

IN THE HIGH COURT OF JUDICATURE AT PATNA
Civil Writ Jurisdiction Case No.15017 of 2022

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M/s S.S. Diagnostics and Surgical a Proprietorship firm having its Principal place of business at B-4, Govinda Palace, Govind Mitra Road, Patna through its Proprietor namely Chandan Kumar, Male, aged about 30 years son of Sri Ashutosh Kumar, Resident of Indira Nagar, Road No. 4, UCO Bank Colony, P.S. Phulwari, District- Patna.

... .. Petitioner/s

Versus

1. The State of Bihar through the Principal Secretary-cum-Commissioner, Department of State Taxes, Government of Bihar, Patna.
2. The Principal Secretary-Cum-Commissioner, State Taxes, Government of Bihar, Patna.
3. The Joint Commissioner of State Taxes, Patna North Circle, Patna.
4. The Deputy Commissioner of State Taxes, Patna North Circle, Patna.
5. The Assistant Commissioner of State Taxes, Patna North Circle, Patna.

... .. Respondent/s

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Appearance :

For the Petitioner/s	:	Mr.Mohit Agarwal, Advocate
		Mr. Lokesh Kumar, Advocate
For the Respondent/s	:	Mr.Vivek Prasad, GP-7

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CORAM: HONOURABLE THE CHIEF JUSTICE

and

HONOURABLE MR. JUSTICE PARTHA SARTHY

ORAL JUDGMENT

(Per: HONOURABLE THE CHIEF JUSTICE)

Date : 10-11-2022

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

“(a) For quashing of the order dated 31.03.2022 passed under Section 73(9) of the Bihar GST Act, 2017 and consequential Summary of Order (Demand Notice) issued in Form GST DRC-07 passed by the Respondent Assistant Commissioner State Tax, Patna North Circle, Patna for being in teeth of Principles of



Natural Justice as the same was passed without issuance of any show cause notice and affording an opportunity of hearing to the petitioner.

(b) For holding that an opportunity of hearing or to had been afforded to the petitioner before passing of the impugned order imposing penalty and interest upon the petitioner;

(c) For restraining the Respondents to recover the impugned demand during the pendency of the present writ as the same has been passed in violation of principles of natural justice; and for any other relief(s) for which the petitioner may legally be found entitled to in the facts & circumstances of the present case.”

It is brought to our notice that vide impugned order dated 31.03.2022 passed by the Respondent No. 5, namely, the Assistant Commissioner of State Taxes, Patna North Circle, Patna in GSTIN 10CANPK7641E1ZW and summary of order in Form GST DRC-07, a demand of Rs.5,37,498/- has been raised.

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. 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 31.03.2022 passed by the Respondent No. 5, namely, the Assistant Commissioner of State Taxes, Patna North Circle, Patna in GSTIN 10CANPK7641E1ZW (Annexure-2);

(b) The petitioner undertakes to deposit 20% of the amount of the demand raised before the Assessing Officer. This shall be done within four weeks;

c) 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 had already deposited up to the extent of twenty percent, the same shall be set off against the amount to be deposited. Also, if the deposit is found to be in excess, the same shall be refunded within two months from the date of passing of the order;

(d) 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;

(e) Petitioner undertakes to appear before the Assessing Authority on 24.11.2022 at 10:30 A.M., if possible through digital mode;

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

(g) 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;

(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 assessment, 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 before this Court, 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 reasonable dispatch;

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

(r) If possible, proceedings 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)

(Partha Sarthy, J)

Ashwini/Sujit

AFR/NAFR	
CAV DATE	
Uploading Date	14/11/2022
Transmission Date	

