Subir Ghosh v. The Deputy Commissioner (ST) & Ors.

Validity of bank attachment under Section 79(1)(c) read with Section 89(1) of the CGST Act, 2017 concerning recovery of company tax dues from director. Liability of director for company's tax arrears and procedural requirement of adjudication before re

Date of Order: September 17, 2025
Case Law No: GIB-MHC-2025-36
Source: GST INDIA Biz (www.gstindia.biz)

CASE DESCRIPTION / SUMMARY

Case Facts:

The petitioner challenged a bank attachment notice issued for recovery of tax dues of a company in which he was a director.

An assessment order had been passed against the company for the tax period 2018–19.

The petitioner claimed resignation from the company and sought immunity under Section 89(1), submitting a representation to authorities.

The company had separately challenged the assessment order, which was pending before the Court.

Court Decision:

The Court held that the issue of petitioner's liability under Section 89 requires adjudication.

It directed the authorities to treat the impugned attachment notice as a show cause notice and decide the matter after giving opportunity to the petitioner.

The petitioner was directed to submit a detailed representation within 30 days, and the authority to pass orders within two months thereafter.

The bank attachment was ordered to be lifted pending such adjudication, subject to conditions.

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