

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

WRIT PETITION (L) NO.8555 OF 2021

Bytedance (India) Technology Pvt. Ltd. ...Petitioner
vs.
The Union of India and Others ...Respondents

Mr. Rafiq Dada, Senior Advocate a/w. Mr. Vikram Nankani, Senior Advocate, Mr. Prakash Shah, Mr. Pralhad Paranjape and Mr. J. Sanghavi i/b. PDS Legal, for the Petitioner.

Mr. Pradeep Jetly, Senior Advocate a/w. Mr. J.B. Mishra, for Respondent Nos. 1 to 4.

Mr. Mahir Chablani a/w. Mr. Abhishek Rastogi i/b. Khaitan & Co., for Respondents No. 5 and 6.

**CORAM : SUNIL P. DESHMUKH &
ABHAY AHUJA, JJ.**

DATE : APRIL 06, 2021

P.C.:

1. The petitioner is before the court aggrieved by two communications both dated 18th March, 2021 issued by the Principal Director General of Goods and Service Tax Intelligence, Mumbai ("DGGI") provisionally attaching petitioner's bank accounts maintained with respondents No. 5 and 6.

2. Learned senior advocate Mr. Rafiq Dada appearing along with Mr. Vikram Nankani, learned senior advocate, submits that a very

drastic order has been passed affecting the petitioner severely stating that the petitioner has a staff of about 800-1000 employees. They have to be maintained, their salaries are required to be paid. He submits that the matter would emerge to be revenue neutral. The orders do not have any foundation. He submits that having regard to that dire consequences are being faced by the petitioner, it would be imperative that petitioner be able to operate bank accounts to bear necessary expenses over salary.

3. Mr. Pradeep Jetly, learned senior counsel for the Respondents submits that it is not the case that the attachment orders have been passed without any authority. Action has been taken pursuant to section 83 of the Central Goods and Services Tax Act, 2017 (CGST). The Petitioner has remedy under Rule 159(5) to object to the orders. He submits that the D.G.G.I. had initiated inquiry to verify the correctness of payments of goods and services taxes by the petitioner. It transpires that the petitioner has received taxable services from a concern located outside India without any consideration as per schedule I of C.G.S.T Act, 2017 and as such the petitioner would be liable to pay tax on import of services. He further refers to certain

statements and submits certain aspects have also come to the fore lending substance to the purpose underlying the investigation. He submits that a huge revenue to the tune of Rs. 78.91 crores is at stake in the matter which the petitioner does not intend to bear. He submits that looking at the scenario, it would not be feasible to recover dues from tax payer, as the petitioner is in the process of closing its business.

4. Learned senior counsel appearing for the petitioner submits that petitioner would secure revenue's concern of Rs. 78.91 crores by depositing additional amount in attached/frozen bank accounts and the bank accounts to remain attached/frozen to the extent of Rs. 78.91 crores and petitioner may be allowed to operate the bank accounts over and above the amount of Rs. 78.91 crores over the concerns expressed by the petitioner.

5. Learned Senior Advocate Mr. Jetly on instructions from the officers present in the court states that the revenue has no particular objection on aforesaid arrangement as long as the revenue interest is secured.

6. The counsel for the banks notes the aforesaid position and having regard to the statements made by the counsel appearing for the Petitioner and the Revenue states that if that be so, the petitioner may be able to operate the bank account, for the amounts over and above the amount of revenue of Rs.78.91 crores.

7. The statements made on behalf of the parties, are accepted.

8. At this stage, learned senior counsel for the petitioner submits that fixed deposit of the amount of Rs. 78.91 crores may be considered. It may be in the interest of all to have the same in a nationalized bank. The petitioner is at liberty to approach the respondent No. 2 for the same.

9. In view of the above, the Petition is disposed of.

(ABHAY AHUJA, J.)

(SUNIL P. DESHMUKH, J.)