Wingtech Mobile Communications (India) Pvt. Ltd. v. Deputy

Legality of recovery and attachment proceedings before expiry of appeal period and scope of deemed stay under Section 107(6) GST

Date of Order: September 3, 2025
Case Law No: GIB- APHC-2025-34
Source: GST INDIA Biz (www.gstindia.biz)

CASE DESCRIPTION / SUMMARY

Facts :
The petitioner was subjected to an assessment order dated 02.08.2025 raising a demand of over ₹244 crores. Prior to and immediately after the assessment, the authorities provisionally attached bank accounts and issued recovery notice dated 19.08.2025, resulting in recovery of ₹170 crores. Due to attachment and recovery, the petitioner could not file appeal as it was unable to arrange the statutory pre-deposit. The petitioner challenged the recovery, attachment, and conditions imposed by the Department.

Court Decision:
The Court held that once the statutory pre-deposit requirement under Section 107(6) is satisfied, a deemed stay of recovery operates and further coercive steps are not permissible. It directed that the amount already recovered be adjusted towards the 10% pre-deposit and the balance be refunded upon furnishing undertaking by the petitioner. The Court further held that restrictions on use of funds can be imposed only to safeguard revenue interests, and directed the petitioner to maintain specified balance and retain sale proceeds till disposal of appeal. The writ petition was disposed of with directions for refund subject to undertakings and adjustment of pre-deposit.

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