



**HIGH COURT OF JUDICATURE FOR RAJASTHAN
BENCH AT JAIPUR**



D.B. Civil Writ Petition No. 3912/2024

Shiv Shankar Oil Udyog, Prop. Shri Mahesh Gupta G-11B, Hathi
Babu Marg, Near Pital Fatory, Bani Park, Jaipur

-----Petitioner

Versus

- 1 Additional Director General, Directorate General Of Goods
And Service Tax Intelligence Jaipur Zonal Office Jaipur
Having Its Address C-62 Sarojini Marg C-Scheme Jaipur
- 2 Senior Intellegence Officer, Directorate General Of Goods
And Service Tax Intelligenece, Jaipur Zonal Office, Jaipur
Having Its Address At C-62, Sarojini Marg, C-Scheme,
Jaipur.
- 3 Union Of India, Through The Secretary, Ministry Of
Finance, Department Of Revenue, New Delhi-110001
- 4 State Of Rajasthan, Through The Secretary Finance,
Ministry Of Finance, Secretariat, Jaipur

-----Respondents

Connected With

D.B. Civil Writ Petition No. 13073/2023

- 1 M/s Jindal Shakti Cement, Plot No. E-10, Riico Industrial
Area, Bapi, Dausa - 303303, Through Partner Mr. Sube
Singh Chouhan S/o Puran Singh Chouhan, Age 54
(Approx), R/o B 179, Ganga Sagar Vaishali Nagar, Jaipur,
Rajasthan 302021
- 2 Sube Singh Chouhan S/o Puran Singh Chouhan, B 179
Ganga Sagar Vaishali Nagar, Jaipur, Rajasthan 302021.

-----Petitioners

Versus

- 1 Intelligence Officer, Directorate General Of Goods And
Services Tax Intelligence, Plot No. 44, Sector 32,
Gurugram Zonal Unit Gurugram 122001.
- 2 Deputy Director, Directorate General Of Goods Tax
Intelligence, Plot No. 44, Sector 32, Gurugram Zonal Unit
Gurugram 122001.
- 3 Assistant/deputy Commissioner, Central Goods And
Services Tax, Division- B, Alwar, Central Gst



Commissionerate, Alwar.

- 4 State Of Rajasthan, Through Additional Chief Secretary (Finance) To Government, Finance Department (Tax Division), Government Of Rajasthan, 1St Floor, Main Building, Government Secretariat, Jaipur Rajasthan, 302005
- 5 Union Of India, Through Its Secretary Department Of Revenue, Ministry Of Finance North Block, New Delhi.

-----Respondents

D.B. Civil Writ Petition No. 15032/2023

1. Anil Kumar Agarwal Prop. M/s Shree Radhey Krishna Stonex, Aged About 43 Years, Resident Of D-4, Vidyasagar, Dev Dungari Road, Madanganj, Kishangarh, Ajmer
- 2 Arun Agarwal Prop. M/s. Agarwal Stonex, Resident Of D-4, Vidyasagar, Dev Dungari Road, Madanganj, Kishangarh, Ajmer
- 3 Lalita Agarwal Prop. M/s. Jawla Stonex, Resident Of D-4, Vidyasagar, Dev Dungari Road, Madanganj, Kishangarh, Ajmer
- 4 Rachna Agarwal Prop. M/s. Shree Sainath Stonex, Resident Of D-4, Vidyasagar, Dev Dungari Road, Madanganj, Kishangarh, Ajmer

-----Petitioners

Versus

- 1 Additional Director General, Directorate General Of Goods And Service Tax Intelligence, Jaipur Zonal Office, Jaipur Having Its Address At C-62, Sarojini Marg, C-Scheme, Jaipur
- 2 Senior Intelligence Officer, Directorate General Of Goods And Service Tax Intelligence, Jaipur Zonal Office, Jaipur Having Its Address At C-62, Sarojini Marg, C-Scheme, Jaipur
- 3 Union Of India, Through The Secretary, Ministry Of Finance, Department Of Revenue, New Delhi
- 4 State Of Rajasthan, Through The Principal Secretary, Ministry Of Finance, Secretariat, Jaipur

-----Respondents



D.B. Civil Writ Petition No. 15420/2023

1. Global Export, 25 And 25A, Narbadeshvar Nagar Vistar, Mangyavas, Mansarovar, Jaipur, Jaipur, Rajasthan, 302020, Through Partner Mr. Sanjeev Jain S/o Mr. Madan Lal Jain, Age 51 Years (Apporx), R/o 1-Ga - 18, Jawahar Nagar, Jaipur Rajasthan 302004
2. Mrs. Rachna Jain W/o Mr. Sanjeev Jain, Aged About 44 Years (Apporx), R/o 1-Ga - 18, Jawahar Nagar, Jaipur Rajasthan 302004.
3. Mr. Shanuj Jain S/o Mr. Sanjeev Jain, Aged About 23 Years (Apporx), R/o 1-Ga - 18, Jawahar Nagar, Jaipur Rajasthan 302004.
4. Mr. Shamit Jain S/o Mr. Sanjeev Jain, Aged About 20 Years (Apporx), R/o 1-Ga - 18, Jawahar Nagar, Jaipur Rajasthan 302004
5. Mr. Madan Lal Jain S/o Late Ramrai Jain, Aged About 83 Years (Apporx), R/o 1-Ga - 18, Jawahar Nagar, Jaipur Rajasthan 302004.

----Petitioners

Versus

1. Senior Intelligence Officer, Directorate General Of Gst Intelligence, Jaipur Zonal Unit, C-62, Sarojini Marg, Ashok Nagar, Jaipur, Rajasthan 302001
2. Additional Director, Directorate General Of Gst Intelligence, Jaipur Zonal Unit, C-62, Sarojini Marg, Ashok Nagar, Jaipur, Rajasthan 302001
3. Union Of India, Through Its Secretary, Department Of Revenue, Ministry Of Finance North Block, New Delhi.
4. State Of Rajasthan, Through Additional Chief Secretary (Finance) To Government, Finance Department (Tax Division), Government Of Rajasthan, 1St Floor, Main Building, Government Secretariat, Jaipur Rajasthan, 302005

----Respondents

D.B. Civil Writ Petition No. 15125/2025

Shri Nath Glass Company, (Legal Name - Sulochana Devi Goyal), F-198, Riico Industrial Area, Makupura, Ajmer - Rajasthan 305001 (Gstin No. 08Afxpg7552H1Zv) Through Its Authorized



Signatory Shri Chandra Prakash Goyal

-----Petitioner

Versus

- 1 Union Of India, Through The Chairman, Central Board Of Indirect Taxes And Customs, North Block, New Delhi
- 2 Additional Commissioner Of Central Tax, (Anti-Evasion) Central Excise And Cgst Commis-Sionerate Jaipur, New Central Revenue Building, Statue Circle, C-Scheme, Jaipur.
- 3 State Of Rajasthan, Through The Chief Commissioner Of State Tax, Kar Bhawan, Ambedkar Cirlce, Jaipur

-----Respondents

D.B. Civil Writ Petition No. 15134/2025

Shri Hindustan Glass, (Legal Name-Chandra Prakash Goyal), Delhi Gate, Longia Road, Ajmer- Rajasthan 305001 (Gstin No. 08Abmpg5629C1Zq) Through Its Sole Propreiter Shri Chandra Prakash Goyal

-----Petitioner

Versus

- 1 Union Of India, Through The Chairman, Central Board Of Indirect Taxes And Customs, North Block, New Delhi.
- 2 Additional Commissioner Of Central Tax, (Anti-Evasion) Central Excise And Cgst CommisSionerate Jaipur, New Central Revenue Building, Statue Circle, C-Scheme, Jaipur.
- 3 State Of Rajasthan, Through The Chief Commissioner Of State Of Tax, Kar Bhawan, Ambedkar Cirlce, Jaipur.

-----Respondents

For Petitioner(s) : Mr. Siddharth Ranka with
Mr. Rohan Chatter
Ms. Apeksha Bapna &
Ms. Satwika Jha
Mr. Jatin Harjai with
Mr. Rohan Agarwal &
Mr. Palash Gupta
Mr. Rahul Lakhwani with
Mr. Aaditaya Sharma & Mr. Wilson Joy



For Respondent(s) : Mr. Sandeep Pathak with
Ms. Jaya Pathak
Mr. Kinshuk Jain
Ms. Mahi Yadav, AAG with
Mr. Rohan Mittal
Ms. Yuvika Pilonia & Mr. Ayush Jain
Mr. Ajay Shukla with
Mr. Raghav Sharma, Ms. Jyoti Sharma
& Mr. Shivam Sharma
Mr. C.S. Sinha with
Mr. Dev Yadav



HON'BLE MR. JUSTICE INDERJEET SINGH
HON'BLE MR. JUSTICE ASHOK KUMAR JAIN

JUDGMENT

REPORTABLE

15/04/2026

1. Common Question of Law

1.1 All these writ petitions were filed with a common question of law, that is, whether the respondents can seize any amount of cash during the search of the premises of the petitioner(s), as if the same is within the authority of the respondents to seize as the "goods" or "things". Since the issue is common, therefore, we are deciding these writ petitions by a common order. The issue is related to the Central Goods and Service Tax, 2017 (in short referred as "Act of 2017".)

2. Prayers in the Writ Petitions:-

2.1 D.B. Civil Writ 3912/2024 has been preferred with following prayer:-

It is, therefore, most humbly and respectfully prayed that the Hon'ble High Court may be pleased to issue appropriate writ/order/direction to the Respondents and direct:

(i) Refund the illegally seized cash of Rs. 1,10,000/- along with interest to the petitioners;



- (ii) Grant compensation to the petitioners for the unlawful and illegal action undertaken against them;
(iii) to allow the writ petition and award costs of this petition;
(iv) for such further and other reliefs, as this Hon'ble Court may deem fit and proper in the nature and circumstances of the case.

2.2 D.B. Civil Writ 13073/2023 has been preferred with following prayer:-

It is, therefore, most respectfully prayed that this Hon'ble Court may graciously be pleased to issue an appropriate writ of Mandamus or Other appropriate writ/ order/ direction and kindly:

- a. Direct respondents to release INR 40,00,000/-, along with interest, which was seized from petitioner and were placed as FDR in the name of Directorate General of Goods and Services Tax (Annexure 2);*
- b. Award appropriate cost;*
- c. Any other Order/ Relief to the petitioner as finds fit by this hon'ble court in the facts and circumstances of the present case.*

2.3. D.B. Civil Writ 15032/2023 has been preferred with following prayer:-

It is, therefore, most humbly and respectfully prayed that the Hon'ble High Court may be pleased to issue appropriate writ/order/direction to the Respondents and direct:

- (i) Unconditionally refund the illegally seized cash of Rs. 33,00,000/- along with applicable interest to the petitioners;
- (ii) to allow the Writ Petition and award costs of this petition;
- (iii) for such further and other reliefs, as this Hon'ble Court may deem fit and proper in the nature and circumstances of the case.

2.4. D.B. Civil Writ 15420/2023 has been preferred with following prayer:-



It is, therefore, most respectfully prayed that this Hon'ble Court may graciously be pleased to issue an appropriate writ of Mandamus or other appropriate writ/ order/ direction and kindly:

- Direct respondents to release INR 32,00,000/-, along with interest, which was seized from petitioners;
- Award and grant appropriate cost;
- Any other Order/ Relief to the petitioner as finds fit by this hon'ble court in the facts and circumstances of the present case.

2.5 D.B. Civil Writ 15125/2025 has been preferred with following prayer:-

It is, therefore, most humbly and respectfully prayed that the Hon ble High Court may be pleased to issue appropriate Writ, Direction or Order and be pleased to:

- direct the respondents to refund the illegally seized cash in name of Shri Chandra Prakash Goyal of Rs. 25,00,000/-
- along with interest.
- direct the respondents to refund the amount illegally got de- posited through DRC-03 of Rs. 9,26,588-.
- direct the respondents to return back the seized books, documents and things which have not been relied upon in the
- impugned show cause notice. quash the impugned Show Cause dated 06.06.2025 issued to the petitioner proposing to levy penalty u/s. 122(1)(ii) of the CGST Act, 2017.
- Any other consequential relief as this Hon'ble Court deems just and proper in the facts and circumstances of the case may also be passed in favor of the petitioner including awarding costs.

2.6. D.B. Civil Writ 15134/2025 has been preferred with following prayer:-

It is, therefore, most humbly and respectfully prayed that the Hon'ble High Court may be pleased to issue appropriate Writ, Direction or Order and be pleased to:

- direct the respondents to refund the illegally seized cash of Rs. 25,00,000/- alongwith interest.
- direct the respondents to refund the amount illegally got deposited through DRC-03 of Rs. 12,50,933/-.
- direct the respondents to return back the seized books, documents and things which have not been relied upon in the impugned show cause notice.
- quash the impugned Show Cause dated 06.06.2025





issued to the petitioner proposing to levy penalty u/s. 122(1)(ii) of the CGST Act, 2017.

e) Any other consequential relief as this Hon'ble Court deems just and proper in the facts and circumstances of the case may also be passed in favor of the petitioner including awarding costs.

2.7. Early hearing is allowed in D.B. Civil Writ Petition No. 3912/2024.

3. **Scope of the Present Adjudication**

3. We are considering Writ Petition No. 3912/2024 as the lead matter. In some of the writ petitions, the show-cause notice and other issues are also challenged, but we are leaving open those issues with the observation that Sections 107 and 112 of the CGST Act or the RGST Act, 2017, provide an alternative and efficacious remedy of appeal against any final order of adjudication. On said issues, including to challenge deposit of any amount by alleged coercive methods, the said petitioner(s) have an alternative and efficacious remedy. Otherwise also, we are leaving open these issue, and herein we are only deciding the issue with regard to the seizure of "money" during search, undertaken under Section 67 of CGST Act or RGST Act, 2017.

4. **Submissions on Behalf of the Petitioners:-**

4.1. Learned counsels for the petitioners have placed reliance upon the judgments in the cases of **Kanishka Mata versus Union of India, 2020 (42) GSTL 52 (Madhya Pradesh High Court); Shabhu George versus State Tax Officer, (IB) 2023, 9 CENTEX 28, (Kerala High Court); Dhanja Shreekumari versus State Tax Officer, 2023 (8) CENTEX 169, (High Court of Kerala); Deepak Khandelwal versus Commissioner of CGST, Delhi West, 2023 (9)**



CENTEX 244 (High Court of Delhi); Commissioner of CGST versus Deepak Khandelwal, 2024 (8) TMI 1041, SLP dismissed on 14.8.2024; Kunjan Bindal and another versus Commissioner of CGST, Delhi and others, W.P. (C) 8713/2023 (High Court of Delhi); Bharat Kumar Praveen Kumar and Company versus State of Gujarat, 2023 (12) CENTEX 63 (High Court of Gujarat); B. Kusuma Punacha versus Senior Intelligence Officer, 2024 (162) Taxman.com 414, (High Court of Karnataka); Pushpa Furniture Private Limited versus Union of India 2025 (181) Taxman.com 822; William E. Connor Associates and Sourcing Private Limited and another versus Union of India and others (High Court of Punjab and Haryana), CWP No. 73/2021; Smruti Bagdhari versus Joint Director, DGGI, 2026 (184) Taxman.com 243 (Bombay High Court); Prince Khuntela versus Additional Commissioner and another, Civil Writ No. 9067/2023 (Rajasthan High Court); and Commissioner of Income Tax, Kerala versus Tara Agencies, 2007, 6 SCC 429, and submitted that the word "money" has not been included in Section 67(2) of the CGST Act, as goods, which can be seized at the time of search, and once money has not been included, the investigating agency/department is not competent to seize the cash (money) from any of the premises of the petitioner(s) during search proceedings. He further submitted that the respondents are duty-bound to return the money, as same is not liable for confiscation.

4.2. Learned counsels for some of the petitioner(s) has placed reliance upon the judgment in the cases of **Arvind Goyal**



versus Union of India, 2023 (1) TMI 1028 (Delhi High Court); Baleshwari Devi versus Additional Commissioner, 2023 (7) TMI 1230 (Delhi High Court); Goyal Metal Udyog versus CGST, 2023 (9) TMI 900 (Delhi High Court); Rajiv Chhatwal versus CGST, 2023 (8) TMI 1263 (Delhi High Court); Bhagwan Gupta versus Commissioner of CGST, 2023 (11) TMI 1299 (Delhi High Court); Gunjan Bindal versus Commissioner of CGST, 2023 (11) TMI 954; KM Food Infrastructure Private Limited versus DGGI, 2024 (2) TMI 762 (Delhi High Court); Krishija Optics Limited versus Commissioner of CGST, 2024 (5) TMI 1212 (Delhi High Court); Krishna Chaurasia versus Additional Director General, 2024 (9) TMI 605; Dhanya Sreekumari versus State Tax Officer, 2023 (7) TMI 623; T. H. Fazil versus State Tax Officer, 2023 (9) TMI 958; Central C Edtech Private Limited versus Intelligence Officer, 2025 (2) TMI 408 (Kerala High Court); Bharatkumar, PravinKumar and Company versus State of Gujarat, 2023 (11) TMI 401 (Gujarat High Court); B. Kusuma Poonacha versus DGGI, 2024 (6) TMI 361 (Karnataka High Court); Pushpa Furniture Private Limited versus Union of India, (2025) 181 Taxman.com 822 (Calcutta High Court); and Smruti Waghmare versus Joint Directorate General of GST, 2026 (3) TMI 582 (Bombay High Court) and submitted that during search, the respondents have seized the cash on the account of unaccounted money, at the premises of petitioners. He also submitted that the respondents have no authority to seize and confiscate the cash amount found during search proceedings, as



the same is not within the domain under the CGST Act and not defined as “goods” by the legislature. He also submitted that a show cause notice (SCN) and further adoption of coercive means to pressurize the petitioners to deposit any amount is contrary to all settled propositions of law. He also referred the ratio laid down aforesaid said cases and submitted that the action of the respondents is contrary to the provisions of the CGST Act, 2017.

4.3. Learned counsel for the parties have referred to the aforesaid judgments of the Delhi High Court, the Kerala High Court, the Gujarat High Court, the Karnataka High Court, the Calcutta High Court and the Bombay High Court and submitted that six of the High Courts have considered these issues and categorically held that the respondents have no authority to seize cash (money) during search, as it is not legally permissible under Section 67(2) of the CGST Act, 2017. They also submitted that money has specifically been excluded from the definition of “goods” under Section 2(52) of the CGST Act, and the respondents or their authorized proper office are not authorized to seize money or any other valuable securities other than goods, which has been permitted under the law. They also submitted that the petitioners are also entitled for compensation for illegal seizure, and also interest. They also submitted that any action initiated pursuant to, search and seizure is also illegal and the petitioners are entitled for issuance of writ under Article 226 of the Constitution of India, as the respondents have acted contrary to all the legal provisions.

5. **Submissions on Behalf of the Respondents**



5.1. Aforesaid contentions were opposed by learned counsel appearing on behalf of the respondents and learned Additional Advocate General (AAG) on behalf of the State of Rajasthan and submitted that the authority of search and seizure is very specific, and provided under the law, and all actions are within the scope of CGST Act. They also submitted that the word "things" used in a proviso to Section 67(2) of the CGST Act has to be given a wider meaning, as the legislature has used the word and inserted the proviso in Section 67(2) of the Act of 2017. They also submitted that the Sections 2(17), 2(31), 2(75) and 67(2) has to be read conjointly which empowers the respondents to seize money recovered during search proceedings. They also referred judgment in the case of ***Shrimati Kanishka Matta versus Union of India, reported in (2020), 120 Taxman.com 174 (MP)***, and submitted that, after considering the judgment in the case of ***D. Vinod Shivappa versus Nanda Beliappa, (2006) 6 SCC 456; Surjeet Singh Chhabra versus Union of India, 1986 Taxman.com 71 (SC); R.S. Company versus CCE, 2017, 350 ELT 264 (MP)***; A Co-ordinate (Division Bench) clearly held that Section 67(2) of the CGST Act, 2017 authorizes the respondents to seize the cash recovered during search proceedings

5.2. Learned counsel for respondents have further placed reliance upon judgment in case of ***P. Mohanraj Vs. M/s Shah Brothers Ispat Private Limited reported in (2021) 6 SCC 258*** and submitted that the rule of construction of any statute, must be adopted in a way that it may not exalt to nullify the plain meaning of words used in a statute if they are designedly used in a wide sense. They also submitted that a residuary phrase is used as a



catch-all expression to take within its scope what may reasonably be comprehended by a provision, regard being had to its object and setting, rule of noscitur a sociis (interpretation of unambiguous words in the context with the word it has associated) cannot be used to colour an otherwise wide expression so as to whittle it down and stultify the object of a statutory provision.

6. Heard learned counsel for the parties and learned Additional Advocate General. Perused the material placed on record. We have considered all the judgments, as referred but for sake of brevity, we are not referring them in detail.

7. Statutory Scheme:-

7. Section 67 empowers the "proper officer", not below the rank of Joint Commissioner, for inspection, search and seizure. Section 67(2) of the Act of 2017 is reproduced as under:-

67(2) Where the proper officer, not below the rank of Joint Commissioner, either pursuant to an inspection carried out under sub-section (1) or otherwise, has reasons to believe that any goods liable to confiscation or any documents or books or things, which in his opinion shall be useful for or relevant to any proceedings under this Act, are secreted in any place, he may authorise in writing any other officer of central tax to search and seize or may himself search and seize such goods, documents or books or things:

Provided that where it is not practicable to seize any such goods, the proper officer, or any officer authorised by him, may serve on the owner or the custodian of the goods an order that he shall not remove, part with, or otherwise deal with the goods except with the previous permission of such officer:

Provided further that the documents or books or things so seized shall be retained by such officer only for so long as may be necessary for their examination and for any inquiry or proceedings under this Act.



8. **Definition of "goods"**

8.1. In the aforementioned provision, the legislature has used the word "goods" liable for seizure and confiscation, and any documents or books or things. The "goods" has been defined in Section 2(52) of the Act of 2017 as under:-

2(52) "goods" means every kind of movable property other than money and securities but includes actionable claim, growing crops, grass and things attached to or forming part of the land which are agreed to be severed before supply or under a contract of supply.

Aforesaid provision clearly reflect that every kind of movable property, other than money and securities, are included in the definition of goods. The provision clearly and unequivocally excludes money and securities.", from the definition of "goods" under the Act of 2017.

8.2. Section 2(22) of the Customs Act, 1962, defines "goods" as under:

"goods" includes—

- (a) vessels, aircrafts and vehicles;
- (b) stores;
- (c) baggage;
- (d) currency and negotiable instruments; and
- (e) any other kind of movable property.

There is no exclusion rather currency and negotiable instruments are included within the definition.

9. **"Money under the Income Tax Act, 1961."**

9.1. Section 132 of the Income Tax Act, 1961 provides for search and seizure, and the relevant provision, which specifically provided seizure of money, bullion, jewellery or other valuable articles, is reproduced as under:-



Search and Seizure

132. (1).....

“(c) any person is in possession of any money, bullion, jewellery or other valuable article or thing and such money, bullion, jewellery or other valuable article or thing represents either wholly or partly income or property which has not been, or would not be, disclosed for the purposes of the Indian Income-tax Act, 1922 (11 of 1922), or this Act (hereinafter in this section referred to as the undisclosed income or property);”

“(iii) seize any such books of account, other documents, money, bullion, jewellery or other valuable article or thing found as a result of such search:

Provided that bullion, jewellery or other valuable article or thing, being stock-in-trade of the business, found as a result of such search shall not be seized but the authorised officer shall make a note or inventory of such stock-in-trade of the business;”

9.2. The provision under the Income Tax Act makes it clear that money, bullion, jewellery or other valuable articles are distinguished from the word “thing”. It means, “thing” does not include money, bullion, jewellery or other valuable articles.

10. After considering the definition of "goods under the CGST Act," it is quite clear that the money and securities were excluded, herein we are only concerned with definition of the money while construing any provision, we have to consider the identical provisions of law which are enacted for the purpose of economic governance of the country, such as the Customs Act, 1962 and the Income Tax Act, 1961, which are essential laws, affecting the individuals and the entities.

10.1 Learned counsel appearing on behalf of the respondents have placed reliance upon the following proviso to Section 67(2), for the purpose of inclusion of money in the definition of things.



The provision (second proviso of Section 67(2) is reproduced as under:-

Provided further that the documents or books or things so seized shall be retained by such officer only for so long as may be necessary for their examination and for any inquiry or proceedings under this Act.

10.2. The term "money" has been defined under Section 2(75) of the CGST Act, 2017, and the same has been reproduced as under.

"Money" means the Indian legal tender or any foreign currency, cheque, promissory note, bill of exchange, letter of credit, draft, pay order, traveller cheque, money order, postal or electronic remittance or any other instrument recognised by the Reserve Bank of India when used as a consideration to settle an obligation or exchange with Indian legal tender of another denomination but shall not include any currency that is held for its numismatic value.

11. **Whether "Thing" Includes "Money"**

11.1. Aforementioned provisions clearly reflect that the term "money" and "goods" both have been defined, under the Act of 2017, but the word "thing" has not been defined. The legislature has used a specific word for the purpose of giving effect to the action initiated under the CGST Act, thus, it is the duty of everyone to interpret the law only for the purpose to give effect to the intention of the legislature.

11.2. The legislature has specifically used the word "goods", which does not include money, and money has been defined, therefore, these three words, "goods", "money" and "things", have different meanings for the purpose of the CGST Act, 2017 and they are not synonyms to each other. If the intention is to include money and securities, then why an exclusion was used under Section 67(2) of



the CGST Act. Similarly, the definition of goods has to be the same as that of the Customs Act, 1962.

11.3. Otherwise also, authorizing by way of any residuary provision also required the communication in same language as has been used under the Income Tax Act, 1961, therefore, the legislature in its wisdom has clearly excluded "money and securities" from the definition of the goods. The Section 67(2) in clear terms provides that money and securities cannot be seized or confiscated by any of the authorities under the CGST Act or the RGST Act, 2017.

12. Rule of Interpretation Relied Upon by the Respondents

12.1 Learned counsel for the respondents and Additional AAG have placed reliance upon the rule of interpretation in the case of **P. Mohanraj Vs. M/s Shah Brothers Ispat Private Limited (supra)** and we are reproducing paragraph 22 as under:-

22. A reading of these judgments would show that ejusdem generis and noscitur a sociis, being rules as to the construction of statutes, cannot be exalted to nullify the plain meaning of words used in a statute if they are designedly used in a wide sense. Importantly, where a residuary phrase is used as a catch-all expression to take within its scope what may reasonably be comprehended by a provision, regard being had to its object and setting, noscitur a sociis cannot be used to colour an otherwise wide expression so as to whittle it down and stultify the object of a statutory provision.

12.2 A coordinate Bench of the Madhya Pradesh High Court, in the case of **Shrimati Kanishka Matta versus Union of India (supra)**, considered the definition of "things" as used in the second proviso to Section 67(2) of the CGST Act, and read conjointly with Sections 2(17), 2(31), 2(75) and 67(2) of the



CGST Act, and observed that "things" be given a wider meaning.

12.3 In the case of ***D. Vinod Shivappa versus Nanda Beliappa (supra)***, the Hon'ble Supreme Court has held that, in interpreting a statute, the Court must adopt that construction which suppresses the mischief and advances the remedy.

12.4. In order to avoid contradictions, ambiguity or ludicrous results while interpreting statutes, normally the golden rule of interpretation is used. **Lord Wensleydale** emphasized that **law should be followed as long as, doing so, it doesn't lead to inconsistencies or ambiguity.**

The Golden Rule of interpretation should be used, however if applying a statute's exact meaning of word, used therein and the result is confusing or irrational and doesn't serve the intended object of the law.

12.5. In case of ***Annaya Kocha Shetty Vs. Laxmibai Narayan Satose reported in 2025 INSC 466***, it was authoritatively held that the provision is first construed in its plain, ordinary and literal meaning. If there is any absurdity or inconsistency, then a departure from literal rule may be allowed.

13. In case of ***P. Mohanraj Vs. M/s Shah Brothers Ispat Private Limited (supra)*** a residuary phrase is used as a catch-all expression to take within its scope what may reasonably be comprehended by a provision, regard being had to its object and settings so as to stultify the object of a statutory provision. There are three rules normally followed at the time of interpretation of any provision of any statute, and they are:

(i) plain meaning rule or literal rule, which means the words are taken in their plain and literal meaning;



(ii) the golden rule, that when the words require modification to avoid absurdity or inconsistency; and

(iii) the mischief rule, used to give effect to the intention of the legislature, looking at the mischief which the provision is intended to address.

14. Power to Seize Money and Securities

14.1. In the instant case, the language used under Section 67(2) of the Act is very clear and unambiguous, which has specifically ousted "money and securities", and money has been defined under Section 2(75) of the Act of 2017. Thus, exclusion cannot be included by way of interpretation of any other provision, unless specifically provided.

14.2. Nowhere in the definition clause under Section 2 of the CGST Act, 2017, the word "thing" has been defined, by the Legislature. It simply means the "things" means any other object other than money and securities. The legislature in its wisdom has specifically excluded "money and securities" from the power of the proper officer, thus the proper officer has no authority to seize money and securities under Section 67(2) of the CGST Act, while effecting search and seizure.

15. Consistent View of Various High Courts

15.1. These issues were already considered by a coordinate Bench of the Delhi High Court in the case of **Deepak Khandelwal versus Commissioner of CGST, W.P. (C) 6738/2021**, decided on 17.08.2023. A SLP filed by the Commissioner of CGST was dismissed by the Hon'ble Supreme Court on 14.08.2024, and a further review petition filed by the Commissioner of CGST was also dismissed on 19.08.2025.



15.2. The issue has been considered by the Hon'ble Supreme Court in the case of ***State Tax Officer, IB and Others v. Shabu George and Another, reported in 2023 (8) TMI 309***, affirming the judgment of the Kerala High Court, wherein the appeal was allowed by directing the respondents to verify and release the cash seized from the premises to the concerned person against a receipt to be obtained from him.

15.3. The issue was considered by the Delhi High Court in cases of ***Arvind Goyal versus Union of India, (supra); Baleshwari Devi versus Additional Commissioner, (supra); Goyal Metal Udyog versus CGST, (supra), Rajiv Chhatwal versus CGST, (supra) Bhagwan Gupta versus Commissioner of CGST, (supra); Gunjan Bindal versus Commissioner of CGST, (supra); KM Food Infrastructure Private Limited versus (supra), Krishija Optics Limited versus Commissioner of CGST (supra), Krishna Chaurasia versus Additional Director General (supra)***, The Kerala High Court in cases of ***Dhanya Sreekumari versus State Tax Officer, (supra); T. H. Fazil versus State Tax Officer, (supra); Central C Edtech Private Limited versus Intelligence Officer, (supra)*** and the Gujarat High Court in case of ***Bharatkumar Pravinkumar (supra)***, the Karnataka High Court in case of ***B. Kusuma Poonacha (supra)***, the Calcutta High Court in case of ***Puspa Furniture (P) Ltd. Vs. Union of India (supra)*** and the Bombay High Court in case of ***Smurti Waghdare Vs. Joint Directorate General of GST (supra)***.

16. The judgments as referred herein above clearly laid down that expression employed in Section 67(2), namely, "goods liable



to confiscation” or “documents or books or things” relevant for or useful to any proceedings under the Act, cannot be interpreted in isolation or in a manner which would confer an unrestricted power upon the Department to seize cash merely because the same happens to be found at the premises searched. The existence of cash at a searched premises, by itself, does not establish that the cash constitutes goods liable to confiscation or that it is a “thing” relevant or useful for proceedings under the GST enactment. The exercise of the statutory power must be supported by material demonstrating the requisite connection between the property seized and the alleged GST evasion or proceedings contemplated under the Act.

17. The aforesaid principle finds substantial support from the judgment in case of **Commissioner of CGST Vs. Deepak Khandelwal (supra)**, wherein the Court dealt with seizure of cash and valuable articles during a GST search and held that the power of search and seizure under Section 67(2) could not be utilised merely for the purpose of seizing cash or unaccounted wealth having no demonstrated connection with GST proceedings.

18. The said view assumes considerable significance inasmuch as the Special Leave Petition preferred by the Revenue Department against the said decision was dismissed by Hon'ble Supreme Court and the subsequent review petition was also dismissed. The same principle has thereafter been consistently followed in Commissioner of **CGST Vs. Bhagwan Gupta (supra)** where substantial cash was seized during a GST search, following **Deepak Khandelwal (supra)** directed release of the amount.



The Revenue's challenge before the Supreme Court was also dismissed on 14.08.2024.

19. In **State Tax Officer Vs. Shabu George (supra)**, the Kerala High Court directed release of cash seized during GST investigation where the cash did not constitute stock-in-trade of the business, and Hon'ble Supreme Court declined to interfere with the said decision. Likewise, in **Dhanya Sreekumari Vs. State Tax Officer (supra)**, and **T.H. Fazil Vs. State Tax Officer (supra)**, the Kerala High Court reiterated that cash which was not stock-in-trade and was not shown to be directly relevant to GST proceedings could not be retained merely by invoking Section 67(2) of the CGST Act.

20. The Gujarat High Court has also adopted the same approach and in case of In **Bharatkumar Pravinkumar & Co. v. State of Gujarat (supra)** has directed return of substantial cash which was seized during transportation, particularly when the material on record indicated that the amount represented sale proceeds and was not shown to constitute stock-in-trade or an unexplained GST transaction. The Court also adverted to the statutory requirement contained in Section 67(7) of the CGST Act.

21. Equally significant is the decision of the Karnataka High Court in **B. Kusuma Poonacha v. Senior Intelligence Officer, (supra)**, wherein the precise question whether cash/currency could fall within the expression "things" occurring in Section 67(2) was considered. The Court held that cash/currency/money did not fall within the expression "things" for the purpose of the provision in the circumstances before it and consequently directed return of the entire seized amount along with accrued interest. The Court,



in doing so, followed the approach adopted by the Delhi, Kerala and Gujarat High Courts and expressly disagreed with the contrary interpretation referred to in **Kanishka Matta (supra)**.

22. A Co-ordinate Bench of the Delhi High Court has further examined the question in **Arvind Goyal CA v. Union of India, (supra)**, where cash of approximately ₹1.22 crore was found during a residential search. The Court noticed that cash is not “goods” within the meaning of Section 2(52) of the CGST Act and found it difficult, in the circumstances of that case, to treat ordinary currency as a “thing” useful or relevant to GST proceedings. The amount was accordingly directed to be released.

23. The importance of strict adherence to the statutory procedure is also evident from judgment in case of **Baleshwari Devi v. Additional Commissioner (supra)** wherein the Court found that possession of the money had been taken without properly recording the seizure and held such dispossession to be impermissible, consequently directing return of the amount. Likewise, **Goyal Metal Udyog v. Commissioner of CGST, (supra)** involved seizure of substantial cash and the Court, following the principle in **Deepak Khandelwal (supra)**, directed release of the seized amount along with interest.

24. In **Krishija Optics Ltd. v. Commissioner, CGST (Delhi West) (supra)** the Supreme Court, on 24.03.2025, dismissed the Revenue’s Special Leave Petition while referring to its earlier order in **Deepak Khandelwal (supra)**, and also dismissed the subsequent review petition. In **Krishna Chaurasia v. Additional Director General, DGGI, (supra)** the fact that the source of the cash was not satisfactorily explained was not treated, by itself, as



sufficient justification for seizure under Section 67(2), of the CGST Act, 2017 and the cash was directed to be returned with accrued interest. The principle is further reinforced by **Centre C Edtech Pvt. Ltd. v. Intelligence Officer, (supra)**, where the Kerala High Court held that cash could not be retained by either the GST Department or the Income Tax Department merely pending finalization of their respective proceedings and directed release of the amount while permitting the statutory proceedings to continue in accordance with law.

25. The release of the property does not prevent the Department from taking such action as may otherwise be permissible under the statute on the basis of independent and legally sustainable material. The Calcutta High Court has also taken the view that money is excluded from the statutory definition of “goods” and that GST authorities could not seize or seal cash in the circumstances considered in **Puspa Furniture (P) Ltd. v. Union of India, (supra)**.

26. Likewise, in **Smruti Waghdare v. Joint Director, Directorate General of GST (supra)**, it was held that the mere finding of cash or a suspicion that such cash was unaccounted could not, by itself, justify seizure under Section 67(2), of the Act of 2017, and also considered the statutory requirement under Section 67(7). The seizure was consequently quashed and the amount was directed to be returned with applicable interest.

27. Thus, the cumulative effect of the aforesaid decisions is that the power of search under Section 67(2) of the Act of 2017 cannot be converted into a general authority seize money and securities. There must be a demonstrable statutory basis and a proximate



nexus between the property sought to be seized and the proceedings under the CGST Act, 2017. The mere presence of currency (money) at the premises searched, the allegation that such currency is unaccounted, or the inability of the person concerned to satisfactorily explain its source at the time of search, cannot, standing alone, furnish an adequate legal foundation for seizure under Section 67(2) of the Act, 2017. Such an interpretation would enlarge the statutory power beyond the purpose for which Parliament has conferred it.

28. Findings

28.1. Having considered the legal position as referred hereinabove, the respondents have no authority to seize money and securities at the time of search, as the same has specifically been excluded by the legislature from the power of seizure of the respondents or the proper officer. Therefore, the money as defined under Section 2(75), of the Act of 2017, has been seized during any search operation by the respondents by invoking authority under Section 67(2) of the CGST Act, then the same is liable to be returned or refunded.

28.2. Learned counsel for the petitioners have made submissions regarding compensation and also payment of interest on money seized by the respondents- authority. We have considered this aspect, but we are not inclined to grant any compensation or interest.

29. Conclusion

29.1. In view of the discussion made herein-above these writ petitions are hereby allowed to the extent that the respondents



have no authority to seize any money (including cash) and securities during search under Section 67(2) of the Act of 2017, therefore, taking away or seizure of money is illegal and without any authority of law. The respondents are directed to return and refund the money seized from the petitioner(s) without any delay.

29.2. As discussed herein-above, any another issue(s) raised in connected writ petition(s) are left open.

29.3. Accordingly, these writ petitions stands disposed of with pending application(s), if any.

(ASHOK KUMAR JAIN),J

(INDERJEET SINGH),J

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