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

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W.P.(C) 6208/2019

REDAMANCY WORLD

..... Petitioner

Through: Mr. Vinit Trehan, Mr. Apar Arora  
& Ms. Bhavya Jain, Advs.

Versus

ADDITIONAL DIRECTOR GENERAL

GOODS AND SERVICES TAX INTELLIGENCE,

GURUGRAM ZONAL UNIT: & ANR.

..... Respondents

Through: Mr. Satish Aggarwala, Adv. for R-1  
with Mr. Neeraj Prasad, ADG,  
DGGSTI, Gurugram Zonal Unit.

**CORAM:**

**HON'BLE MR. JUSTICE VIBHU BAKHRU**

**HON'BLE MR. JUSTICE AMIT MAHAJAN**

**ORDER**

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**31.07.2023**

1. The petitioner has filed the present petition, *inter alia*, impugning a communication/order dated 29.04.2019 purportedly issued under Section 83 of the Central Goods & Service Tax Act, 2017 (hereafter the 'CGST Act'). Admittedly, the said communication was not served on the petitioner. The petitioner became aware that its bank account was directed to be frozen by an communication dated 29.04.2019 (Letter No.DGGI/GZU/INV/Gr-E/REDAMANCY/191/2018-19) from a letter dated 24.05.2019, issued by Canara Bank, sent in response to its letter dated 23.05.2019.

2. In compliance with the order dated 26.07.2023 passed by this Court, Mr. Neeraj Prasad, Additional Director General, Directorate

General of Goods & Service Tax Intelligence (DGGSTI), Gurugram Zonal Unit has appeared along with the relevant files. The same has been perused by us.

3. It is apparent that no order in the requisite Form GST DRC-22 was issued to the petitioner.

4. The petitioner also impugns the communication sent to various customers of the petitioner (*namely*, Gravita India Ltd. (Unit-II), Gravita Metal Inc., Sarika Industries Pvt. Ltd. and Gravita India Ltd.) directing them not to make payments for the goods supplied by the petitioner. The petitioner has also filed a communication dated 14.05.2018 sent by the respondent (DGGSTI) addressed to M/s Radha Krishan Industries, Kala Amb, Himachal Pradesh directing the said entity not to release the payments of the petitioner, which were due as consideration for the raw material purchased by them, from the petitioner.

5. The learned counsel appearing for the respondents submits that the letter addressed to various customers of the petitioner was withdrawn, and the same was also communicated to the customers of the petitioner. He further submits that the competent authority has by a letter dated 03.05.2019 requested the Chandigarh Unit to allow the petitioner's customers to make payment directly into the petitioner's bank account.

6. A perusal of the files, produced today in the Court, indicates that no orders of provisional attachment, under Section 83 of the CGST Act, were issued.

7. Section 83 of the CGST Act empowers the Commissioner to issue orders for provisional attachment of assets including the bank account of the taxpayer provided that it is necessary to protect the interest of the

Revenue. We do not find that there is any specific noting in the files, to the effect that such an action is necessary in the facts of the present case. Although, the files produced today indicate that there are allegations of wrongful availment of Input Tax Credit by the petitioner and the respondent authorities are also investigating the chain of suppliers; there is no order passed by the Commissioner recording his satisfaction that orders of provisional attachment are necessary to safeguard the interests of Revenue.

8. It is also the respondents' case that no order under Section 83 of the CGST Act is operating against the petitioner and the communications issued to various suppliers have been withdrawn

9. Insofar as the provisional attachment of the bank account is concerned, even if an order under Section 83 of the CGST Act was issued, the same would have lapsed by virtue of Section 83(2) of the CGST Act.

10. The communications issued to the petitioner's customers restraining them from making any payment against supplies made by the petitioner is also without authority of law.

11. Mr. Aggarwala, learned counsel appearing for the respondents assures this Court that respondents will be more careful in future in ensuring that orders such as attachment of the bank accounts or assets is issued strictly in accordance with the provisions of the CGST Act.

12. In view of the above, we don't consider it apposite to pass any further orders. Since the orders freezing the petitioner's bank account and the communications restraining the petitioner's customers from making payments to the petitioner are no longer operative; the

petitioner's grievance does not survive.

13. The petition is, accordingly, disposed of.

**VIBHU BAKHRU, J**

**AMIT MAHAJAN, J**

**JULY 31, 2023**

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