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

\+ W.P.(C) 9080/2024

MUKESH MANGLA .....Petitioner

Through: Mr. Arvind Kumar, Adv.

versus

PRINCIPAL DIRECTOR OF INCOME TAX (INVESTIGATION) AND ANR .....Respondents

Through: Mr. Vipul Agrawal, SSC

CORAM:
HON'BLE MR. JUSTICE DINESH MEHTA
HON'BLE MR. JUSTICE VINOD KUMAR

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

% **19.05.2026**

1. On 22.04.2026, we have passed the following order :

> *"1. The petitioner has challenged the search proceedings and sought a direction for release of the jewellery which was seized during search.*
> *2. He submitted that during the pendency of the present writ petition the Assessing Officer has passed an assessment order on 30.03.2026 and out of the jewellery worth Rs. 24,22,763/- the entire jewellery except jewellery worth Rs. 1,71,310/- has been treated as explained.*
> *3. He prayed that he would not press the case about the legality of the search, however, a direction be issued to the respondents to release the jewellery which was seized, while informing that he has deposited the entire demand (Rs.73,350/-) on 17.04.2026.*
> *4. Mr. Vipul Agarwal, learned Senior Standing Counsel for the respondents on the other hand submitted that the penalty proceedings are yet to be completed and unless the demand*

arising out of the penalty proceedings is finalized, no order for the release of jewellery be passed.

5. The respondent-Assessing Officer is directed to calculate and inform Mr. Vipul Agarwal, the maximum amount of penalty which is likely to be imposed upon the petitioner, if he is not satisfied with the explanation furnished by the petitioner.

6. At this juncture, it is informed by Mr. Arvind Kumar, learned counsel for the petitioner, that the petitioner has filed reply in response to the notice of penalty and nothing more is to be added by the petitioner; therefore in order to give a quietus to the dispute. Assessing Officer be directed to pass final order qua the penalty proceedings.

7. List this case on 19.05.2026.

8. The Assessing Officer is directed to pass final order in accordance with law, pursuant to the penalty notice issued to the petitioner."

2. Mr. Arvind Kumar, learned counsel for the petitioner at the outset submitted that the petitioner has deposited the tax demand of Rs.73,350/- on 17.04.2026 and penalty of Rs.13,362/- too has been paid on 14.12.2025.

3. He prayed that since the entire demand has been deposited, the jewellery be ordered to be released forthwith.

4. Mr. Vipul Agrawal, learned Senior Standing Counsel accepted the fact that the amount of tax and penalty stands deposited. On the basis of instructions, he further submitted that as of today, no other proceedings are pending against the petitioner.

5. Having regard to the facts noted above, we are of the view that the jewellery seized by the respondent on 06.12.2021 is required to be released forthwith, as the respondents cannot legitimately return the jewellery.

6. We, therefore, dispose of the present writ petition while directing Principal Director of Income Tax (Investigations)-respondent No.1, to ensure that the petitioner's jewellery is released as early as possible, preferably before 30.06.2026.

7. The petitioner may file a representation before the respondent No.1 alongwith a photocopy of the seizure memo, valid proof of identity and a web copy of the order instant, within a period of seven days from today.

8. The present Writ petition stands disposed of in above terms.

DINESH MEHTA, J

VINOD KUMAR, J

MAY 19, 2026/*ss*