

IN THE HIGH COURT OF JUDICATURE AT PATNA
Civil Writ Jurisdiction Case No.6456 of 2022

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M/s Pravin Kumar Singh engaged in execution of works contract by Pravin Kumar Singh having its place of business at Mithanpura, Nand Vihar Colony, Muzaffarpur, Bihar-842002, male, aged about 47 years, son of Ramchander Singh, Resident of Village-Rela Narayan, Post-Ibrahimpur Berua, Raila Narayan, Muzaffarpur, Bihar 843118.

... .. Petitioner/s

Versus

1. The State of Bihar through the Principal Secretary cum Commissioner, Department of State Taxes, Government of Bihar, Patna.
2. The Assistant Commissioner of State Taxes, Muzaffarpur East Circle.

... .. Respondent/s

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Appearance :

For the Petitioner/s : Mrs. Manju Jha, 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)

Date : 17-05-2022

Heard learned counsel for the parties.

Petitioner has prayed for the following relief(s):-

- a) For issuance of a writ in the nature of certiorari for quashing of the notice dated 17.02.2020 passed by the respondent No. 2;
- b) For issuance of a writ in the nature of certiorari for quashing of the demand order dated 07.03.2020 passed by the respondent number 2 whereby the reply given by the petitioner against this order on dated 05.03.2020 in DRC 06 in which it was claimed that figures shown in GSTR 7 is not correct, has not been considered;



- c) For issuance of a writ in the nature of certiorari for quashing of the attachment order in Form GST DRC – 07 dated 07.03.2020 under rule 142 (5) of the Bihar Goods and Services Tax Rules, 2017 (hereinafter referred to as the “Bihar rules 2017” for short) passed and issued by the respondent number 2 under section 74 (9) of the Bihar Goods And Service Tax Act, 2017 (hereinafter referred to as the “Bihar act 2017” for short);
- d) For issuance of a writ or order or direction holding the action of the respondent number 2 in Form GST DRC 13 dated 25.02.2022 already taken in terms of section 79 (1) (c) of the Bihar act 2017 for recovery of the amount of tax, interest and penalty imposed in terms of the order dated 17.02.2020 being illegal and it is not preceded by due compliance of the condition mandated in the proviso to section 78 of the Bihar act 2017;
- e) For further holding and a declaration that the case of the petitioner is squarely covered by the judgement dated 06.01.2020 of Hon'ble Madras High Court in the matter of Refcx Industries limited Vs Asst Commissioner of CGST and Central Excise wherein it has been held that the liability of interest under section 50 of the act would be attracted only in case of the tax liability discharged from out of the cash ledger;
- f) For issuance of a writ or order or direction restraining the respondent No. 2 from making any coercive recovery of the amount in demand (tax, interest and penalty) as contained in the order dated 17.02.2020;
- g) 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 17.02.2020 passed by the Respondent No. 2,



namely, Assistant Commissioner of State Taxes, Muzaffarpur East Circle in GSTIN- 10BFOPS9875M1ZH (Annexure-3 series); order dated 07.03.2020 passed by Assistant Commissioner of State Tax, Muzaffarpur East: Tirhut, Bihar in Reference No. ZA100320009831E (Annexure-2); summary of the order in Form GST DRC-07 dated 07.03.2020 as also the order in Form GST DRC-13 dated 25.02.2022 [Process No. 618] (Annexure-9).

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, we dispose of the present writ petition in the following mutually agreeable terms:

(a) We quash and set aside the impugned order dated 17.02.2020 passed by the Respondent No. 2, namely, Assistant Commissioner of State Taxes, Muzaffarpur East Circle in GSTIN- 10BFOPS9875M1ZH (Annexure-3 series); order dated 07.03.2020 passed by Assistant Commissioner of State Tax, Muzaffarpur East: Tirhut, Bihar in Reference No. ZA100320009831E (Annexure-2); summary of the order in Form GST DRC-07 dated 07.03.2020 as also the order in Form GST DRC-13 dated 25.02.2022 [Process No. 618] (Annexure-9);

(b) We accept the statement of the petitioner that



twenty per cent of the total amount 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 6th of June, 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)

Amrendra/PKP

AFR/NAFR	
CAV DATE	
Uploading Date	18.05.2022
Transmission Date	

