IN THE HIGH COURT OF JUDICATURE AT PATNA
Civil Writ Jurisdiction Case No.12976 of 2021

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Amarnath Ray Son of Late Mannu Ray, Resident of Near SBI, Mirchaibari, Katihari - 854105.

... ... Petitioner/s

Versus

1. The State of Bihar, through the Principal Secretary Cum Commissioner, Department of State Taxes, Government of Bihar, Patna.
2. The Additional Commissioner of State Taxes (Appeals), Purnea Division, Purnea.
3. The Deputy Commissioner of State Taxes, Katihar Circle, Katihar.
4. The Assistant Commissioner of State Taxes, Katihar Circle, Katihar. (August - 2020)

... ... Respondent/s

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Appearance :

For the Petitioner/s : Mr.Gautam Kumar Kejriwal, Advocate
Mr. Alok Kumar Jha, Advocate

For the Respondent/s : Mr.Vivek Prasad, GP-7

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CORAM: HONOURABLE THE CHIEF JUSTICE
and
HONOURABLE MR. JUSTICE S. KUMAR
ORAL JUDGMENT
(Per: HONOURABLE THE CHIEF JUSTICE)

Date : 29-07-2021

The petitioner has prayed for the following relief/s :-

a) For issuance of a writ in the nature of certiorari for quashing of the ex parte order of assessment dated 16.12.2020 and a summary of order in form GST DRC – 07 dated 16.12.2020 passed and issued by the respondent number 3 under section 62 of the Bihar Goods And Services Tax Act 2017 (hereinafter referred to as the Bihar act 2017 for short);

b) For issuance of a writ in the nature of certiorari for quashing of the order dated 08.04.2021 issued vide memo number 447 Purnea by the respondent number 2 whereby the appeal case number (ARN) AD1003210037503 preferred by the petitioner against the order dated 16.12.2020 passed by the respondent No. 3 has been rejected by virtue of a cryptic order and without any application of mind at all to the various issues of facts and law raised by the petitioner;

c) For holding and a declaration that the statutory return in form GSTR 3B filed by the petitioner for the month of August 2020 is valid and the declaration made therein by the petitioner holds primacy over the figures determined by the respondent number 3 in terms of the best judgement assessment made under section 62 (1) of the Bihar act 2017;

d) For further holding and a declaration that section 16 (2), 16 (4), 39 read with section 46 and 47 of the act permits filing of a monthly return after due date and imparts all characteristics of a return valid and acceptable in terms of law;

e) For further holding a declaration that the nature of jurisdiction conferred under section 62 (1) of the act to make a best judgement assessment of an assessee having defaulted in filing a monthly return is not penal in nature rather it is a discretionary power exerciseable to fill up the gap in the records maintained for the sale purchase turnover, tax liability admitted and paid and input tax credit to which an assessee may be entitled to for a particular month and therefore once a valid return is filed by the assessee even after due date but with due compliance of section 47 of the act, the best judgement assessment made under section 62 (1) shall have to be recalled and the return so filed would be required to be considered by the assessing authority;

f) For further holding and a declaration that section 62 (2) of the act is directory and not mandatory and therefore any return validly filed in terms of section 39 read with section 47 of the act shall replace the best judgement assessment made under section 62 (1) irrespective of the bar of limitation prescribed under section 62 (2) of the act;

g) For grant of any other relief or reliefs to which the petitioner is found entitled in the facts and circumstances of this case.

It is brought to our notice that vide impugned order 08.04.2021 passed by the Respondent No. 2 namely Additional Commissioner of State Taxes (Appeals), Purnea Division, Purnea in (ARN) AD1003210037503, the appeal of the petitioner against the order dated 16.12.2020 passed by the Respondent No. 3 namely The Deputy Commissioner of State Taxes, Katihar Circle, Katihar, in GSTIN/ID-10AAXPR1995EIZC and Summary of Order in Form GST DRC-07 dated 16.12.2020 in Reference No. ZD101220016264D 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 order 08.04.2021 passed by the Respondent No. 2 namely Additional Commissioner of State Taxes (Appeals), Purnea Division, Purnea in (ARN) AD1003210037503, the appeal of the petitioner against the order dated 16.12.2020 passed by the Respondent No. 3 namely The Deputy Commissioner of State Taxes, Katihar Circle, Katihar, in GSTIN/ID-10AAXPR1995EIZC and Summary of Order in Form GST DRC-07 dated 16.12.2020 in Reference No. ZD101220016264D;

(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 September, 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) The Assessing Authority shall pass a speaking order assigning reasons, copy whereof shall be supplied to the parties;

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

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

(p) 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;

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

(r) 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)

Ashwini/Sujit/-

AFR/NAFR	
CAV DATE	
Uploading Date	
Transmission Date	