IN THE HIGH COURT OF JUDICATURE AT PATNA
Civil Writ Jurisdiction Case No.4303 of 2022

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M/s Arihant Enterprises a partnership firm having its place of business at City Road, Sumer Kunj, Gulabbagh, Purnea- 854326 through one of its partners namely Pradeep Kumar Chopra @ Pradeep Chopra, male, aged about 39 years son of Late Shubhkaran Chopra resident of Zeromile, Nagar Nigam, Gulabbagh, Hansdah, Purnea- 854326.

... ... Petitioner/s

Versus

1. The State of Bihar through the Commissioner, Department of State Taxes, Government of Bihar, Patna.
2. The Additional Commissioner of State Taxes (Appeals), Purnea Division, Patna.
3. The Deputy Commissioner of State Taxes, Purnea Circle, Purnea.
4. The Assistant Commissioner of State Taxes, Purnea Circle, Purnea. (Financial Year 2019-2020).

... ... Respondent/s

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Appearance :

For the Petitioner/s	:	Mr.Gautam Kumar Kejriwal, 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 : 24-03-2022

Heard learned counsel for the parties.

Petitioner has prayed for the following relief(s).

a) For issuance of writ in the nature of certiorari for quashing of the order dated 15.07.2021 issued vide memo number 549 Purnea and the summary of order issued in form GST APL – 04 dated 16.07.2021, the order dated 16.12.2021 issued vide memo number 912 Purnea by the respondent number 2 (hereinafter referred to as the appellate authority for short) whereby the appeal preferred by the petitioner under section 107 of the Central Goods And Services Tax Act, 2017 (hereinafter referred to as the Central Act 2017 for short) and Bihar Goods And Services Tax Act, 2017 (hereinafter referred to as the Bihar act 2017 for short) has been rejected and the request for rectification of the said order has also been rejected;

b) For issuance of writ or order or direction in the nature of certiorari for quashing of the ex parte order dated 18.01.2021 passed by the respondent number 3 (hereinafter referred to as the assessing authority short) under section 73 of the Central Act 2017 and Bihar act 2017 and also for quashing of the summary of order issued in form GST DRC – 07 dated 18.01.2021;

c) For further restraining the respondents from taking any coercive action against the petitioner for recovery of the amount of tax, interest and penalty in terms of the impugned orders during the pendency of the present writ application;

d) For further holding and a declaration that once the petitioner has already reversed the input tax credit mistakenly claimed in the same very financial year and has discharged its statutory obligation, the petitioner cannot be saddled with the liability of such amount of tax along with interest and penalty as the petitioner has no further role to play behind appearance of such reversal on the GST portal;

e) For further quashing of the consequential notice of demand issued by the respondent number 4 in form GST DRC – 13 in exercise of powers under section 79 of the Central Act 2017 and Bihar act 2017 whereby the bank account of the petitioner has already been attached for recovery of the amount of tax, interest and penalty in question;

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

Petitioner has prayed for quashing of the impugned order dated 16.12.2021 passed by Respondent No. 2 namely the Additional Commissioner of State Taxes (Appeals) Purnea Division, Purnea, in Appeal Case No. (ARN) AD100521000348V (Annexure-11); order bearing Memo No. 549 dated 15.07.2021 passed by Additional Commissioner of State Taxes (Appeal), Purnea Division, Purnea in Appeal Case No. (ARN) AD100521000348V (Annexure-9); Summary of the demand in Form GST APL-04 dated 16.07.2021 vide Order No. ZD100721001360F (Annexure-9/A); order dated 18.01.2021 for the period April, 2019 to March, 2020 passed by Respondent No. 3, namely the Deputy Commissioner of State Taxes, Purnea Circle, Purnea (Annexure-7); order dated 18.01.2021 passed by the Deputy Commissioner of State Taxes, Purnea Circle, Purnea in Reference No. ZD100121016553B (Annexure-7/A); Summary of the order in Form GST DRC-07 dated 18.01.2021 as also the order in Form GST DRC-13 dated 26.02.2022 passed by Assistant Commissioner of State Tax, Purnea Circle, Purnea (Annexure-12).

The orders are *ex parte* in nature.

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 reasons sufficient 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. We also find the authorities not to have adjudicated the matter on the attending facts and circumstances. All issues of fact and law ought to have been dealt with, even if the proceedings were to be *ex parte* in nature.

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 dated 16.12.2021 passed by Respondent No. 2 namely the Additional Commissioner of State Taxes (Appeals) Purnea Division, Purnea, in Appeal Case No. (ARN) AD100521000348V (Annexure-11); order bearing Memo No. 549 dated 15.07.2021 passed by Additional Commissioner of State Taxes (Appeal), Purnea Division, Purnea in Appeal Case No. (ARN) AD100521000348V (Annexure-9); Summary of the demand in Form GST APL-04 dated 16.07.2021 vide Order No. ZD100721001360F (Annexure-9/A); order dated 18.01.2021 for the period April, 2019 to March, 2020 passed by Respondent No. 3, namely the Deputy Commissioner of State Taxes, Purnea Circle, Purnea (Annexure-7); order dated 18.01.2021 passed by the Deputy Commissioner of State Taxes, Purnea Circle, Purnea in Reference No. ZD100121016553B (Annexure-7/A); Summary of the order in Form GST DRC-07 dated 18.01.2021 as also the order in Form GST DRC-13 dated 26.02.2022 passed by Assistant Commissioner of State Tax, Purnea Circle, Purnea (Annexure-12);

(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 contentions 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 11th of April, 2022 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 stands disposed of in the aforesaid terms.

Interlocutory Application(s), if any, 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)

Rajiv/veena-

AFR/NAFR	
CAV DATE	
Uploading Date	
Transmission Date	