

## **Department have to release provisionally attached immovable property and debtors on payment of pre-deposit for appeal: HC**

### **Facts of the case - Skylight Man Power and Hospitality Services v. Commissioner, State Taxes and Excise - [2023] (Himachal Pradesh)**

The petitioner filed statutory appeals with regard to assessment years 2019-20, 2020-21 and 2021-22. It deposited requisite pre-deposit amount as per Section 107(6) of CGST Act, 2017 but the attached property and the debtors were not released which were provisionally attached by invoking provisions of Sections 79 and 83 of the Act. It filed writ petition for quashing the attachment order in respect of attachment of debtors and immovable property.

The department opposed the petition and submitted that the bank accounts of the petitioner had already been de-frozen and with a view to secure the remaining taxes, the property of the petitioner was liable to remain under attachment.

### **Decision of the case :**

- The Honorable High Court noted that as per Section 107(7) of CGST Act, recovery proceeding for balance amount shall deemed to be stayed if pre-deposit of amount envisaged in Section 107(6) is made.
- In the instant case, the petitioner had deposited prescribed amount for filing appeal against such attachment order. Therefore, the Court found that de-freezing bank account alone would be against provisions of Section 107(7). Therefore, the Court disposed of the petition and the department was directed to release immovable property and debtors.