and original documents; however, the cash so seized was not released. The petitioner states that he was called upon to deposit tax, interest and penalty, amounting to ₹11,41,750/- which would be payable in the event, the cash seized represented proceeds of undisclosed sales. It is claimed that although no such amount was payable, he deposited the said amount on 23.11.2018, on the assurance that the cash seized, would be released. Thereafter, the petitioner requested the Department to release the amount of cash seized. But his requests were in vain and no steps in this regard were taken by the Department. The petitioner issued another letter dated 24.05.2019, reiterating his request. But the Department did not accept the said request.

Contention of Petitioner:

The seized cash belonged to the family members of the petitioner. It was brought from the residential premises to the business premises as their residential house was under renovation and there were large number of labourers working in the premises. The seizure of cash is illegal and the Department had no power to seize cash on the suspicion that it was unaccounted cash.

Findings & Order:

As the power u/s 67(2) of CGST Act to seize cash on the ground that it is unaccounted cash is concerned, the said issue is covered in favour of the petitioner by the recent decision of this Court in M/s Shri Shyam Metal v. Commissioner of CGST, Delhi West & Anr.

Thus, the currency seized is required to be released to petitioner. Department was directed to remit the proceeds of the fixed deposit (along with interest) to the bank account of the petitioner.

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