



IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

Sr. No.180

CWP-8799-2026

Date of decision: 23.03.2026

Yervik Hindustan Exports INC.

....Petitioner

Versus

Union of India and others

....Respondents

**CORAM: HON'BLE MR. JUSTICE DEEPAK SIBAL
HON'BLE MS. JUSTICE LAPITA BANERJI**

Present: Mr. Tarang Goyal, Advocate
for the petitioner.

Mr. Rishab Kapoor, Senior Standing Counsel (through VC)
for the respondents – CBIC.

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DEEPAK SIBAL, J. (Oral)

1. Through show cause notice dated 31.07.2024, for the financial year 2017-18, the petitioner was put to notice as to why he be not made to pay tax due towards him for having fraudulently passed on ineligible Input Tax Credit (ITC). The alleged fraud on the petitioner's part was detailed in the said show cause notice. Through reply dated 16.10.2024, the petitioner denied the allegations of fraud. However, when the impugned assessment/adjudication order dated 07.01.2025 was passed, the petitioner's written reply was not considered. In fact, in the impugned assessment/adjudication order dated 07.01.2025 it finds mention that the petitioner had not even filed a reply to the show cause notice.

2. Learned counsel for the revenue fairly admits that the petitioner had filed a reply to the show cause notice issued to him on 31.07.2024 but since such reply was not traceable by the respondent authorities on the GST



CWP-8799-2026

-2-

portal, the same could not be considered before or at the time of passing of the assessment/adjudication order dated 07.01.2025.

3. In the light of the above, the impugned assessment/adjudication order is found to have been passed without application of mind. It is also in violation of the principles of natural justice. Resultantly, not only the impugned assessment/adjudication order dated 07.01.2025 is set aside, the consequent letters written by the revenue to the petitioner's bank (Annexure P-6) freezing the petitioner's bank account are also quashed. However, liberty is granted to the revenue to pass a fresh assessment/adjudication order but only after considering the petitioner's reply dated 16.10.2024 and in accordance with law.

**(DEEPAK SIBAL)
JUDGE**

**(LAPITA BANERJI)
JUDGE**

March 23, 2026

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*Whether speaking/reasoned
Whether reportable*

*Yes/No
Yes/No*