IN THE HIGH COURT FOR THE STATE OF TELANGANA AT HYDERABAD
(Special Original Jurisdiction)

MONDAY, THE SEVENTEENTH DAY OF NOVEMBER
TWO THOUSAND AND TWENTY FIVE

PRESENT

THE HON'BLE THE CHIEF JUSTICE SRI APARESH KUMAR SINGH
AND
THE HON'BLE SRI JUSTICE G.M. MOHIUDDIN

WRIT PETITION NO: 3871 OF 2025

Between:

M/s. A1 Adil Traders, Having address at 1-90/2, Hasnabad, Jagtial, Telanagana- 505 327 Represented by its Proprietor, Adiluddin Mohammad, aged about 36 years, S/o. Mohammad Muneeruddin, R/o. 3-5-30, Chinthakunta Wada, Jagtial, Karimnagar, Telanagana- 505 327

...PETITIONER

AND

1. Union of India, Ministry of Finance, Represented by its Secretary, North Block, New Delhi-110001
2. The Principal Additional Director General, O/o. Directorate General of GST Intelligence, Hyderabad Zonal Unit, H. No. 1-63/42/12, Plot No. 211 and 212, Block-B, Kavuri Hills, Guttala Begumpet, Madhapur, Hyderabad - 500033
3. Assistant Commissioner ST, Karimnagar STU, Karimnagar Division, D. No. 7-1-25, 1st Floor, T.N.G.O Building, Mankamma Thota, Karimnagar District - 505 001
4. State of Telangana, Represented by its Principal Secretary to Government, Revenue Department (Commercial Tax), Secretariat Complex, Hyderabad, Telangana
5. Axis Bank, Represented by its Branch Manager, Jagtial Branch, 1/5/127, Karimnagar Road, Near Bus stand, Jagtial, Telangana- 505 327
6. HDFC Bank, Represented by its Branch Manager, Jagtial Branch, 2/5/19, Next to RTC Bus stand, Jagtial, Telangana- 505 327
7. Gayatri Bank, Represented by its Branch Manager, Jagtial Branch, 7-1-72, 73, 74, 1st Floor, Gayatri Towers, Near Tahasil Chowratsa, Jagtial, Telangana- 505 327

...RESPONDENTS

Petition under Article 226 of the Constitution of India praying that in the circumstances stated in the affidavit filed therewith, the High Court may be

pleased to issue a writ order, or direction more particularly one in the nature of a Writ of Mandamus

(i) To declare DRC 22 dated 11.11.2024 issued to HDFC Bank (Respondent No.6) (Account No. 16302000001397) and DRC 22 dated 11.11.2024 issued to Gayatri Bank (Respondent No.7) (Account No. 100002104012345) by the 2nd Respondent under the provisions of CGST/TGST Act, 2017 as being void, arbitrary, illegal, without jurisdiction and without authority of law apart from being violative of Articles 14, 19(1)(g) and 265 of the Constitution of India, and to consequently set aside any action taken pursuant thereto and pass such further or other order(s) as this Hon'ble Court may deem fit and proper in the circumstances of the case.

(ii) To declare the DRC 22 dated 06.11.2024 issued to Axis Bank Cash Credit Account (Respondent No.5) (No. 919030082843038) by the 2nd Respondent as being void, arbitrary, illegal, without jurisdiction and without authority of law apart from being violative of Articles 14, 19(1)(g) and 265 of the Constitution of India and/or pass such further or other order(s) as this Hon'ble Court may deem fit and proper in the circumstances of the case.

(iii) To declare the letter dated 15.01.2025 issued by Respondent No. 2 as being void, arbitrary, illegal, without jurisdiction and without authority of law apart from being violative of Articles 14, 19(1)(g) and 265 of the Constitution of India.

IA NO: 1 OF 2025

Petition under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased to stay of operation of DRC 22 dated 11.11.2024 issued to HDFC Bank (Respondent No. 6) (Account No. 16302000001397) by the 2nd Respondent under CGST/TGST Acts, 2017 and consequently allow the petitioner use the same, pending disposal of the above Writ Petition, as otherwise, the Petitioner will be put to severe loss and hardship".

IA NO: 2 OF 2025

Petition under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased to stay of operation of DRC 22 dated 06.11.2024 issued to Axis Bank Cash Credit Account (Respondent No.5) (No. 919030082843038) by the 2nd Respondent under CGST/TGST Acts, 2017 and consequently allow the petitioner use the same, pending disposal of the above Writ Petition, as otherwise, the Petitioner will be put to severe loss and hardship".

IA NO: 3 OF 2025

Petition under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased to stay of operation of DRC 22 dated 11.11.2024 issued to Gayatri Bank (Respondent No. 7) (Account No. 100002104012345) by the 2nd Respondent under CGST/TGST Acts, 2017 and consequently allow the petitioner use the same, pending disposal of the above Writ Petition, as otherwise, the Petitioner will be put to severe loss and hardship".

Counsel for the Petitioner: SRI UMA SHANKAR, REPRESENTING SRI V. VEERESHAM

Counsel for the Respondent No.1: SRI P. SHASHI KIRAN, S.C. FOR CENTRAL GOVERNMENT

Counsel for the Respondent No.2: Ms. PRAVALIKA, REPRESENTING SRI DOMINIC FERNANDES, SENIOR S.C. FOR CENTRAL BOARD OF INDIRECT TAXES AND CUSTOMS

Counsel for the Respondent Nos.3 & 4: GP FOR COMMERCIAL TAXES

Counsel for the Respondent No.6: Ms. MUVVA R.A. SRI LAKSHMI

Counsel for the Respondent Nos.5 & 7: --

The Court made the following: ORDER

THE HON'BLE THE CHIEF JUSTICE SRI APARESH KUMAR SINGH

AND

THE HON'BLE SRI JUSTICE G.M.MOHIUDDIN

WRIT PETITION No.3871 of 2025

ORDER:

Heard Mr. Uma Shankar, learned counsel representing Mr. V.Veeresham, learned counsel for the petitioner, Mr. P.Shashi Kiran, learned counsel for respondent No.1, Ms. Pravalika, learned counsel representing Mr. Dominic Fernandes, learned Senior Standing Counsel for Central Board of Indirect Taxes and Customs (CBIC) appearing for respondent No.2 and Ms. Muvva R.A.Sri Lakshmi, learned counsel for respondent No.6.

2. Writ petition has been preferred with the following prayer:

> "For all the reasons stated in the accompanying affidavit, it is prayed that this Hon'ble High Court may be pleased to issue a writ, order, or direction more particularly one in the nature of a Writ of Mandamus
>
> (i) To declare DRC 22 dated 11.11.2024 issued to HDFC Bank (Respondent No.6) (Account No. 16302000001397) and DRC 22 dated 11.11.2024 issued to Gayatri Bank (Respondent No.7) (Account No. 100002104012345) by the 2nd Respondent under the provisions of CGST/TGST Act, 2017 as being void, arbitrary, illegal, without jurisdiction and without authority of law apart from being violative of Articles 14, 19(1)(g) and 265 of the Constitution of India, and to consequently set

aside any action taken pursuant thereto and pass such further or other order(s) as this Hon'ble Court may deem fit and proper in the circumstances of the case.

(ii) To declare the DRC 22 dated 06.11.2024 issued to Axis Bank Cash Credit Account (Respondent No.5) (No. 919030082843038) by the 2nd Respondent as being void, arbitrary, illegal, without jurisdiction and without authority of law apart from being violative of Articles 14, 19(1)(g) and 265 of the Constitution of India and/or pass such further or other order(s) as this Hon'ble Court may deem fit and proper in the circumstances of the case.

(iii) To declare the letter dated 15.01.2025 issued by Respondent No. 2 as being void, arbitrary, illegal, without jurisdiction and without authority of law apart from being violative of Articles 14, 19(1)(g) and 265 of the Constitution of India and/or pass such further or other order(s) as this Hon'ble Court may deem fit and proper in the circumstances of the case."

3. By the impugned orders, three accounts of the petitioner were provisionally attached under Section 83(1) of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as 'the CGST Act'). By our earlier order dated 20.08.2025, the provisional attachment of Bank Account No.919030082843038 attached on 06.11.2024 maintained in Axis Bank, Jagtial Branch, Telangana was set aside. The provisional attachment as respects the other two accounts remain. The relevant provisions as relating to provisional attachment are Section 83 of the CGST Act and Rule 159 of the Central Goods and Services Tax Rules, 2017

(hereinafter referred to as 'the CGST Rules'), which are 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)."

"**159. Provisional attachment of property**

(1) Where the Commissioner decides to attach any property, including bank account in accordance with the provisions of section 83, he shall pass an order in **FORM GST DRC-22** to that effect mentioning therein, the details of property which is attached.

(2) The Commissioner shall send a copy of the order of attachment in **FORM GST DRC-22** to the concerned Revenue Authority or Transport Authority or any such Authority to place encumbrance on the said movable or immovable property, which shall be removed only on the written instructions from the Commissioner to that effect or on expiry of a period of one year from the date of issuance of order under sub-rule (1), whichever is earlier, and a copy of such order shall also be sent to the person whose property is being attached under section 83.

(3) Where the property attached is of perishable or hazardous nature, and if the person, whose property has been attached, pays an amount equivalent to the market price of such property or the amount that is or may become payable by such person, whichever

is lower, then such property shall be released forthwith, by an order in **FORM GST DRC-23**, on proof of payment.

(4) Where such person fails to pay the amount referred to in sub-rule (3) in respect of the said property of perishable or hazardous nature, the Commissioner may dispose of such property and the amount realized thereby shall be adjusted against the tax, interest, penalty, fee or any other amount payable by such person.

(5) Any person whose property is attached may, file an objection in **FORM GST DRC-22A** to the effect that the property attached was or is not liable to attachment, and the Commissioner may, after affording an opportunity of being heard to the person filing the objection, release the said property by an order in **FORM GST DRC-23**.

(6) The Commissioner may, upon being satisfied that the property was, or is no longer liable for attachment, release such property by issuing an order in **FORM GST DRC- 23**."

4. The provisional attachment of the above two accounts have remained for more than one year by now. In terms of Sub-Section (2) of Section 83 of the CGST Act, 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). Sub-Rule (2) of Rule 159 of the CGST Rules also indicates that such attachment could be removed or on the expiry of period of one year from the date of issuance of the order under Sub-Rule (1), whichever is earlier, on the written instructions of the Commissioner to that effect. It is, therefore, evident that the provisional attachment of the aforesaid two accounts have out lived

the period prescribed under Section 83(2) of the CGST Act read with Rule 159 of the CGST Rules.

5. Learned counsel for the CBIC is not in a position to state whether the attachment has been lifted after expiry of one year.

6. However, such provisional attachment cannot continue beyond the expiry of one year in terms of Section 83(2) of the CGST Act. Therefore, the provisional attachment of the aforesaid two accounts No.16302000001397 and 100002104012345 as per Form GST DRC-22 dated 11.11.2024 are set aside.

7. The Writ Petition is allowed in the manner indicated above. However, there shall be no order as to costs.

Miscellaneous applications pending, if any, shall stand closed.

SD/-M. NAGAMANI
ASSISTANT REGISTRAR

//TRUE COPY//

SECTION OFFICER

To

1. The Secretary, Union of India, Ministry of Finance, North Block, New Delhi-110001
2. The Principal Additional Director General, O/o. Directorate General of GST Intelligence, Hyderabad Zonal Unit, H. No. 1-63/42/12, Plot No. 211 and 212, Block-B, Kavuri Hills, Guttala Begumpet, Madhapur, Hyderabad - 500033
3. The Assistant Commissioner ST, Karimnagar STU, Karimnagar Division, D. No. 7-1-25, 1st Floor, T.N.G.O Building, Mankamma Thota, Karimnagar District - 505 001
4. The Principal Secretary to Government, Revenue Department (Commercial Tax), State of Telangana, Secretariat Complex, Hyderabad, Telangana
5. One CC to SRI V. VEERESHAM, Advocate [OPUC]
6. One CC to SRI P. SHASHI KIRAN, S.C. for Central Government [OPUC]
7. One CC to SRI DOMINIC FERNANDES, Senior S.C. for Central Board of Indirect Taxes and Customs [OPUC]
8. Two CCs to GP for Commercial Taxes, High Court for the State of Telangana at Hyderabad. [OUT]

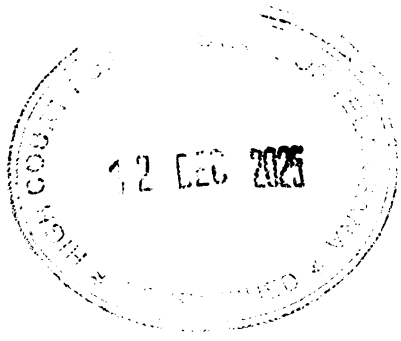
9. One CC to **Ms. MUVVA R.A. SRI LAKSHMI**, Advocate [OPUC]

10. Two CD Copies

MP
LS

HIGH COURT

DATED:17/11/2025



ORDER

WP.No.3871 of 2025

ALLOWING THE WRIT PETITION
WITHOUT COSTS

(13)

kpv
25/11/25