GAHC030005772026

THE GAUHATI HIGH COURT
(HIGH COURT OF ASSAM, NAGALAND, MIZORAM AND ARUNACHAL PRADESH)

Case No. : WP(C)/113/2026

Gayatri Projects Limited
B1, 6-3-1090, TSR Towers, Raj Bhavan Road, Somajiguda, Hyderabad - 500082 (T.S) r/b its authorised representative Ms. Vanlalhrimi Sailo (40 yrs), D/o Lalnunmawia Sailo,
R/o D-6, Zonuam, near BSNL Quarters, Aizawl, Mizoram - 796009
Ph. No. 9774557461

VERSUS

Union of India and 7 Ors.
r/b the Secretary to the Govt. of India Ministry of Finance, Department of Revenue, Room No. 66-A, North Block New Delhi - 110001 2:The Commissioner

3:The Additional Director

4:The Joint Commissioner

5:The Commissioner (Appeals)

6:The Assistant Commissioner

7:The State of Mizoram

8:The Commissioner of State Ta

Advocate for the Petitioner : Mr B Lalramenga

Advocate for the Respondent :

BEFORE
HONOURABLE MR. JUSTICE NELSON SAILO
ORDER

03.09.2026

Heard Mr. R.S. Mishra, learned counsel for the petitioner and Mr. K. Jain, learned counsel appearing on behalf of Mr. S.C. Keyal, learned Standing Counsel CGST (respondent Nos. 2 to 6) through Remote Video Conference. It is noticed that although notice was issued by this Court vide Order dated 07.08.2026 but the matter has been listed in the Motion column today. Be that as it may, having regard to the projection made by the petitioner and the issue involved, the writ petition is taken up for disposal at this stage.

2. According to the petitioner company, it is engaged in execution of infrastructure project, power project, hospitality industry etc., and registered assessee under the CGST Act, 2017 as well as under the Mizoram GST Act, 2017. The respondent No. 3 issued a Show Cause Notice on 31.05.2022 under Section 74 of the CGST Act, 2017 for the period 2017 – 18 and 2018 – 19 and during the pendency of the said notice, insolvency proceedings under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC) were initiated against the petitioner. The NCLT, Hyderabad admitted the same on 15.11.2022, declaring a moratorium under Section 14 of the IBC. During the subsistence of the moratorium, the respondent No. 4 passed Order-in-Original No. 13/24-25 dated 03.02.2025 confirming the demand and the summary thereof was issued in FORM GST DRC-07 on 04.02.2025. Aggrieved, the petitioner filed two (2) statutory appeals in FORM GST APL-01 on 03.06.2025 but on account of subsisting moratorium, the petitioner could not make mandatory 10% pre-deposit under Section 107(6) of the CGST Act at the relevant time. The moratorium was withdrawn on 10.09.2025 pursuant to a settlement between the petitioner and its financial creditor. On 23.06.2026, the respondent No. 6 issued a letter containing FORM GST DRC-13 and thereby freezing the bank account of the petitioner. The petitioner thereafter deposited Rs. 84,30,760/-, being 10% of the disputed tax on 16.07.2026 and accordingly, vide e-mails dated 10.07.2026, 18.07.2026 and 31.07.2026, requested the respondent No. 6 to revoke the attachment. Since the same has not been considered, the petitioner is before this Court.

3. On the last occasion, Mr. K. Jain, learned counsel was asked to obtain instructions in this regard and today, he submits that he is yet to receive instructions but he submits that from the materials available on record, if the petitioner has indeed deposited 10% of the disputed tax amount on 16.07.2026, in view of Section 107 (7) of the CGST Act, 2017, the proceeding is deemed to be stayed. He also submits that since a statutory appeal apparently has been filed and the status of the appeal is that it has been admitted, the respondent authority concerned may be allowed to proceed with the appeal to bring the same to its logical conclusion.

4. The learned counsel for the petitioner also submits that since the petitioner has already deposited 10% of the disputed tax amount and in view of the pendency of the statutory appeal under Section 107 of the CGST Act, 2017 before the respondent No. 5 i.e., Commissioner (Appeals), CGST, Central Excise & Customs, Guwahati, the writ petition may be disposed of by directing the said authority to consider and dispose of the appeal of the petitioner.

5. In view of above, the writ petition stands disposed of with an observation that the pending appeal of the petitioner be disposed of by the respondent authority concerned (respondent No. 5) expeditiously in accordance with law. It is further provided that in view of the deposit made by the petitioner, recovery process shall not be affected and the same shall be governed by the decision to be made by the respondent No. 5. It is also made clear that the respondent authority would be at liberty to verify that the 10% of the disputed tax amount had indeed been deposited by the petitioner. Upon such verification, if it is found that the amount had indeed been deposited by the petitioner, the respondent authority shall issue necessary instructions to the bank authorities to defreeze the bank account of the petitioner. Such verification shall be completed as expeditiously as possible and within an outer limit of seven (7) days from the date of receipt of a certified copy of this Order.

6. Interim order passed earlier, if any, shall stands vacated.

JUDGE

Comparing Assistant