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* IN THE HIGH COURT OF DELHI AT NEW DELHI

Date of Decision: 25th August, 2025

+ W.P.(C) 12844/2025, CM APPL. 52483/2025 & CM APPL. 52484/2025

M/S TIRUPATI STEEL THROUGH PROPRIETOR
RAHUL MITTAL

.....Petitioner

Through: Mr. Prabhat Kumar & Mr. Samarth, Advs.

versus

UNION OF INDIA & ORS.

.....Respondents

Through: Ms. Archana Gaur & Ms. Ridhima Gaur, Advs. for R-3.

Mr. Harpreet Singh, SSC with Mr. Jai Ahuja & Mr. Saindhya Sharma, Advs.

CORAM:

JUSTICE PRATHIBA M. SINGH

JUSTICE SHAIL JAIN

Prathiba M. Singh, J. (Oral)

1. This hearing has been done through hybrid mode.

CM APPL. 52484/2025 (for exemption)

2. Allowed, subject to all just exceptions. Application is disposed of.

W.P.(C) 12844/2025, CM APPL. 52483/2025

3. The present petition has been filed under Article 226 of the Constitution of India, *inter alia*, challenging the impugned letter dated 27th October, 2023 in **FORM GST DRC-22** issued by Additional Director General, Directorate of GST Intelligence, Gurugram Zonal Unit, (hereinafter “*DGGI*”) by which the bank account of the Petitioner has been provisionally attached under Section 83 of the Central Goods and Services Act, 2017 (hereinafter “*CGST Act*”). The details of the bank account are as under:

- ***Bank: IDBI Ltd.***



- **Branch: Ashok Vihar**
- **Account No.: 0201102000021775, Current IBKL0000201**

4. It is stated that an investigation was initiated against the Petitioner under Section 74 of the CGST Act on the ground of unpaid taxes by the Petitioner. Pursuant to the investigation, the impugned letter was issued by DGII to the concerned Bank directing provisional attachment of the Petitioner's bank account.

5. The case of the Petitioner is that in view of Section 83(2) of the CGST Act, the provisional attachment cannot continue beyond one year and the period has already expired. The Section 83 of the CGST Act is extracted hereunder:

“83. Provisional attachment to protect revenue in certain cases.—

(1) Where, after the initiation of any proceeding under Chapter XII, Chapter XIV or Chapter XV, the Commissioner is of the opinion that for the purpose of protecting the interest of the Government revenue it is necessary so to do, he may, by order in writing, attach provisionally, any property, including bank account, belonging to the taxable person or any person specified in sub-section (1A) of section 122, in such manner as may be prescribed.

(2) Every such provisional attachment shall cease to have effect after the expiry of a period of one year from the date of the order made under sub-section (1).

6. This issue has already been considered by this Court in ***Krish Overseas v. Commr., Central Tax, 2024 SCC OnLine Del 2865*** wherein it has been observed as under:

“4. Section 83 of the Act, under which the impugned communication dated 14.08.2019 has been issued, reads



as under:—

“83. *Provisional attachment to protect revenue in certain cases.* (1) *Where during the pendency of any proceedings under section 62 or section 63 or section 64 or section 67 or section 73 or section 74, the Commissioner is of the opinion that for the purpose of protecting the interest of the Government revenue, it is necessary so to do, he may, by order in writing attach provisionally any property, including bank account, belonging to the taxable person in such manner as may be prescribed.*

(2) *Every such provisional attachment shall cease to have effect after the expiry of a period of one year from the date of the order made under sub-section (1).”*

5. Section 83 empowers the Commissioner to provisionally attach any property including a bank account, belonging to a taxable person for the purposes of protecting the interest of the Government revenue, if in the opinion of the Commissioner, it is necessary to do so. Section 83(2) stipulates that every provisional attachment ceases to have effect after the expiry of a period of one year from the date said order is made under Section 83(1) of the Act.

6. In view of Section 83(2) of the Act, the life of an order of provisional attachment is only one year. In the instant case, the impugned communication is dated 14.08.2019 and a period of one year has elapsed from the issuance of the said communication. Consequently, the impugned order dated 14.08.2019 has ceased to be effective and cannot be any more implemented either by the respondents No. 1 and 2 or the HDFC Bank i.e., respondent No. 3. Accordingly, it is declared that order dated 14.08.2019 ceases to have effect. Consequently,



respondent No. 3, HDFC Bank henceforth cannot restrain operation of the bank account of the petitioner based solely on the basis of order dated 14.08.2019.”

7. Insofar as the investigation itself is concerned, ld. Counsel for the Petitioner submits that the same has culminated into the Show Cause Notice dated 29th June, 2025.

8. In view of the mandate in Section 83(2) of the Act, the provisional attachment cannot continue beyond one year and in the present case the same has already lapsed. Accordingly, the provisional attachment of the Petitioner's bank account is lifted.

9. The concerned Bank Manager of IDBI Ltd., Ashok Vihar, New Delhi shall de-attach/ de-freeze the concerned bank account and the Petitioner is permitted to operate the same.

10. The respective Show Cause Notice proceedings shall, however, continue in accordance with law.

11. The petition is disposed of in these terms. All pending applications, if any, are also disposed of.

12. Copy of this order be communicated to the concerned Bank Manager, IDBI Ltd., Ashok Vihar, New Delhi for necessary information and compliance.

**PRATHIBA M. SINGH
JUDGE**

**SHAIL JAIN
JUDGE**

AUGUST 25, 2025/Rahul/msh