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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ **W.P.(C) 8053/2025 & CM APPL. 35272/2025**

M/S N.P. INDUSTRIES .....Petitioner

Through: Mr. Kunwar Gangesh Singh, Advocates.

versus

UNION OF INDIA & ORS. .....Respondents

Through: Mr. Harpreet Singh, SSC for DGGI with Ms. Suhani Mathur and Mr. Jai Ahuja, Advocates.
Mr. Shlok Chandra, Sr. Standing Counsel with Ms. Naincy Jain and Ms. Madhavi Shukla, Jr. Standing Counsels and Mr. Ujjwal Jain, Advocates for ITD.

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\+ **W.P.(C) 8332/2025 & CM APPL. 36156/2025**

M/S ARAV ENTERPRISES .....Petitioner

Through: Mr. Kunwar Gangesh Singh, Advocates.

versus

UNION OF INDIA & ORS. .....Respondents

Through: Mr. Harpreet Singh, SSC for DGGI with Ms. Suhani Mathur, Advocates.

CORAM:
JUSTICE PRATHIBA M. SINGH
JUSTICE RAJNEESH KUMAR GUPTA

O R D E R

% **30.05.2025**

1. This hearing has been done through hybrid mode.

2. These petitions have been filed by the Petitioner Firms under Article 226 of the Constitution of India seeking release of the cash amounting to Rs. 25,30,000/-, allegedly seized by the GST Department in contravention of the Section 67 of the Central Goods and Services Tax Act, 2017 (hereinafter "*the Act*").

3. According to the Petitioner Firms, the GST Department is not empowered to seize cash under Section 67(2) of the Act.

4. The Petitioner Firms - M/s N.P. Industries And M/s Arav Enterprises, are run by the sole proprietors *i.e.*, Mr. Pradip Jain and Mr. Nitesh Jain, who are father and son. It is the case of the Petitioner Firms that the resumption of the cash took place during a search operation conducted by the Directorate General of Goods & Services Tax Intelligence (hereinafter "*the DGGI*") on 27 February, 2024, at the residential premises of the sole proprietors of the Petitioner Firms. The said discovery was allegedly communicated by the DGGI to the Income Tax Department on 29th February, 2024, on the ground that the same was unaccounted cash. Accordingly, the said cash was stated to have been resumed by the DGGI and handed over to the Income Tax Department one week later *i.e.*, on 4th March, 2024.

5. Thereafter, the Show Cause Notice dated 29th July, 2024 has been issued by the DGGI and a notice under Section 148 of the Income Tax Act, 1961 dated 26th March, 2025 for re-assessment has also been issued.

6. At this stage, almost one year and three months later, the resumption of cash by the DGGI has been challenged, after the two notices have been issued.

7. Mr. Harpreet Singh, ld. SSC appearing for the DGGI submits that the allegation against the Petitioners was that fake Input Tax Credits under the Act was being availed of by the Petitioner Firms through 13 non-existent

firms. When the search was conducted at the residence of the proprietors of the Petitioner Firms on the basis of the said allegations, unaccounted cash was found and was handed over to the Income Tax Department.

8. In view of the fact that both the Departments *i.e.*, DGGI and Income Tax Department, have issued their respective notices, and the resumption of cash was allegedly done almost about a year ago, the Petitioner Firms are free to defend their position with the said Departments by replying to the concerned show cause notices.

9. In the opinion of the Court no ground for interference with the ongoing proceedings is made out in the present petitions. All legal contentions are left open for the Petitioner Firms.

10. The petitions are disposed of in these terms. Pending application(s), if any, also stand disposed of.

PRATHIBA M. SINGH, J.

RAJNEESH KUMAR GUPTA, J.

MAY 30, 2025/*nd/msh*