IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION

WRIT PETITION NO.11996 OF 2025

Infinx Services Private Limited,
Office at 5th floor, Unit no.1B,
United Info Tech Park, Pot 797, MIDC Village,
Vllage Savali, Navi Mumbai-400 710. Petitioner

versus

1. The Union of India through,
the Secretary, Department of Revenue,
Ministry of Finance, New Delhi.
2. The Principal Commissioner of CGST,
Mumbai Zone, GST Bhavan, 115,
Maharshi Karve Road, Mumbai-400 020.
3. The Deputy Commissioner of CGST,
Division-IV, Belapur, 6th floor,
CGO Complex, CBD Belapur-400 614. Respondents

Mr.Prakash Shah, Senior Advocate, with Mr.Mihir Deshmukh and Mr.Shamik Gupta i/by Shardul Amarchand & Mangaldas & Co. for Petitioner.

Mr.Jitendra B.Mishra with Ms.Sangeeta Yadav, MrRupesh Dubey and Mr.Umesh Gupta for Respondents.

CORAM: G. S. KULKARNI &
AARTI SATHE, JJ.

DATE: 16th April 2026

P.C.

1. This petition under Article 226 of the Constitution of India is filed praying for the following substantive reliefs :

> "(a) This Hon'ble Court be pleased to issue a Writ of Certiorari or a writ in the nature of Certiorari or any other writ, order or direction under Article 226 of the Constitution of India calling for the records pertaining to the Petitioner's case and after going into the validity and legality thereof, to quash and set aside (i) Show Cause Notice No.01/05/2025 dated 20.05.2025 issued in Form GST RFD-08

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Ref. No.ZD270525073580A dated 20.05.2025 (Exhibit A1) and (ii) Refund Rejection Order No.R-01/R-III/07/2025 dated 02.07.2025 issued in Form GST RFD-06 Ref.No.ZD270725010373K date 02.07.2025 by the Respondent no.3 (Exhibit A2);

(b) This Hon'ble Court be pleased to issue a Writ of Mandamus or a writ in the nature of Mandamus or any other appropriate writ, order or direction under Article 226 of the Constitution of India ordering and directing the Respondents to forthwith sanction the refund of Rs.5,08,93,798/- as claimed by the Petitioner along with the appropriate interest."

2. The primary grievance of the Petitioner is in respect of rejection of its refund by order dated 2nd July 2025 passed by Respondent No.3 (hereinafter referred to as "the impugned order") and the legality and validity of the show cause notice dated 20th May 2025 (hereinafter referred to as "the impugned show cause notice") on the ground that the impugned order is *ex facie* arbitrary, unreasonable, illegal, perverse, and passed in violation of the principles of natural justice. It is also the Petitioner's grievance that the impugned order has been passed in contravention of the procedure prescribed under Rule 92(3) of the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as "the GST Rules").

3. The facts lie in a narrow compass. The Petitioner is a private limited company and has its corporate office at Unit No. 5, SDFI, SEEPZ, SEZ, Mumbai and principal place of business at Navi Mumbai. The GSTN registration number for its principal office is 27AAACT2558B2ZL and the GSTN number for the Petitioner's place of business is 27AAACT2558BIZM. The Petitioner is primarily engaged in providing Information Technology and Information Technology Enabled Services with focus on Business Process Outsourcing Services, especially healthcare revenue cycle management and data management services. The supply of services which the Petitioner makes to its clients are zero-rated supplies, as the

clients of the Petitioner are situated outside India and hence the Petitioner does not pay any Integrated Goods and Service Tax (IGST) in respect of the aforesaid supplies.

4. On 26th April 2025, the Petitioner filed an application for refund of unutilised and accumulated input tax credit (ITC) on account of zero-rated supplies made without payment of IGST. Post filing of the aforesaid refund application on 20th May 2025, the Petitioner was issued the impugned show cause notice seeking to reject the refund application of the Petitioner on the ground that the Petitioner had not submitted export invoices, foreign inward remittance certificates (FIRC), or foreign inward remittance advice (FIRA) and not demonstrated a co-relation between Electronic Bank Realisation Certificate (e-BRC) and export invoices. Further, by way of the aforesaid impugned show cause notice, the Petitioner was directed to file its reply within seven days from the date of service of the show cause notice and appear for the hearing on or before 26th May 2025 at 11.30 hours.

5. On 26th May 2025, the Petitioner filed their reply to the impugned show cause notice, however, by way of an e-mail of even date, the Petitioner requested that the hearing be rescheduled to another date, as on the said date there were heavy rains in the city of Mumbai and hence the Petitioner was unable to physically attend the hearing. Though in the reply filed in response to the impugned show cause notice dated 20th May 2025, the Petitioner did not raise an objection to the time line of seven days to file the reply to the aforesaid show cause notice, it is the Petitioner's contention that the said time line is in contravention of

the Rule 92(3) of the Rules, which mandates that time line of fifteen days needs to be accorded to the assessee claiming refund to reply to the show cause notice.

6. Respondent No.3, however, without acceding to the request of the Petitioner to reschedule the personal hearing to a subsequent date due to heavy rains on 26th May 2025, passed the impugned order dated 2nd July 2025 ex-parte and rejected the refund claim of the Petitioner of Rs.5,08,93,798/- for the period from January-2024 to June-2024 under Section 54 of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as "the Act"). It is in the backdrop of the aforesaid rejection that the Petitioner has filed the present petition and sought interference of this Court.

7. Learned Counsel, Senior Advocate Mr. Prakash Shah along with Mr. Mihir Deshmukh and Mr. Shamik Gupte appeared on behalf of the Petitioner. Learned Counsel Mr. Jitendra B. Mishra along with Mr. Rupesh Dubey, Ms. Sangeeta Yadav and Mr. Umesh Gupta appeared on behalf of the Respondents.

8. Heard learned counsel for the parties. We have perused the papers and proceedings with the assistance of learned Counsel for the parties, and we proceed to decide the present petition.

9. Mr. Prakash Shah learned Senior Counsel for the Petitioner has submitted that the impugned order has been passed in gross violation of the principles of natural justice, inasmuch as Respondent No.3 has rejected the refund claim of the Petitioner without affording a personal hearing to the Petitioner. This, he submitted, has been done in spite of a specific request made by the Petitioner to reschedule the hearing to a subsequent date, as the Petitioner or any of its

authorised representatives were unable to attend the hearing on the said date due to heavy rains in the city of Mumbai. He has further submitted that in terms of the proviso to Rule 92(3) of the Rules, it was incumbent upon Respondent No.3 to provide the Petitioner a personal hearing prior to rejection of the refund application, and further the time line of seven days provided for filing a reply to the impugned show cause notice was also contrary to Rule 92(3) of the Rules, which mandates a period of fifteen days' time to file a reply to the show cause notice proposing to reject the refund claim. Mr. Shah sought to place reliance on the decision passed by this Bench in the case of **Golden Cryo Pvt. Ltd. Vs. Union of India and others**[1] in support of his aforesaid contention. Mr. Shah therefore submitted that the entire adjudication proceedings resulting in passing the impugned order, was vitiated and was in violation of the principles of natural justice. He further submitted that even otherwise on merits, the impugned order has erroneously rejected the refund claim of the Petitioner on the ground that FIRC issued by the bank mentioned the GSTIN of the corporate office of the Petitioner instead of the branch office which filed the refund. He submitted that in view of operational efficiency and convenience, the convertible foreign exchange is credited to a common bank account of the Petitioner company, and the FIRA issued by the bank is addressed to the corporate office of the Petitioner. However, upon receipt of the convertible foreign exchange in the common bank account, the same was appropriately allotted to the export invoice of the concerned unit of the Petitioner claiming refund.

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10. *Per contra*, Mr. Mishra, learned counsel for the Respondents opposed the reliefs as prayed for in the petition and submitted that the impugned show cause notice was issued to the Petitioner, and the Petitioner in its reply had nowhere objected to the shorter period given to the Petitioner to file a reply to the impugned show cause notice and further had failed to show whether any prejudice had been caused to the Petitioner on account thereof. He therefore submitted that the Petitioner could not now contend that the impugned order and the impugned show cause notice were issued in contravention of Rule 92(3) of the Rules, and the impugned order therefore has been rightly passed rejecting the refund claim of the Petitioner.

11. Having heard the learned counsel for the Petitioner and the Respondents, we find much substance in the arguments made on behalf of the Petitioner that the impugned order has been passed in violation of the principles of natural justice as no personal hearing was afforded to the Petitioner, in spite of Petitioner's specific request to reschedule the hearing on account of heavy rains in the city of Mumbai on the said date. It is a settled principle of law that before passing any orders which are adverse to the assessee, the authorities are duty bound to give a hearing to the assessee, and further, the proviso to Rule 92(3) of the Rules provides that an opportunity of being heard be provided to the assessee prior to the rejection of the refund claim application. It will be convenient to reproduce the proviso to Rule 92(3) of the Rules, which reads thus:

> "**Provided that no application for refund shall be rejected without giving the Applicant an opportunity of being heard.**"

12. Considering the aforesaid submissions and the legal position in respect of refund claims to be processed, we are of the view that the Petitioner be afforded a fresh hearing, wherein all the contentions, as raised by the Petitioner, be heard and adjudicated upon by Respondent No.3, before passing any order on the refund claim of the Petitioner. Further, the objection of the Petitioner that the impugned show cause notice has been issued in contravention of Rule 92(3) of the Rules and a shorter period was given to the Petitioner to reply to the impugned show cause notice, though not taken by the Petitioner at the time of filing the reply, may also be considered by Respondent No.3 prior to the passing of the order on the refund application of the Petitioner.

13. In view of the aforesaid, we deem it appropriate to pass the following order which will meet the ends of justice.

ORDER

(i) The impugned show cause notice dated 20th May 2025 and the impugned order dated 2nd July 2025 are quashed and set aside;

(ii) It is directed that a fresh show cause notice shall be issued to the Petitioner within a period of two weeks from the date this order is made available to the Respondents by the Petitioner;

(iii) After issuance of the aforesaid show cause, a personal hearing be granted to the Petitioner within a period of two weeks. The hearing be treated as a *de novo* proceeding and a speaking order be passed as expeditiously as possible, in accordance with law, and preferably within a period of three months from the date this order is made available to the Respondents by the Petitioner;

(iv) All contentions of the parties are expressly kept open;

(v) Writ Petition is disposed of in the aforesaid terms. No costs.

(AARTI SATHE, J.) (G. S. KULKARNI, J.)