Sanjeet Singh and others v. Principal Director of Income Tax (Investigation), Chandigarh and others

CWP-31147-2025 (O&M)

2026:PHHC:025106-DB | 2026-02-18

Seized jewellery: administrative delay could not justify enhanced security after approved release.

119(2) | 132 | 132B | 246A

High Court of Punjab and Haryana | Division Bench | Justice Deepak Sibal | Justice Lapita Banerji

Assessment years: Not specified in supplied order

Scope of this order

Petitioners secured conditional release without the later increased guarantee; the Court did not cancel the underlying disputed assessment.

01 FACTS OF THE CASE

Search on 3 March 2022 led to seizure of jewellery. Ownership of 901.030 grams by petitioners 3 and 4 was accepted in the 28 March 2024 assessment. Of 35 other items, petitioner 1 sought 33 valued by Revenue's valuer at Rs.1,20,12,074; he furnished a Rs.1.25 crore guarantee on 3 January 2025. Approval followed on 21 March and release arrangements on 8 April 2025, but an August letter demanded Rs.1,54,10,000 after gold prices rose.

Source: PDF p. 5

02 DISCUSSION BY THE HON'BLE COURT

The Court applied the circular's staged valuation, security and release timetable. Release had been approved against adequate security; delay was attributed only to unexplained administrative reasons. Petitioners could not be prejudiced by the resulting market-price increase. The pending assessment appeal was separate from release of the assets.

Source: PDF p. 15

03 JUDICIAL DECISION

The 901.030 grams were to be released to petitioners 3/4 after their ownership affidavits and petitioner 1's no-objection affidavit. The 33 items were to be released forthwith to petitioner 1 against his existing guarantee, after his ownership affidavit and petitioner 2's no-objection affidavit. The writ was allowed in these terms.

Source: PDF p. 16

04 OUTCOME / IN WHOSE FAVOUR

Petitioners secured conditional release without the later increased guarantee; the Court did not cancel the underlying disputed assessment.

Source: PDF p. 16

05 EXPERT COMMENTS

Valuation and delay must be read together — The result rests on an approved valuation, adequate furnished security and delay attributable to Revenue. It does not abolish the circular's valuation requirements or freeze all jewellery values at the search date.

Separate the two ownership groups — The 901.030 grams and 33 other items have different recipients and affidavit conditions. Describing a single unconditional release to Sanjeet Singh would misstate the operative order.

Security is not discharge of tax — The guarantee substitutes security for retained assets under the circular. The source records a pending section 246A appeal; release of jewellery does not itself decide the tax addition or establish later compliance.

Keep the source's dates and limits — Pronouncement was 18 February 2026, distinct from reservation 31 January and upload 19 February. AY 2012–13 concerns the earlier wealth-tax declaration, not an identified AY for the disputed income-tax addition. The printed Wealth-tax section 63 reference is not silently repaired.

Source: PDF p. 1

SOURCE & VERIFICATION

20260218_PHHC011692982025.pdf

Complete source PDF reviewed: 16 physical pages.

Complete source text and every original page visually reviewed; identity and SHA-256 checked. AI-assisted source analysis.

Open cited source rendition

All 16 physical source pages read and visually inspected. SHA-256: 716db7a807a9a56c62574d401021bd5e65a5da738b685a2c4b4d6185b2a816d7.

STATUTORY SCOPE

CBDT circular dated 16 October 2023, clauses 5 and 5.1, is reproduced and applied. Sections 119(2), 132, 132B and 246A appear in the judgment or reproduced material. The printed Wealth-tax Act section 63 reference is not treated as independently verified.

LATER TREATMENT

Source checked 2026-10-21. Subsequent judicial treatment has not been independently verified.

AI DISCLOSURE

AI-assisted research checked against the identified source. Extraction, interpretation or omission errors remain possible. Source review does not mean independent approval by a practising professional. Verify every material statement against the complete original judgment.

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