



JUDGEMENT

Recovery from Bank Account Permissible Without Notice Upon Finalisation of GST Dues

Issued By:	Andhra Pradesh High Court
In Case Of:	M/s. V. V. S. Enterprises
Order Date:	15th Apr 2026
Order No:	W.P. No. 6645 of 2026

FACTS & OBSERVATIONS

- Proceedings were initiated against the taxpayer under the GST framework, resulting in **adjudication of alleged tax liability along with applicable interest and penalty**, which subsequently attained finality due to non-contestation or exhaustion of appellate remedies.
- **Upon crystallisation of the demand, the tax authorities proceeded to invoke statutory recovery provisions** as prescribed under Section 79 of the CGST/APGST Act for collection of outstanding dues.
- In exercise of such powers, the **department directly issued instructions to the taxpayer's banker to debit the amount lying in the account**, without issuing any separate or prior recovery notice to the taxpayer.
- Aggrieved by the immediate debit action, the **taxpayer approached the Andhra Pradesh High Court, primarily challenging the recovery on grounds of violation of principles of natural justice** and absence of prior intimation.

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- The High Court observed that **once the tax liability is duly adjudicated and has attained finality, it assumes the character of an “amount payable” under the GST statute**, thereby triggering recovery provisions.
- It was held that **Section 79 specifically empowers the department to recover dues through various modes, including directing third parties such as banks**, and does not expressly mandate issuance of a separate pre-recovery notice.
- The **Court drew a clear distinction between adjudication proceedings, which require adherence to principles of natural justice, and recovery proceedings**, which are consequential in nature post finalisation of liability.
- On this basis, the **Court upheld the recovery action initiated through the bank account without prior notice**, affirming that no additional opportunity of hearing is required once the demand has attained finality.

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