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

\+ **W.P.(C) 16882/2025 & CM APPL.69453/2025**

EBIX TECHNOLOGIES LIMITED FORMERLY KNOWN AS EBIXCASH LIMITED .....Petitioner

Through: Mr. Viksit Arora, Mr. Harsh Sethi, Mr. Anant Nigam, Mr. Raghav Luthra, Advs..(M: 7066833929)

versus

DIRECTORATE GENERAL OF GST INTELLIGENCE, HEADQUARTERS & ORS. .....Respondents

Through: Mr. Harpreet Singh, SSC Ms. Suhani Mathur and Mr. Jatin Kumar Gaur, Advs.

CORAM:
JUSTICE PRATHIBA M. SINGH
JUSTICE MADHU JAIN

O R D E R

% 07.11.2025

1. This hearing has been done through hybrid mode.

2. The Petitioner has filed the present petition under Article 226 of the Constitution of India, *inter alia*, challenging the Provisional Attachment Order dated 8th September, 2025 (hereinafter, *'impugned order'*) and the Provisional Attachment Letter dated 25th September, 2025 (hereinafter, *'impugned letter'*) .

3. The case of the Petitioner is that it is a software company having operations in the United States of America and in India with its registered office at Daryaganj, New Delhi.

4. The brief facts of the present case are that a summon was

received by the Petitioner on 1st September and thereafter, again on 8th September, in respect of certain investigation being carried out by the Directorate General of GST Intelligence, Meerut (hereinafter, *'DGGI'*), *qua* two companies M/s Redmil Business Mall India Pvt. Ltd and M/s Betterbot Tech Services Pvt. Ltd. In respect of this investigation, one official of the Petitioner namely, Mr. Chandan Bhardwaj, Director Finance was issued a summons under Section 70 of the Central Goods and Service Tax Act, 2017 (hereinafter, *'CGST Act'*).

5. The said summons were given to the Petitioners' official for giving evidence and for production of certain documents. The following documents were sought *vide* the following summons:

<u>Summon dated 1st September, 2025</u>

> *"i. To tender the statement.*
> *ii. Purchase Ledger for the FY-2023-24 & 2024-25.*
> *iii. Sales Ledger for the FY-2023-24 & 2024-25 & Bank Statement."*

<u>Summon dated 8th September, 2025</u>

> *"i. To tender the statement.*
> *ii. Submit the documents i.e Purchase Ledger & Copy of Purchase Invoices related to M/s Redmil Business Mall India Private Limited and M/s M/s Betterbot Tech Services Pvt Ltd.*
> *iii. Bank Statement for the period April-2019 to till date."*

6. Thereafter, eleven bank accounts of the Petitioner in the ICICI Bank were sought to be attached *vide* the impugned order dated 8th September, 2025 passed under Section 83 of the CGST Act. The said impugned order was passed by Mr. Girraj Prasad Meena, Additional Director General, DGGI, Meerut.

7. The impugned order, though, mentions one bank account in the first paragraph, the third paragraph of the said order is a sweeping order by which all accounts of the person holding the same PAN number have been directed to be under a debit freeze. The impugned order reads as under:

> "***Subject: Provisional attachment of property under section 83 of CGST Act 2017-C/reg***
>
> *It is to inform that M/S EBIX TECHNOLOGIES LIMITED., B-59A, Sector 60, Noida, Gautam Budh Nagar, Uttar Pradesh - 201301 bearing GST registration number as* ***09AAACE9981H2Z5,*** *PAN-* ***AAACE9981H*** *is a registered taxable entity/ person under the CGST, Act 2017. Proceedings have been launched against the aforesaid taxable person under chapter XIV of the said Act to determine the tax or any other amount due from the said person. As per information available with the department, it has come to my notice that the said person has a current account in your bank having account no* ***003105029626****.*
>
> *In order to protect the interests of revenue and in exercise of the powers conferred under section 83 of the CGST Act, I, GIRRAJ PRASAD MEENA, Additional Director General, Directorate General of GST Intelligence, hereby provisionally attach the aforesaid account.*
>
> ***No debit shall be allowed to be made from the said account or any other account operated by the aforesaid person on the same PAN without the prior permission of the of this department.*** *This order shall cease to have effect, on the date of issuance of order in the FORM GST DRC-23 by the Commissioner, or on the expiry of a period of one year from Issuance of this order, whichever is earlier."*

8. An application was then filed by the Petitioner on 13th September, 2025 praying that the provisional attachment of the bank account of the Petitioner be withdrawn. Various case laws were also cited in the said application by the Petitioner. The prayer in this application was for the vacating the impugned order and an opportunity of personal hearing was also sought.

9. The Petitioner was granted a personal hearing on 23rd September, 2025 and thereafter, on 25th September, 2025 the impugned letter was issued disposing of the application in the following terms:

> *"Subject: Provisional attachment of property under section 83 of CGST Act, 2017- Objections filed through from DRC-22A dated 13.09.2025 by M/s Ebix Technologies Private Limited - reg*
> *Kindly refer to the above cited subject.*
> *In this regard, it is to inform that the objections filed through from DRC-22A dated 13,09.2025 by M/s Ebix Technologies Private Limited., B-59A, Sector-60, Noida Gautam Budh Nagar Uttar Pradesh against issuance of Form DRC-22 dated 08.09.2025 bearing DIN 202509DNN4000000B62A to provisionally attach the bank account no. 003105029626 [ICICI Bank Ltd., G-31 & 32, Sector-l8, Gautam Buddh Nagar] are disposed of by the competent authority and request for de-freezing of said bank account has been rejected'"*

The said impugned letter was signed by Mr. Ramakant Tiwari, Deputy Director, DGGI, Meerut.

10. The impugned letter is stated to have been passed on 25th

September, however, the case of the Petitioner is that the same was communicated to the Petitioner only on 4th November, 2025.

11. Ld. Counsel for the Petitioner raises several challenges to the *modus operandi* adopted by the DGGI, Meerut. Contentions raised by the ld. Counsel for the Petitioner are as follows:

I. The Petitioner was never under investigation and it was only a summon issued under Section 70 of the CGST Act to an official of the Petitioner for submission of evidence;

II. The two companies *i.e.*, M/s Redmil Business Mall India Pvt. Ltd and M/s Betterbot Tech Services Pvt. Ltd. that are under investigation were mere services providers to the Petitioner and nothing more;

III. That the entire operations of the Petitioner have come to a standstill due to freezing of the eleven bank accounts of the Petitioner. The total balance in these eleven bank accounts is stated to be more than Rs. 15 crores;

IV. The communication of the impugned letter was substantially delayed and even today, there are no reasons which have been communicated as to why the application filed by the Petitioner has been rejected.

12. Mr. Harpreet Singh, ld. SSC, on the other hand, submits that when the present writ petition was served upon him, he spoke to Mr. Sanjeev Kumar, Sr. Intelligence Officer, DGGI, Meerut *i.e.,* the Superintendent of the concerned Department in DGGI, Meerut. He has been informed that the allegation against the Petitioner is that there were no goods or services which were procured and fraudulently Input

Tax Credit (hereinafter, *'ITC'*) has been availed of in the Noida and the Mumbai Office of the Petitioner.

13. On a query as to what would be the total amount involved of ITC in the present case, it is submitted by Mr. Harpreet Singh, ld. SSC that the same is around Rs. 3.1 crores as per the preliminary investigation.

14. Mr. Harpreet Singh, ld. SSC further submits that upon receiving the summons, the Petitioner did not join the investigation. However, ld. Counsel for the Petitioner refutes this position and submits that on 23rd September, 2025, the Petitioner had appeared and had also furnished the relevant documents to the same official *i.e.*, Mr. Sanjeev Kumar.

15. Heard. The Court is concerned with the procedure which had been adopted by the DGGI Meerut in this matter. Firstly, the Petitioner was only summoned as a witness and no investigation had commenced against the Petitioner. Secondly, even before the Petitioner's official could respond to the notices dated 1st September 2025 & 8th September 2025, the freezing order was issued on 8th September 2025 itself. Thirdly, the impugned letter issued on 25th September, 2025 is totally unreasoned despite the application of the Petitioner having raised several grounds and citing precedents. Moreover, the doctrine of proportionality ought to have been considered to the effect that if the alleged availment of ITC was only to the tune of Rs. 3.1 crores, attachment of eleven bank accounts bringing the business of the Petitioner to a halt would be *prima facie* completely disproportionate.

16. Moreover, non-communication of the impugned letter dated

25th September, 2025 till 4th November, 2025 is also a completely irregular procedure and would be violative of the principles of natural justice as the same would disable the Petitioner from availing its remedies in accordance with law.

17. *Prima facie,* on all these grounds, the provisional attachment of the bank accounts of the Petitioner cannot be continued. Moreover, the Petitioner is also stated to have deposited a sum of Rs. 40 lakhs with the Department. The Petitioner is stated to have more than 3500 employees. Even if the case of the Department is taken at its highest for filing an appeal against any order that may be passed for fraudulent availment of ITC, the pre-deposit would only be 10%.

18. This Court has, in ***M/S Brijbihari Concast Pvt. Ltd. (Through Its Director Sh. Rajeev Agarwal) v. Directorate General Of Goods And Services Tax Intelligence Meerurt Zonal Unit (Through Its Additional Director General) & Anr. (2025:DHC:2653-DB)*** already observed that such kind of provisional attachment can have a debilitating effect on businesses and cannot be permitted to be made without application of mind. The relevant portion of the said decision reads as under:

> *"14. Ld. Counsel for the Petitioner further submits that the DGGI cannot dispute that a substantial amount of more than Rs.100 crores as GST and Rs.4.06 crores as Income tax has been paid by the Petitioner in the last three financial years.* ***He further submits that due to the attachment of the bank account, the Petitioner is made to undergo enormous financial difficulties and the business of the Petitioner is likely to be jeopardised.*** *The bank*

account of the Petitioner presently is stated to be having a balance of approximately Rs.2.75 crores. xxxx

18. As per the impugned order, the alleged evasion of GST is to the amount of Rs.15.09 crores. Even if this amount is taken into consideration, it cannot be said that the entire amount would be payable immediately. The issue relating to evasion has to be adjudicated in accordance with law. Until then, the Petitioner's business cannot be prejudiced by complete attachment of bank accounts. The Petitioner is a running concern and as per the accounts which have been placed on record, it is conducting business and paying substantial amounts of taxes.

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21. Under such circumstances, it would be sufficient at this stage, if 10% of the amount can be secured by way of minimum balance in the bank account of the Petitioner.

22. Accordingly, let the Petitioner's bank account bearing no.201002965063 maintain a minimum credit balance of Rs.1.5 crores."

19. Issue notice. Mr. Harpreet Singh, ld. SSC accepts notice.

20. Let a short affidavit be filed dealing with the allegations raised by the Petitioner by the next date of hearing.

21. In addition, the original file of the DGGI Meerut relating to this case shall be produced on the next date of hearing *i.e.,* 11th November, 2025 along with complete note sheets of the documents. 23. The official concerned *i.e.,* Mr. Ramakant Tiwari, who has signed the impugned letter dated 25th September, 2025 shall remain personally present in Court on the next date of hearing in order to assist the Court

as to how the said impugned letter was communicated and when.

22. In the meantime, subject to the Petitioner maintaining a balance of Rs. 1 Crore in any of the bank accounts which are attached, the Petitioner is free to operate its bank accounts in the ordinary course of business.

23. List on 11th November, 2025 in the ***supplementary list.***

24. Let ICICI bank give effect to this order without any further impediment.

25. The Petitioner may communicate this order to the ICICI Bank.

26. Let the order be given *Dasti* under signatures of the Court Master.

PRATHIBA M. SINGH, J.

MADHU JAIN, J.

NOVEMBER 7, 2025
prg/dj/ck