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

\+ W.P.(C) 2847/2026 & CM APPL. 13793/2026

STUNNING DENTISTRY THROUGH ITS PROPRIETOR PRIYANK SETHI .....Petitioner

Through: Mr. Balbir Singh, Senior Advocate and Mr. Ashish Mohan, Senior Advocate with Mr. Ajinkya Gunjan Mishra, Mr. Ashish Singh, Ms. Avani Tewari, Ms. Shivali Shah, Mr. Naman Tandon, Mr. Ritwik Mishra, Mr. Aditya Ganju, Mr. Auritro Mukherjee, Mr. Vatsal Agrawal, Mr. Samanyu Sethi and Mr. Sahil Safdar, Advocates

versus

UNION OF INDIA & ANR. .....Respondents

Through: Ms. Shilpa Dewan, Senior Panel Counsel for UOI (Through VC)
Mr. Atul Tripathi, SSC, CBIC with Mr. Shubham Mishra, Mr. Gaurav Mani Tripathi, Mr. Akshay Sagar and Mr. Madhav Anand, Advocates for R-2

CORAM:
HON'BLE MR. JUSTICE NITIN WASUDEO SAMBRE
HON'BLE MR. JUSTICE AJAY DIGPAUL

<u>O R D E R</u>

% **17.04.2026**

1. Heard Mr. Balbir Singh, learned senior counsel appearing for the petitioner and Mr. Atul Tripathi, learned SSC appearing for the respondent.

2. Impugned in the present petition is an order dated 24th February, 2026 whereby the bank accounts of the petitioner are provisionally attached in

exercise of powers under Section 83 of the GST Act.

3. The genesis of the issue which is sought to be canvassed before this Court is the matter of search and seizure proceedings conducted by the respondent. During the course of search and seizure, according to respondent, it was noticed that since the petitioner was carrying out the activity which are amenable to the GST regime, the petitioner was served with various summons, which were duly replied, alleging that the petitioner is not cooperating in the matter, and in the interest of revenue, the order impugned came to be passed.

4. It is the contention of Mr. Balbir Singh, learned senior counsel for petitioner that the petitioner has extended all possible cooperation in the matter. According to him, the entire documents including invoices are already in the custody of the respondent. He would claim that in absence of the permission to operate the bank accounts, the entire activity of the petitioner has come to a standstill as it is unable to discharge the financial liability *qua* rent, the payment of salaries to the employees and to meet other day to day overheads. According to Mr. Balbir Singh, the revenue's interest can be safeguarded by putting the petitioner to a reasonable condition.

5. He would further claim that since the entire data is already provided to the respondent, in the interest of justice and subject to the petitioner being put to a reasonable condition, the petitioner be permitted to operate the bank account.

6. As against above, the counsel for the respondent has claimed that there is a failure on the part of the petitioner to pay GST on the services which are otherwise chargeable under the existing GST regime.

7. According to him, since the violation can be noticed *ex facie* and the

revenue loss can also be inferred, the powers under Section 83 are exercised in the interest of safeguarding the revenue. According to him, even if the documents are seized or/surrendered by the petitioner, still it cannot be said that same are sufficient to adjudicate the claim as the show cause notice is yet to be issued to the petitioner. That being so, the dismissal of the petition is sought.

8. After the respondents were put to notice the matter was heard number of times.

9. Having regard to the rival claims made in the petition, particularly the pleadings on record and the invoices which are submitted by the petitioner to the respondent, since the respondent are already scrutinising the same, in the interest of justice it was put to the petitioner to propose what mitigating measures can be suggested to safeguard the interest of the revenue, particularly the exercise of powers under Section 83 of the CGST Act.

10. The petitioner fairly conceded that he can furnish a fixed deposit in the favour of Registrar General of this Court for an amount of ₹ 1.5 crores provided the petitioner be permitted to operate the bank accounts which are subject matter of the order impugned dated 24th February, 2026, especially since the petitioner has shown *bona fides* by furnishing a fixed deposit in favour of Registrar General of this Court in compliance with the order dated 7th April 2026 of this Court.

11. That being so, the impugned order dated 24th February, 2026 is quashed and set aside to that extent.

12. We further make it clear that the respondent shall continue to investigate the matter further and may issue the show cause notice within a reasonable period.

13. As regards the fixed deposit which is lying in this Court, once the show cause notice attains finality, it shall be open for the respondent to seek for the deposit to be adjusted against the petitioner's liability, if any.

14. In case if the order of the respondent is in favour of the petitioner, the petitioner shall be entitled to claim the release of the fixed deposit in their favour with accrued interest.

15. As far as the aforesaid amount of deposit of ₹ 1.5 crores is concerned, we make it clear that the same is only based on the rough calculations without final adjudication as the liability in favour of the petitioner or that of against the petitioner may vary upon the final adjudication.

16. Accordingly, the petition along with pending applications, if any, stands disposed of.

NITIN WASUDEO SAMBRE, J

AJAY DIGPAUL, J

APRIL 17, 2026
gs/sg