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

Date of decision: 12th September 2025

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W.P.(C) 10398/2024 & CM APPL. 42732/2024

M/S KANTA FOOD PRODUCT

.....Petitioner

Through: Ms. Mamta Sharma, Adv.

versus

UNION OF INDIA AND ORS

.....Respondents

Through: Mr. Anurag Ojha, SSC with Mr. Dipak Raj, Adv.

CORAM:

JUSTICE PRATHIBA M. SINGH

JUSTICE SHAIL JAIN

Prathiba M. Singh, J. (Oral)

1. This hearing has been done through hybrid mode.
2. The present petition has been filed by the Petitioner – M/s Kanta Food Product under Article 226 and 227 of the Constitution of India, *inter alia*, assailing the order dated 15th July, 2024 issued by the Directorate General of Goods and Services Tax Intelligence, Gurugram Zonal Unit (hereinafter, ‘DGGI’).
3. The Petitioner engaged in the manufacture of food products and was served with the Show Cause Notice (hereinafter, ‘SCN’) on 2nd February, 2024. In respect of the said SCN, the bank account of the Petitioner was attached *vide* order dated 7th March, 2024. The said bank account is as under:

- **Bank: HDFC Banks**
- **Branch: Rohini**



● **Account No.: 50200001632681**

4. The Petitioner sought defreezing of the bank account which was rejected vide order dated 15th July, 2024 in the following terms:

“

Order

It is necessary to keep the bank account Number 50200001632681 (HDFC BANK LTD. BLOCK NO.5, SECTOR 11, ROHINI, DELHI-110085) of M/s Kanta Food Product provisionally attached for protecting the interest of Government revenue vide DRC 22 dated 07.03.2024. Accordingly, the request of M/s Kanta Food Product to remove the provisional attachment order is here by rejected.”

5. The grievance in this case is restricted to the attachment of the bank account of the Petitioner. The submission on behalf of the Petitioner is that under Section 83 of the Central Goods and Service Tax Act, 2017, the attachment cannot continue beyond one year. This position has also been settled by this Court in ‘*M/s Tirupati Steel Through Proprietor Rahul Mittal v. Union of India & Ors.*’, 2025:DHC:7392-DB where it has been held as under:

“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."



6. In view thereof, the time having lapsed in terms of Section 83(2) of the Central Goods and Service Tax Act, 2017, the attachment of the bank account is set aside. The Petitioner is free to operate the bank account. The concerned Manager of the bank shall give effect to this order without any further communication from the DGGI.

7. No other relief in respect of the order dated 23rd July, 2024 is pressed by the Petitioner.

8. Petition is disposed of in these terms. All pending applications, if any, are also disposed of.

PRATHIBA M. SINGH
JUDGE

SHAIL JAIN
JUDGE

SEPTEMBER 12, 2025

Rahul/ck