

IN THE HIGH COURT OF JUDICATURE AT PATNA
Civil Writ Jurisdiction Case No.7733 of 2022

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M/s Grihasthi Bhandar a proprietorship firm having its place of business at Marketing Yard, Gulabbagh, Purnea, Bihar-854326 through its authorized representative namely Jayant Kumar Dungarwal, male, aged about 45 years, son of Late Babu Lal Dungarwal, resident of Gulabbagh, Abdullahnagar, Purnea, Bihar-854326.

... .. 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, Patna.
3. The Joint Commissioner of State Taxes, Purnea Circle, Patna (Auguts-2017).

... .. Respondent/s

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Appearance :

For the Petitioner/s : Mr.Gautam Kumar Kejriwal, 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 : 20-06-2022

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 553 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;

b) For issuance of writ or order in the nature of certiorari for quashing of the order dated 20.02.2020 passed by the respondent number 3 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 20.02.2020 issued in terms of rule 142(5) of the Central Goods and Services Tax Rules 2017;

c) For further issuance of writ in the nature of certiorari for quashing of the order dated 16.12.2021 issue vide memo number 903 Purnea whereby the prayer of the petitioner for rectification of the order dated 15.07.2021 issued vide memo number 553 by the respondent number 2 has been rejected;

d) For further holding and a declaration that both the impugned order dated 20.02.2022 passed by the respondent number 3 and the appellate order dated 15.07.2021 and order dated 16.12.2021 passed by the respondent number 2 are ineffective and not enforceable on account of having merged with the order dated 28.12.2021 passed with respect to the period of July 2017 to March 2018 by the same respondent number 3;

e) For further restraining the respondents from taking any coercive action against the petitioner for recovery of the amount of tax and interest in terms of the impugned order of the respondent number 3 affirmed in



appeal the respondent number 2 during the pendency of the present writ application;

f) For further holding and a declaration that mere absence of auto populated GSTR-2A resulting in mismatch with the return filed by the petitioner in form GSTR-3B cannot deprive the petitioner from the benefit of input tax credit;

g) For further holding and a declaration that the provision of section 16(2) and rule 36 of the central goods and services tax rules 2017 nowhere restricts the right to avail input tax credit with respect to a particular month in the same month itself rather the provision of section 16(4) of the central act 2017 and Bihar act 2017 permits the availability and utilisation of input tax credit for the past financial year till the due date of filing of return for the month of September of the following financial year;

h) 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 dated 15.07.2021 passed by the Respondent No. 2, namely the Additional Commissioner of State Taxes (Appeals), Purnea Division, Purnea, in Appeal No. (ARN) AD100621000438S, the appeal of the petitioner against the order dated 20.02.2020 passed by Respondent No. 3, namely the The Joint Commissioner of State



Taxes, Purnea Circle, Purnea, under Section 73 of CGST Act, 2017; and summary of order dated 20.02.2020 in Form GST DRC-07 for the month of August, 2017, has been rejected in violation of principles of natural justice as it is an *ex parte* order.

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 and the limitation shall not be allowed to come in the way. 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; (c) 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 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 15.07.2021 passed by the Respondent No. 2, namely the Additional Commissioner of State Taxes (Appeals), Purnea Division, Purnea, in Appeal No. (ARN) AD100621000438S, and the order dated 20.02.2020 passed by Respondent No. 3, namely the The Joint Commissioner of State Taxes, Purnea Circle, Purnea, under Section 73 of CGST Act, 2017; and summary of order dated 20.02.2020 in Form GST DRC-07;

(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 18th of July, 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, 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)

Sujit/Ashwini

AFR/NAFR	
CAV DATE	
Uploading Date	24.06.2022
Transmission Date	

