

**IN THE HIGH COURT OF HIMACHAL PRADESH, SHIMLA****CWP No.17045 of 2025****Date of decision: 24th November, 2025****Samrat Marble Granite and Tiles.****...Petitioner.****Versus****Union of India & Ors.****...Respondents.*****Coram******Hon'ble Mr. Justice Vivek Singh Thakur, Judge.******Hon'ble Mr. Justice Romesh Verma, Judge.******Whether approved for reporting?¹***

For the petitioner : Mr. Amit Aggarwal, Mr. Rajeev Sharma and Mr. Shamul Kaushal, Advocates.

For the respondents : Mr. Bharat Bhushan, Senior Panel Counsel, for respondent No.1-UOI.

: Mr. Sushant Keprate, Additional Advocate General, for respondent No.2 & 3-State.

: Mr. Aditya Sood and Mr. Praveen Sharma, Advocate, for respondent No.4.

Vivek Singh Thakur, Judge (Oral)

Grievance of the petitioner in the present case is that, after suffering orders dated 13.10.2022 (Annexure P-2) and 14.10.2022 (Annexure P-3) passed by the Assistant Commissioner, State Taxes and Excise, the petitioner preferred two appeals under Section 107 of Central Goods and Services Tax Act, 2017 (in short, '**CGST Act**'). The

¹ *Whether the reporters of the local papers may be allowed to see the Judgment? Yes*



requisite pre-deposit under Section 107(6) of the CGST Act has also been deposited by petitioner before the Appellate Authority. However, despite this, respondents have issued the impugned DRC-13 (recovery notice) dated 23.07.2025 (Annexure P-4) by invoking the provisions of Rule 145(1) of the Central Goods and Services Tax Rules, 2017 (in short, '**CGST Rules**'), read with Section 79(1)(c) of the CGST Act, to the Branch Manager, Punjab National Bank, VPO Dhanas, Chandigarh, directing the Bank to pay the amount which is under challenge in the appeals to the Government, and as a result, the petitioner's account has been freezed by the Bank.

2. In response, learned Additional Advocate General has placed on record instructions dated 22.11.2025 received from Assistant Commissioner of State Taxes and Excise, Paonta, Circle-II, Himachal Pradesh, whereby it has been stated that impugned communication dated 23.07.2025 (Annexure P-4) was issued prior to filing of the appeals by the petitioner, as the petitioner's appeals were preferred on 24.07.2025 and the amount with the Appellate Authority was also deposited on the same day. It is further submitted that the demand draft issued by Punjab National Bank, in furtherance of the aforesaid impugned communication, for enabling respondent No.3 to realize the additional demand, has not been encashed, and that after receiving information regarding filing of the appeals along with pre-requisite



deposit of 10% of the demanded amount, no such action is warranted against the petitioner, subject to the final outcome of the appeals.

3. In view of aforesaid facts and circumstances, especially the instructions placed on record by learned Additional Advocate General, the impugned communication dated 23.07.2025 (Annexure P-4) has lost its efficacy and relevancy, and accordingly, the same is quashed and set aside. Resultantly, the demand draft handed over by respondent No.4-Bank to respondent No.3 shall be returned by respondent No.3 to the petitioner on or before 08.12.2025, and the account of the petitioner shall be de-freezed. It is clarified that quashing of the impugned communication is confined to aforesaid facts and circumstances and we have not adjudicated the merits of the additional demand raised by the respondent-authority and disputed by the petitioner, and the said issue shall be adjudicated by the Competent Authority as provided under the CGST Act.

8. The petition is disposed of in above terms, so also the pending application(s), if any.

(Vivek Singh Thakur)
Judge

(Romesh Verma)
Judge.

24th November, 2025
(Pardeep)