

\$~11

* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ W.P.(C) 17436/2022 & CM APPL. 55565/2022
R ENTERPRISES Petitioner
Through: Mr.Arjun Malik, Advocate.

versus

UNION OF INDIA & ORS..... Respondents
Through: Mr.Shiva Lakshmi, CGSL for R-1.
Ms.Chetna Bhalla, Advocate for R-2.
Mr.Aditya Singla, Mr.Sahil Sharma,
Mr.Adhishwar Suri, and Mr.Shobit Jain,
Advocates for R-3.

CORAM:

HON'BLE MR. JUSTICE VIBHU BAKHRU

HON'BLE MR. JUSTICE PURUSHAINDRA KUMAR KAURAV

ORDER

% **21.12.2022**

CM APPL. 55564/2022 (Exemption)

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

W.P.(C) 17436/2022

1. The petitioner has filed the present petition *inter alia* impugning a communication dated 06.12.2022 issued by Respondent no.3 whereby, the petitioner's current bank account (Bank Account No. 038705500474) maintained with ICICI Bank, Kamla Nagar, New Delhi, was frozen.
2. The petitioner claims that it was denied access to its bank account on 05.11.2021 without being informed of any reason for the same, since then the petitioner is unable to operate the bank account.

3. The petitioner claims that it also met the Manager of the said bank, who also declined to inform him the reason for freezing withdrawals from the bank account on the ground that the same was confidential
4. Petitioner claims that it has been repeatedly pursuing its bank for providing him the reasons for freezing the account but has received no information from the said bank.
5. The communication dated 06.12.2022 – which is impugned in the present petition – is an order issued under Section 83 of the Central Goods and Services Tax Act, 2017 (hereafter 'CGST Act'). A perusal of the said order indicates that the reasons for issuing the notice is that the petitioner was found to be non-existent and had not responded to the summons issued by Respondent no.3.
6. The learned counsel appearing for Respondent no.3 has handed over copies of summons dated 04.11.2022 issued under Section 70 of the CGST Act, calling upon the petitioner to appear before the authority on 10.11.2022 on 12.:30 PM.
7. He states that the petitioner did not respond to the said summons.
8. Section 83 of the CGST Act empowers the concerned authority to provisionally attach assets, in cases where the proceedings have been initiated under Chapter XII, XIV or XV of the CGST Act and the Commissioner is of the opinion that for the purpose of protecting the interest of the Government revenue, it is necessary to issue provisional attachment.
9. In the present case, it is contended on behalf of the respondent that information had been received from another Commissionerate (DGGI, Ghaziabad) that certain entities have colluded to fraudulently avail GST. Apparently, the petitioner was named as one of the suspicious entities.

10. According to Respondent no.3, petitioner has availed of a GST refund of Rs.2.4 crores and the same is under investigation.
11. In the aforesaid view, it would not be apposite for Respondent no.3 to provisionally attach the petitioner's bank account for any amount in excess of Rs.2.4 crores.
12. Learned counsel appearing for the petitioner states that the order dated 06.12.2022, may be read as 'freezing the bank account to the extent of Rs.2.4 crores'. In other words, the petitioner would not be entitled to withdraw any amount from the bank account, till a sum of Rs.2.4 crores is credited into the said account; the petitioner would be free to operate the bank account over and above a minimum balance amount of Rs.2.4 crores.
13. Except to the aforesaid extent, this court does not consider apposite to interfere with the communication dated 06.12.2022 issued under Section 83 of the CGST Act.
14. It is also necessary to record the statement made on behalf of Respondent no.3 that prior to 06.12.2022, Respondent no.3 had not issued any communication to ICICI Bank in regard to freezing the withdrawal from the petitioner's bank account. Thus, the petitioner can have no grievance against Respondent no.3 for not permitting the operation of the bank account prior to 06.12.2022.
15. In so far as the reasons for freezing the bank account is concerned, the petitioner is at liberty to approach the ICICI Bank for seeking the reasons for freezing the bank account. The bank is directed to provide the petitioner the reasons for the same.
16. It is expected that the Respondent's will complete the proceedings initiated against the petitioner as expeditiously as possible.

17. The petition is disposed of with the aforesaid observations.
18. It is clarified that all remedies of the petitioner are reserved.

VIBHU BAKHRU, J

PURUSHAINDR KUMAR KAURAV, J

DECEMBER 21, 2022/MJ