2025:AHC-LKO:64778-DB

HIGH COURT OF JUDICATURE AT ALLAHABAD
LUCKNOW

WRIT TAX No. - 1121 of 2025

M/S Smm Infratech Private Limited
Thru.Authorized Representative,Mr.Amit Kumar
Maurya .....Petitioner(s)

Versus

State Of U.P. Thru. Prin. Secy. Institutional
Finance Govt. Of U.P. Lko. And 2 Others .....Respondent(s)

Counsel for Petitioner(s)	:	Vaibhav Krishna, Manav Rathore
Counsel for Respondent(s)	:	C.S.C.

Court No. - 3

HON'BLE SHEKHAR B. SARAF, J.
HON'BLE PRASHANT KUMAR, J.

1. Heard Sri Brijesh Chandra Verma and Sri Vaibhav Krishna, learned counsel appearing for the petitioner and learned Standing Counsel appearing on behalf of the State-respondents.

2. This is a writ petition under Article 226 of the Constitution of India, wherein the writ petitioner has sought for the following substantial reliefs:-

> "a. Issue a writ of Certiorari or any other appropriate writ quashing/setting aside the unlawful recovery orders passed u/s 79 of the Act, through which Respondent No.1 had recovered part of the summary of demand in respect of the assessment orders passed by Respondent No. 2 which were deemed to have been withdrawn as per the Provision of Section 62(2) of the Act as the Petitioner had already filed all requisite returns and paid the due tax which is evident from GSTR 3B.
>
> b. Direct upon the respondents to show cause as to how and under what authority of law amount of ₹4,79,811.55 was recovered from the Bank account of the Petitioner and as to how and under what authority of law a lien of ₹2,36,32,250 has been instructed to be marked on various Bank accounts of the petitioner in gross violation of provision of Section 62(2) and 79 of the Act as the Petitioner had already filed all requisite returns and paid

the due tax which is evident from GSTR-3B.

c. Declare that the best judgment assessment orders passed under Section 62(1) of the Act stand statutorily withdrawn under Section 62(2) and cannot be relied upon for any coercive recovery.

d. Declare that no amount was legally "payable" by the Petitioner on the date of initiation of recovery, and hence the invocation of Section 79 is ultra vires the Act.

e. Direct the Respondents to forthwith withdraw all recovery notices, garnishee orders, or enforcement actions issued in pursuance of the impugned proceedings.

f. Declare that the assessment order passed u/s 73 for the F.Y. 2018-19 is illegal, being barred by the law of limitation.

g. Issue a writ of Certiorari, and/or any other appropriate writ, order or direction in the nature of Mandamus or Prohibition, restraining the Respondents from initiating or continuing any recovery proceedings under Section 79 of the Act in respect of any other demand, not covered under the instant impugned recovery action, arising under Section 62 of the Act, which has already been discharged by the Petitioner and for which the corresponding return has been duly filed, whether in response to a best judgment assessment order under Section 62(1) or in the regular course of compliance. (Annexure-7)

h. Award costs of the present Petition in favour of the Petitioner and against the Respondents."

3. The undisputed facts that emerge from the writ petition are that there was a delay in filing of the returns and payment of taxes by the petitioner. However, upon receipt of the order under Section 62(1) of the Uttar Pradesh Goods and Services Tax Act, 2017, the petitioner filed his returns and made payment of the dues. In some cases, the return was filed within a period of 60 days and the taxes were paid within a period of 60 days. These entire proceedings took place in the year 2023–2024. Subsequently, liens have been created on the bank account of the petitioner vide orders dated 14.07.2025, 15.09.2025, and 19.09.2025.

4. It is clear that these liens have been created after more than a year

of the petitioner having paid his taxes. Furthermore, the deeming fiction under Section 62(2) of the Uttar Pradesh Goods and Services Tax Act, 2017 would apply, and any further demands should have been withdrawn by the authorities.

5. In light of the same, we are of the view that the action of creating a lien on the bank account of the petitioner is extremely harsh and cannot be countenanced.

6. Accordingly, the Department is directed to countermand the direction for lien and the bank concerned is directed to immediately de-freeze the account of the petitioner.

7. We make it clear that if any other demand, including interest or penalty, is pending, the Department shall be at liberty to raise such demands by issuing a fresh show-cause notice to the petitioner in accordance with law.

8. With the above direction, the writ petition is disposed of.

October 16, 2025
cks/-

(Prashant Kumar,J.) **(Shekhar B. Saraf,J.)**