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

# **CNR No. DLHC010353912026**

+ **W.P.(C) 10996/2026, CM APPL. 50863/2026 & CM APPL.  
50864/2026**

**M/S. GOEL METAL**

.....Petitioner

Through: **Mr. Bharat Bhushan, Ms. Nidhi  
Gupta & Mr. Anunay Mishra, Advs.**

versus

**UNION OF INDIA & ORS.**

.....Respondents

Through: **Mr. Kshitij Chhabra, SPC with Mr.  
Abhijeet Vikram Singh, Adv.  
Mr. Akash Verma, SSC CBIC with  
Ms. Anchal Uppal, Adv.  
Mr. Anurag Ojha, SSC with Mr.  
Dipak Raj, Mr. Aryaman Singh  
Chouhan & Mr. Aditya Chaudhary,  
Advs.**

**CORAM:**

**HON'BLE MR. JUSTICE ANIL KSHETARPAL**

**HON'BLE MS. JUSTICE SHAIL JAIN**

**ORDER**

**05.08.2026**

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1. Through the present Writ Petition, the Petitioner prays for the following:

*“A. Issue a Writ of certiorari or any other appropriate Writ/ order/direction/ command that the provisions contained in Section 67(6) of the Central Goods and Services Tax Act, 2017 are not sustainable as they not only violate the fundamental right of equality by treating differently situated persons differently equally but also runs contrary to the scheme of GST law, and/ or;*

*B. Issue a Writ of certiorari or any other appropriate Writ/ order/direction / command that the phrase "on a provisional basis" as contained in Section 67(6) of the Central Goods and Services Tax Act, 2017 applies only*



*in those cases wherein release is sought upon execution of a bond or furnishing of a security pending determination of the applicable tax involved and/or;*

*C. Issue a Writ of certiorari or any other appropriate Writ/ order/direction / command that the under Section 67(6) of the Central Goods and Services Tax Act, 2017 the seized goods shall be released finally on payment of tax, interest, and penalty in terms of Section 74A(9) of the CGST Act, 2017 and/or;*

*D. Issue a Writ of certiorari or any other appropriate Writ/ order/direction / command that the phrase "on a provisional basis" in Section 67(6) of the Central Goods and Services Tax Act, 2017 as legally unsustainable, inoperative, and ultra vires to the extent that it mechanically applies even in those cases wherein the entire tax, interest, and penalty stand fully discharged and proceedings stand concluded under Section 74A(9) of the CGST Act, 2017 and/or;*

*E. Issue a Writ of certiorari or any other appropriate Writ/ order/direction / command that Rule 140 of the Central Goods and Services Tax Rules, 2017 as unsustainable, arbitrary, and bad in law to the extent that it fails to provide any mechanism or statutory form for the absolute and permanent vacation of seizure upon the payment of tax, interest, and penalty in terms of Section 74A(9) and/or;*

*F. Issue a Writ of Certiorari or any other appropriate writ/ order or direction declaring that the impugned Show Cause Notice (F. No. DGGI/INV/GST/1799/2025-INV-O/o Pr DG-DGGIHQ- DELHI; DIN 202606CC000000000131) dated 10.06.2026 issued under Section 130 of the Act as unsustainable and/ or set aside the same as being without jurisdiction, and an ex-facie abuse of the process of law and/or;*



*G. Issue a Writ of Certiorari or any other appropriate writ/ order or direction declaring that the seizure of unaccounted goods allegedly found at the premises of the Petitioner under Section 67(2) of the CGST Act, 2017 on 18.12.2025 as without jurisdiction being undertaken prior to determination of tax-liability in terms of Section 35(6) read with Section 74A of the CGST Act, 2017 and/or;*

*H. Issue a Writ of Certiorari or any other appropriate writ/ order or direction declaring that the initiation of proceedings proposing confiscation of seized goods under Section 130 of CGST Act, 2017 after conclusion of proceedings in terms of Section 74A(9) of the CGST Act, 2017 as without jurisdiction and/or;*

*I. Issue a Writ of Certiorari or any other appropriate writ/ order or direction declaring that the initiation of proceedings proposing imposition of penalty under Section 122 of CGST Act, 2017 after conclusion of proceedings in terms of Section 74A(9) of the CGST Act, 2017 as without jurisdiction and/or;*

*J. Pass any such other order or orders as this Hon'ble Court may deem fit and proper in the interest of justice.”*

2. Section 67 of the Central Goods and Services Tax Act, 2017 (hereinafter ‘CGST Act’) deals with the power of inspection, search and seizure. Sub-section (6) thereof provides that goods seized during the course of search shall be released on a provisional basis upon execution of a bond and furnishing of a security.

3. Learned Counsel appearing for the Petitioner submits that the latter part of Section 67(6) contemplates provisional release of the seized goods upon payment of the applicable tax, interest and penalty. It is submitted that such



an order can be passed only in terms of Section 74A(9) of the CGST Act.

4. Section 74A of the CGST Act deals with the determination of tax which has not been paid or has been short-paid or erroneously refunded, or where input tax credit has been wrongly availed or utilised. Both the provisions operate in different and distinct fields.

5. While challenging the constitutional validity of a statutory provision, the Petitioner is required to establish that the provision infringes a constitutional mandate.

6. The Petitioner has also challenged the Show Cause Notice dated 10.06.2026, wherein it has been alleged that the Petitioner had supplied copper scrap to M/s WMIPL on the basis of fraudulent input tax credit and that fake firms were registered in order to defraud the revenue.

7. The Petitioner may, if so advised, file an appropriate reply to the aforesaid Show Cause Notice and seek dropping of the proceedings.

8. With the aforesaid observations, the present Writ Petition is disposed of. All pending applications, if any, also stand disposed of.

**ANIL KSHETARPAL, J**

**SHAIL JAIN, J**

**AUGUST 5, 2026/pd/rm**