IN THE HIGH COURT OF JUDICATURE AT PATNA

Civil Writ Jurisdiction Case No.6847 of 2021

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M/s. Koshi Construction having its Registered Office at Islam Nagar, Ward No. 17, District- Araria, Bihar through its Partner Md. Afroz Alam, aged about 51 years, Male, son of Sri Jainuddin, resident of Chakai, Ward No. 04, P.S. - Joki Hat, District- Araria, Bihar.

... ... Petitioner/s

Versus

1. The State of Bihar through the Commissioner of State Tax cum Secretary, Bihar, Patna.
2. The Additional Commissioner State Tax, Appellate Authority, Purnia Division, Purnia.
3. The Joint Commissioner of State Tax, Farbishganj, Purnia, Bihar.

... ... Respondent/s

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Appearance :

For the Petitioner/s : Mr.Prabhat Ranjan, Advocate

For the Respondent/s : Mr. Vikash Kumar, SC 11

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CORAM: HONOURABLE THE CHIEF JUSTICE
and
HONOURABLE MR. JUSTICE S. KUMAR

ORAL JUDGMENT
(Per: HONOURABLE THE CHIEF JUSTICE)

(The proceedings of the Court are being conducted by Hon'ble the Chief Justice/Hon'ble Judges through Video Conferencing from their residential offices/residences. Also the Advocates and the Staffs joined the proceedings through Video Conferencing from their residences/offices.)

Date : 24-06-2021

Petitioner has prayed for the following relief(s):

"(i) Quashing of the Show Cause Notice dated 11.02.2020 issued under Section 73 of the Goods and Services Tax Act, 2007 whereby the petitioner was directed to submit a reply along with supporting documents as evidence in connection with the allegations by the next appointed date i.e. 10.03.2020;

i) Quashing of the ex-parte order dated 03.03.2020 vide Reference No. ZA100320001525L under Section 73 of the Act by which, the petitioner was directed to pay an amount of Rs. 52,21,934/- as a Tax, Interest and Penalty for the Tax period March 2019- March 2019 corresponding to Financial Year 2018- 19;

(iii) Quashing of the Appellate order dated 09.01.2021 as communicated by Memo No. 307 dated 11. 01. 2021 by which, the appeal filed by the petitioner under GST Act, 2017 has been rejected as time barred; and

iv) Restraining upon the Respondents from giving effect to and taking any Coercive action in connection with order dated 03.03.2020 passed by the Joint Commissioner of State Tax vide Reference No. ZA100320001525L."

It is brought to our notice that vide impugned order dated 9th of January, 2021 passed by the Respondent No. 2 namely the Additional Commissioner of State Tax (Appeal), Purnia Division, Purnia in Appeal Case No. (ARN) AD10072000048-IV, the appeal of the petitioner against the order dated 03.03.2020 passed by the Joint Commissioner of State Tax, Farbisganj, Purnia in GSTIN No. 10AAGFK8563LZR, under Section 73 of GST Act, 2017 and show cause dated 11.02.2020 issued under Section 73 of the Act for the tax period 2018-19, has been rejected merely on the grounds of being barred by limitation. Both the orders were *ex parte* in nature.

In our considered view, the delay stands sufficiently explained on account of COVID restrictions.

Learned counsel for the Revenue, states that he has no objection if the matter is remanded to the Assessing Authority for deciding the case afresh. Also, the case shall be decided on merits. Also, during pendency of the case, no coercive steps shall be taken against the petitioner.

Statement accepted and taken on record.

However, having heard learned counsel for the parties as also perused the record made available, we are of the considered view that this Court, notwithstanding the statutory remedy, is not precluded from interfering where, *ex facie*, we form an opinion that the order is bad in law. This we say so, for two reasons- (a) violation of principles of natural justice, i.e. Fair opportunity of hearing. No sufficient time was afforded to the petitioner to represent his case; (b) order passed *ex parte* in nature, does not assign any sufficient reasons even decipherable from the record, as to how the officer could determine the amount due and payable by the assessee. The order, *ex parte* in nature, passed in violation of the principles of natural justice, entails civil consequences. As such, on this short ground alone, we dispose of the present writ petition in the following mutually agreeable terms:

(a) We quash and set aside the impugned orders dated 9th of January, 2021 passed by the Respondent No. 2 namely the Additional Commissioner of State Tax (Appeal), Purnia Division, Purnia in Appeal Case No. (ARN) AD10072000048-IV, order dated 03.03.2020 passed by the Joint Commissioner of State Tax, Farbisganj, Purnia in GSTIN No. 10AAGFK8563LZR, under Section 73 of GST Act, 2017 and show cause dated 11.02.2020 issued under Section 73 of the Act;

(b) We accept the statement of the petitioner that ten per cent of the total amount, being condition prerequisite for hearing of the appeal, already stands deposited. If that were so, well and good. However, if the amount is not deposited for whatever reason(s), same shall be done before the next date;

(c) Further the petitioner undertakes to additionally deposit ten per cent of the amount of the demand raised before the Assessing Officer. This shall be done within four weeks.

(d) This deposit shall be without prejudice to the respective rights and contention of the parties and subject to the order passed by the Assessing Officer. However, if it is ultimately found that the petitioner's deposit is in excess, the same shall be refunded within two months from the date of passing of the order;

(e) We also direct for de-freezing/de-attaching of the bank account(s) of the writ-petitioner, if attached in reference to the proceedings, subject matter of present petition. This shall be done immediately.

(f) Petitioner undertakes to appear before the Assessing Authority on 9th of August, 2021 at 10:30 A.M., if possible through digital mode;

(g) The Assessing Authority shall decide the case on merits after complying with the principles of natural justice;

(h) Opportunity of hearing shall be afforded to the parties to place on record all essential documents and materials, if so required and desired;

(i) During pendency of the case, no coercive steps shall be taken against the petitioner.

(j) The Assessing Authority shall pass a fresh order only after affording adequate opportunity to all concerned, including the writ petitioner;

(k) Petitioner through learned counsel undertakes to fully cooperate in such proceedings and not take unnecessary adjournment;

(l) The Assessing Authority shall decide the case on merits expeditiously, preferably within a period of two months from the date of appearance of the petitioner;

(m) Liberty reserved to the petitioner to challenge the order, if required and desired;

(n) Equally, liberty reserved to the parties to take recourse to such other remedies as are otherwise available in accordance with law;

(o) We are hopeful that as and when petitioner takes recourse to such remedies, before the appropriate forum, the same shall be dealt with, in accordance with law, with a reasonable dispatch;

(p) We have not expressed any opinion on merits and all issues are left open;

(q) If possible, proceedings during the time of current Pandemic [Covid-19] be conducted through digital mode;

The instant petition sands disposed of in the aforesaid terms.

Interlocutory Application(s), if any, also stands disposed of.

Learned counsel for the respondents undertakes to communicate the order to the appropriate authority through electronic mode.

(Sanjay Karol, CJ)

(S. Kumar, J)

K.C.Jha/-

AFR/NAFR	
CAV DATE	
Uploading Date	07.07.2021
Transmission Date	