

# Nand Kishore Gupta v. The Additional Director General, Directorate General of GST Intelligence and Others

**Case number:** W.P.(C) 16900/2024 with CM APPL. 71602/2024

**Citation:** 2024:DHC:10145-DB

**Decision date:** 17 December 2024

Section 67 cash seizure: return of currency with applicable interest and limits of the evidentiary exception

**Court:** Delhi High Court

**Bench:** Hon'ble Mr. Justice Yashwant Varma and Hon'ble Mr. Justice Dharmesh Sharma

**Decision stage:** Final High Court merits relief on cash seizure; Supreme Court tagging order of 21 April 2025 separately verified. Latest appellate interim/disposal status remains unverified.

## 01 Facts of case and issues

Nand Kishore Gupta, sole proprietor of Ashish Traders, traded in iron scrap in Delhi. DGGI searched his residential premises on 15 February 2021 while investigating alleged fraudulent input-tax-credit availment by Jai Mateshwari Steels Pvt. Ltd. Officers seized documents, electronic devices and Rs. 23,50,000 in Indian currency.

He challenged seizure order INS-02 insofar as it covered that cash and sought its release with interest. The issue was whether ordinary currency fell within "goods" or could be retained as "things" under Section 67 of the CGST Act. The High Court treated the issue as covered by its Deepak Khandelwal and Rahul Tayal decisions. It did not determine whether the alleged ITC fraud had occurred.

**Pinpoint:** Paragraphs 1–4, physical pp. 1–2. The silver bars and other cash amounts described later belong to cited cases, not this petitioner's stated seizure.

## 02 Discussion by Hon'ble Court

The Court reproduced Deepak Khandelwal's contextual construction of Section 67. Search and seizure assist the detection of tax evasion; they are not machinery for recovering tax or collecting unaccounted wealth. Recovery and provisional attachment are governed by distinct provisions, including Sections 79 and 83.

Within Section 67(2), "things" takes its meaning from the associated words "documents" and "books". It covers material that supplies information relevant to proceedings. The second proviso and subsection (3) limit retention and require return of material not relied upon in the notice. The adopted reasoning rejected the wider approach taken in Kanishka Matta; that disagreement should not be mistaken for an all-India resolution.

An important qualification appears in quoted paragraph 56: a specific currency note may be seized for its evidentiary significance, for example where its number establishes a transaction's method. Seizing an asset merely because it appears to represent unaccounted wealth is different.

Applying that reasoning, paragraphs 6–8 exclude ordinary Indian currency from "goods" under Section 2(52), read with "money" in Section 2(75), and connect confiscation under Section 130 with the statutory

## 02 Discussion by Hon'ble Court

goods/conveyance conditions. The broad language about valuables must be read with the quoted evidentiary qualification and the facts of this cash seizure.

**Pinpoint:** Paragraph 4, pp. 4–11, quoting Deepak paragraphs 40–51, 54–57 and 62–63; evidentiary qualification: pp. 9–10, quoted paragraph 56. Nand's own analysis: paragraphs 6–8, pp. 11–13.

## 03 Judicial decision and operative relief

The writ was allowed. Respondents were directed to return and release Rs. 23,50,000 with applicable interest, completing the process with due expedition. The pending application was disposed of.

The order specifies no interest percentage, accrual date, quantified interest or fixed calendar deadline. It contains no separate adjudication cancelling a GST demand, exonerating the petitioner from tax liability, or ordering return of every document and electronic device seized.

**Pinpoint:** Paragraphs 9–10, physical p. 13, read with the limited cash-seizure prayer in paragraph 1.

## 04 In favour of

**Taxpayer on the validity of the cash seizure and the direction for return with applicable interest.**

Final substantive release relief, not a remand. It does not adjudicate the underlying ITC investigation or confer general immunity against other lawful statutory action.

**Pinpoint:** Paragraphs 1, 3 and 9–10; quoted Deepak paragraph 63 preserves other proceedings in that cited case.

## 05 AKHB REVIEW POINT

AKHB analysis: Preserve INS-02, the inventory, search record, ownership evidence and correspondence seeking return. Separate the asserted statutory basis for seizure from recovery or provisional attachment, and ask what information the particular asset is said to supply. A generic reference to unexplained cash does not answer the evidentiary-relevance test adopted here.

Do not translate “applicable interest” into an assumed Section 56 rate or a court-fixed payment deadline. Keep release compliance distinct from the unresolved tax investigation. Obtain current orders in this petitioner's Supreme Court proceedings before advising on enforcement. Deepak's non-speaking SLP and review refusals are separate procedural history, not a reasoned Supreme Court cash-seizure ruling or disposal of Nand's challenge.

**Pinpoint:** AKHB commentary based on paragraphs 1–9, quoted Deepak paragraphs 54–57, and the separately identified Supreme Court orders.

## Sources and limitations

### Relevant provisions

CGST Act, 2017: Sections 2(52), 2(75), 67 and 130; Sections 79 and 83 discussed through the adopted Deepak extract. Constitution of India: Article 226; Article 136 in the separate Supreme Court SLP order. Section 122 appears in the reproduced Section 130 text.

### Statutory note

Section 2(75) excludes currency held for numismatic value from “money”; the decision concerns ordinary cash. Section 67(2) and (3) retain the purpose-based seizure and return conditions in India Code’s 11 June 2026 consolidation. The February 2021 seizure must be distinguished from later statutory changes. The judgment’s Section 130 quotation contains the older opening words, former second-proviso formulation and subsection (3); Finance Act 2021 Section 118 changed those provisions from 1 January 2022. This note does not present the quotation as a current consolidation or treat those collateral changes as deciding the cash issue.

### Treatment note

Checked 12 October 2026. The Supreme Court’s one-page order of 21 April 2025 in Diary 17903/2025 expressly arises from this judgment and directs tagging with SLP(C) 30241/2024, Commissioner of CGST v. Anshul Jain. It does not grant a stay, condone delay, grant leave or decide the merits. The official daily list for 21 April 2026 includes Nand at item 38.1; a listing proves neither the hearing outcome nor current pendency. Requests for later identified orders produced no substantive order, so latest interim/disposal status remains unverified. Separately, the verified 14 August 2024 SLP dismissal and 19 August 2025 review dismissal in Deepak Khandelwal contain no substantive Section 67 reasoning and do not dispose of Nand’s case. These are bounded identified-source checks, not a complete docket or citator certification.

### Scope of source review

All 13 physical original pages, including every quotation, footnote and the operative ending, were fully read and individually visually inspected. All five pages across the three specified Supreme Court order PDFs were also read and viewed. Statutory checks were targeted; only the relevant cause-list page was reviewed.

### Source notes

The neutral citation is visible in the original page artwork although absent from its extracted text. The decision date is 17 December 2024; the digital-processing notation is 9 January 2025. Footnote 2 prints Rahul Tayal’s date as 18.02.2024; this note does not adopt that date as independently verified. The lengthy numbered passages 40–63 are quotations from Deepak, while Nand itself has paragraphs 1–10. The record identifies cash, documents and devices in Nand’s search; silver bars and other amounts in the quotations must not be imported into his facts. Fresh official retrieval on 12 October 2026 matched the preserved original byte-for-byte. Parser success and visible signature artwork do not establish cryptographic signature validity.

### Primary source

**Source description:** Complete 13-page official Delhi High Court judgment, including extensive quotations and statutory footnotes; retained original unchanged.

**Official source:** [Open source document](#)

**Source pages:** 13

**Judgment author:** Dharmesh Sharma, J. (oral)

**Outcome type:** final high court merits

### **Additional source**

Supreme Court: Additional Director General v. Nand Kishore Gupta, 21 April 2025

**Official source:** [Open source document](#)

**Pinpoint:** Entire one-page order, Diary 17903/2025: tagging direction only; caption identifies WP(C) 16900/2024 dated 17 December 2024.

Supreme Court daily cause list for 21 April 2026

**Official source:** [Open source document](#)

**Pinpoint:** Physical p. 193, item 38.1: Nand's diary matter and delay application listed; not a judicial disposition or current-status certificate.

Supreme Court: Commissioner of CGST v. Deepak Khandelwal, 14 August 2024

**Official source:** [Open source document](#)

**Pinpoint:** Both pages reviewed; p. 2 condones delay and dismisses special leave under Article 136 without Section 67 reasoning.

Supreme Court: Deepak Khandelwal review order, 19 August 2025

**Official source:** [Open source document](#)

**Pinpoint:** Both pages reviewed; signed order p. 1 and ROP p. 2, Diary 59521/2024 in SLP(C) 18536/2024. Review refused without substantive statutory reasoning.

India Code: CGST Act consolidation as on 11 June 2026

**Official source:** [Open source document](#)

**Pinpoint:** Sections 2(52), 2(75), 67(2)–(3), and Section 130 with amendment footnotes; physical pp. 14, 16, 64–65 and 102–103. Official web text checked; local retrieval timed out.

### **Disclosures and source rights**

**AI disclosure:** Prepared with AI assistance from the complete official judgment and identified primary sources. No human legal review is claimed.

**General disclaimer:** For professional information only; not legal advice. Read the full judgments and applicable law, verify current appellate orders and obtain case-specific professional advice before acting.

©AKHB & Associates. This copyright notice applies to the original AKHB research note, analysis and presentation. It does not assert ownership of the judicial orders, judgments, legislation, circulars or other third-party source material. Rights in those sources remain with their respective rights holders, as applicable.

**Source checked:** 12 October 2026