

# TAX INFO

S. No. 040 Dated 22.06.2023

Latest update on GST Law: **The provisional attachment order ceases to be operative after expiry of 1 year by virtue of Section 83(2) of CGST Act, 2017 as given in judgement by Delhi High Court.**

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<b>Name of Petitioner</b>	M/s. Balaji Enterprises
<b>Name of Respondent</b>	Principal Additional Director General, DGGI
<b>Authority</b>	Delhi High Court
<b>Date of Judgement</b>	30.05.2023
<b>Appeal No.</b>	WP(C) 10325/2022

## **Brief Facts of the Case Law:**

The impugned orders dated 20.04.2022 were passed by the Department, provisionally attaching the bank accounts of the petitioner. The impugned order is **worded in extremely wide terms** and apart from the bank accounts as, it also directs attachment of any other accounts operated by the petitioner. The said impugned order was passed without any reason to believe that such an order is necessary for protecting the interest of the Revenue. The said impugned order not only seeks to attach the bank accounts of the petitioner but also its immediate family members and other related entities and but no such powers are available under Section 83 of the CGST Act, 2017.

Moreover, the period of one year has expired since the date of the impugned order and in terms of Section 83(2) of the CGST Act and thus, the provisional attachment order has ceased to be operative.

## **Findings and Decision of the Court:**

The petitioner has filed a list of 15 bank accounts which were attached by separate orders passed on 20.04.2022. All the said orders have also ceased to be operative by efflux of time, by virtue of Section 83(2) of the CGST Act. The petitioner would not be impeded to operate the bank accounts, on account of the impugned order.

In view of the above, the Court directed that the concerned banks shall not obstruct operation of the bank accounts on account of the provisional attachment orders dated 20.04.2022.

**Suresh Aggarwal, Advocate**

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