**IN THE HIGH COURT OF KARNATAKA AT BENGALURU**

**DATED THIS THE 30TH DAY OF APRIL, 2026**

**BEFORE**

**THE HON'BLE MR. JUSTICE SACHIN SHANKAR MAGADUM**

**WRIT PETITION NO. 9407 OF 2026 (GM-RES)**

**BETWEEN:**

1. MR. MOHAMMED KAMRAN
S/O SHRI AKRAM PASHA,
AGED ABOUT 25 YEARS
PROPRIETOR OF
M/S. M.K.TRADERS,
GSTIN- 29IR2PK8080EIZT,
75, 2ND MAIN ROAD,
KESARE VILLAGE,
KASABA HOBLI,
MYSURU - 570 007.

...PETITIONER

(BY SRI. HASMATH PASHA, SENIOR COUNSEL FOR
SRI. KARIAPPA N.A, ADVOCATE)

**AND:**

1. ADDITIONAL DIRECTOR GENERAL
DIRECTORATE GENERAL OF
GST INTELLIGENCE,
BANGALORE ZONAL UNIT,
O/O THE PRINCIPAL ADDITIONAL DIRECTOR
GENERAL,
NO.112, S.P ENCLAVE,
ADJACENT TO KARNATAKA BANK,
K.H.ROAD
BANGALORE - 560 027.

(REPRESENTED BY SPECIAL COUNSEL,
FOR DGGI,
BANGALORE)

…RESPONDENT

(BY SRI. ARAVIND KAMATH, SENIOR COUNSEL FOR
SRI. MADHU N RAO, CGSG)

THIS WP IS FILED UNDER ARTICLE 226 OF THE CONSTITUTION PRAYING TO QUASH THE PROVISIONAL ATTACHMENT ORDER DATED 27-10-2025 PASSED BY RESPONDENT IN FILE NO.DGGI/INV/125/2025-GR C-01 O/o PR. ADG - DGGI-ZU- BANGALORE AS PER ANNEXURE A AND B AND CONSEQUENTLY DE FREEZE THE TWO BANK ACCOUNTS MAINTAINED IN 1) JAMMU AND KASHMIR BANK LTD., MYSURU BRANCH WHICH IS SAVING BANK ACCOUNT NO.0326041000000430 AND 2) IN AXIS BANK, N.R.MOHALLA BRANCH, MYSURU WHICH IS CURRENT ACCOUNT NO.921020005135334 UNDER PAN NO.IRZPK 8080E WHICH ARE MOREFULLY DESCRIBED IN ANNEXURE A AND B AND ALLOW THE PETITIONER TO OPERATE BOTH THE ACCOUNTS, ON SUCH TERMS AND CONDITIONS, IN THE INTEREST OF JUSTICE.

THIS PETITION HAVING BEEN HEARD AND RESERVED FOR ORDERS ON 28.04.2026, THIS DAY ORDER WAS PRONOUNCED THEREIN, AS UNDER:

CORAM: HON'BLE MR. JUSTICE SACHIN SHANKAR MAGADUM

**CAV ORDER**

The captioned writ petition is presented calling in question the provisional attachment order dated 27.10.2025 issued by the respondent under Section 83 of the Central Goods and Services Tax Act, 2017 (for short "the Act") and seeking a consequential direction to defreeze the petitioner's bank accounts.

2. The petitioner claims to be the proprietor of M/s MK Traders, engaged in the business of dealing with old steel and iron scrap. It is the specific case of the petitioner that the State GST authorities had initially conducted inspection on 17.06.2025 and called upon the petitioner to produce documents relating to the business transactions for the assessment years 2021–2022 to 2025–2026. It is further asserted that the petitioner had complied with the said requisition by producing all relevant documents.

3. However, the records disclose that the officers attached to the Directorate General of GST Intelligence (DGGI), acting upon specific intelligence inputs, initiated

investigation alleging that the petitioner was part of a network of fictitious entities engaged in fraudulent availment of input tax credit. It is in this background that the petitioner came to be arrested on 16.09.2025 for offences punishable under Section 132(1)(b) and (c) of the Act and remained in judicial custody till 31.12.2025, when he was enlarged on bail by this Court.

4. During the period of custody, the impugned order dated 27.10.2025 came to be passed provisionally attaching the petitioner's bank accounts.

5. Learned Senior counsel for the petitioner would vehemently contend that the very initiation of proceedings by the Central authorities is contrary to Section 6(2)(b) of the Act, inasmuch as the State GST authorities had already commenced proceedings on the same subject matter. It is further contended that once proceedings are initiated by the State authorities, there is a statutory bar on the Central authorities to initiate parallel proceedings.

6. It is also urged that the impugned provisional attachment is vitiated on account of violation of principles of natural justice, particularly when the petitioner was in judicial custody and no opportunity was afforded prior to passing of the attachment order. The petitioner further contends that the impugned order does not disclose any reasons and that he is willing to furnish security equivalent to the amount lying in the bank accounts.

7. Reliance is also placed on the Circular dated 23.02.2021 governing provisional attachment proceedings.

8. Per contra, learned counsel appearing for the respondents would justify the impugned action by contending that the proceedings initiated are based on independent intelligence inputs indicating large-scale fraud involving issuance of fake invoices and wrongful availment of input tax credit through non-existent entities.

9. It is submitted that the investigation carried out through BIFA analytics revealed a pattern of coordinated fraudulent activity, including use of common IP addresses,

fictitious firms, and circular trading. It is further contended that the petitioner had actively participated in such fraudulent transactions.

10. The respondents would further contend that the proceedings initiated by the Central authorities are distinct and cannot be equated with preliminary action, if any, undertaken by the State authorities. It is also submitted that Section 83 of the Act does not mandate a pre-decisional hearing and that adequate remedy is available under Rule 159(5) of the Central Goods and Service Tax (CGST) Rules, 2017 (for short "the Rules").

11. In the light of the rival submissions, the following points arise for consideration:

*"i. Whether the petitioner has made out a case that the impugned proceedings are barred under Section 6(2) of the Act?*

*ii. Whether the provisional attachment order is vitiated for want of pre-decisional hearing?*

*iii. Whether interference is warranted in exercise of jurisdiction under Article 226 of the Constitution of India?"*

**Finding on Point Nos. (i) to (iii):**

12. The principal contention urged by the petitioner is that the proceedings initiated by the Central authorities are barred in view of prior action by the State GST authorities. At the outset, this Court finds that except a mere reference in paragraph 14 of the writ petition asserting that the State authorities have initiated proceedings, not a single document is placed on record to substantiate the said plea.

13. There is no material indicating issuance of show cause notice by State authorities. No document evidencing commencement of adjudicatory proceedings; No particulars demonstrating identity of subject matter, tax period, or cause of action.

14. In the absence of such foundational material, the plea of statutory bar under Section 6(2) of the Act cannot be examined in abstract.

15. It is trite that a writ Court cannot proceed on bald and unsubstantiated averments, particularly when jurisdictional objections are raised. The petitioner, who asserts the bar, is required to demonstrate by cogent material that proceedings have been formally initiated by State authorities and the subject matter is identical. In the absence of such material, this Court is unable to record even a prima facie finding on the applicability of Section 6(2) of the Act. Therefore, the contention of the petitioner that the impugned proceedings are barred under Section 6(2) of the Act is liable to be rejected at this stage as being premature, unsupported and devoid of material particulars.

16. The next limb of argument relates to violation of principles of natural justice. This issue stands authoritatively settled by the Division Bench of this Court

in ***Principal Commissioner of Central Tax v. Narasimhan Engineering Contractors Pvt. Ltd. (W.A. No.1015/2025, dated 10.09.2025),*** wherein it is held that Section 83 of the Act does not contemplate a pre-decisional hearing; The statutory scheme provides a post-decisional remedy under Rule 159(5) of the Rules; Courts cannot read into the provision a requirement which the legislature has consciously omitted.

17. The Hon'ble Supreme Court in ***Radha Krishan Industries v. State of Himachal Pradesh***[1] has also clarified that provisional attachment is a protective measure and that it can be invoked during pendency of proceedings and that safeguards are provided by way of objection and hearing post attachment.

18. At this juncture, it would be apposite to examine the contention of the petitioner that the impugned provisional attachment stands vitiated for want of a pre-decisional hearing. A bare reading of Section 83 of the Act, makes it abundantly clear that the provision does

[1] (2021)6 SCC 771

not, either expressly or by necessary implication, mandate affording an opportunity of hearing prior to passing an order of provisional attachment. The Division Bench of this Court in the case of ***Principal Commissioner of Central Tax (Supra)*** interpreting the said provision on the touchstone of settled principles governing fiscal statutes, has categorically held that Courts cannot read into the statute a requirement which the legislature has consciously omitted, and that the scheme of Section 83 of the Act read with Rule 159 of the Rules provides a complete code by conferring a post-decisional remedy enabling the assessee to file objections and seek release of the attached property.

19. The Hon'ble Supreme Court in the case of ***Radha Krishan Industries (Supra)*** has further elucidated that while the power under Section 83 of the Act is undoubtedly drastic and must be exercised on the basis of tangible material forming the opinion that such attachment is necessary to protect the interest of revenue, the statute simultaneously balances this power by

incorporating procedural safeguards under Rule 159(5) of the Rules, which entitles the affected person to object and be heard, and mandates the Commissioner to pass a reasoned order on such objections. In the present case on hand, therefore, the contention of the petitioner that absence of prior notice, particularly during the period of custody, vitiates the impugned action cannot be accepted, inasmuch as the statutory framework itself contemplates immediate protective action followed by an opportunity of hearing, and the petitioner is not left remediless but is at liberty to invoke the said mechanism for redressal.

20. In that view of the matter, the contention that the impugned order is vitiated solely on the ground that no prior notice was issued, cannot be accepted. The fact that the petitioner was in custody at the relevant point of time does not, in law, invalidate the action, particularly when statutory remedies are available.

21. The power under Section 83 of the Act is undoubtedly drastic; however, it is equally well settled

that such power is exercised to safeguard revenue where prima facie material indicates evasion. In the case on hand, the allegations pertain to fraudulent availment of ITC; use of fictitious entities; circular trading and generation of fake invoices. These are matters which are intrinsically factual and require adjudication in appropriate proceedings, including the criminal proceedings already initiated.

22. This Court, in exercise of writ jurisdiction, would be slow to interdict such action at a nascent stage, particularly when the petitioner has an effective statutory remedy; parallel proceedings are under challenge in W.P.No.38771/2025, which is reserved for orders.

23. Having regard to the discussion made hereinabove, this Court is of the considered view that the plea of bar under Section 6(2) of the Act is not substantiated by any material and cannot be examined at this stage; the impugned action is not vitiated for want of

pre-decisional hearing; no case is made out for interference under Article 226 of the Constitution of India.

24. However, it is made clear that the impugned proceedings shall abide by the outcome of W.P.No.38771/2025. Accordingly, point Nos. (i) to (iii) are answered in the ***negative.***

25. For the foregoing reasons, this Court proceeds to pass the following:

**ORDER**

(i) The writ petition stands disposed of.

(ii) The petitioner is at liberty to avail remedy under Rule 159(5) of the CGST Rules.

(iii) The impugned provisional attachment shall be subject to the outcome of W.P. No. 38771/2025, which is presently reserved for orders.

(iv) All contentions are left open.

**Sd/-**
**(SACHIN SHANKAR MAGADUM)**
**JUDGE**

ALB