

Pranav Mehta

Recently, the Hon'ble High Court of Bombay in the case of Smurti Waghdhare v. Joint Director Directorate General of GST Intelligence, [2026] 184 taxmann.com 243 (Bombay), held that seizure of cash amounting to ₹ 1 crore under section 67(2) of the CGST Act was arbitrary and without authority of law, where the department had neither recorded the mandatory "reasons to believe" nor issued notice within the statutory period of six months. The Court also held that there is no power under the CGST Act to hand over such seized cash to the Income Tax Department. Accordingly, the seizure orders were quashed and the department was directed to release the cash with applicable interest to the petitioner. Facts of the case: The petitioner was a GST-registered proprietor engaged in trading of ferrous and non-ferrous metals and scrap. Searches were conducted.....