

IN THE HIGH COURT OF JUDICATURE AT PATNA
Civil Writ Jurisdiction Case No.14958 of 2022

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M/s Gramin Vikas Ewam Samaj Kalyan Samiti Sahpur, H/o Krishna Tiwari, Banahi Road, Sahpur, District Bhojpur through One of Its Proprietor Lakshman Tiwari, aged about 60 Years, Gender Male, Son of Late Sitaram Tiwari, Resident of Ward No. 05, Pipar Tal, Barsaun, P.S. Sahpur, District Bhojpur.

... .. 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 Tax (Appeals), Patna West Division, Patna.
3. The Joint Commissioner, State Tax, Shahabad Circle, Bhojpur.

... .. Respondent/s

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Appearance :

For the Petitioner/s : Mr.Alok Kumar, Advocate
Mr. Arjun Kumar, Advocate

For the Respondent/s : Mr.Vikash Kumar, SC 11

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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

Heard learned counsel for the parties.

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

“(i) For issuance of a writ or order for quashing of order dated 04.08.2022 issued vide Memo No. 1360 dated 04.08.2022 passed by the Additional Commissioner, State Tax (Appeals), Patna West Division, Patna whereby the application filed for Revocation of order of cancellation bearing Appeal Case No. GST/SH-25/22-23 has been rejected;



(ii) For consequential writ or order for quashing of ex-parte order dated 08.08.2021 passed by the Joint Commissioner of State Tax, Shahabad Circle, Bhojpur whereby the Registration granted under the GST Act, 2017 of the petitioner has been cancelled without giving proper opportunity of filing reply and without giving opportunity of hearing;

(iii) For a direction to the respondent NO. 3 to restore the registration granted under GST Act, 2017 of the petitioner firm whereby the registration of the petitioner firm was cancelled by an ex-parte order;

(iv) For a direction to the respondents for de-freezing/attaching of the Bank Account of the petitioner firm attached by the respondents.

(v) For further issuance of a direction restraining the respondent No. 3 from taking any coercive action for recovery of the amount in demand during pendency of the present writ petition.

(vi) For grant of any relief or reliefs to which the petitioner is entitled in the facts and circumstances of the case.”

Vide order dated 08.08.2021 (Page 11 to the brief), the Joint Commissioner of State Taxes, Shahabad Circle, Bhojpur has cancelled the petitioner's registration under the provision of Section 29 of the Bihar Goods and Services Tax Act, 2017. Prior thereto, no notice to show cause was issued to



which the petitioner could respond. The order is extracted in toto as under:-

“To
GRAMIN VIKASH EWAM SAMAJ KALYAN SAMITI SAHPUR
H/O KRISHNA TIWARI, BANAHI ROAD, SHAHPUR, NEAR
REFRAL HOSPITAL, Bhojpur, Bihar, 802165

GSTIN/UIN:10AAATG3338D1ZF
Application Reference No.(ARN): AA1007210636800
Date: 21/07/2021
Order for Cancellation of Registration

This has reference to your reply dated 30/07/2021 in response to the notice to show cause dated 21/07/2021
Whereas no reply to notice to show cause has been submitted;
Whereas on the day fixed for hearing you did not appear;

The effective date of cancellation of your registration is 31/07/2021
Determination of amount payable pursuant to cancellation:
Accordingly, the amount payable by you and the computation and basis thereof is as follows:
The amounts determined as being payable above are without prejudice to any amount that may be found to be payable you on submission of final return furnished by you.
You are required to pay the following amounts on or before 17/08/2021 failing which the amount will be recovered in accordance with the provisions of the Act and rules made thereunder.

Head	Central Tax	State Tax.UT Tax	Integrated Tax	Cess
Tax	0	0	0	0
Interest	0	0	0	0
Penalty	0	0	0	0
Others	0	0	0	0
Total	0.0	0.0	0.0	0.0

Place: Bihar
Date: 08/08/2021

Sudhir Kumar Purbey
Joint Commissioner of State Tax
Shahabad”

It cannot be disputed that with the passing of the said order, petitioner is liable to both civil and penal consequences. To say the least, the authority ought to have at least referred to the contents of the show cause and the response



thereto, which was not done. Not only the order is non-speaking, but cryptic in nature and the reason of cancellation not decipherable therefrom. Principles of natural justice stand violated and the order needs to be quashed as it entails penal and pecuniary consequences.

Record, as made available, reveals that the petitioner had applied for registration which request was favourably considered by the authorities under the Act with a specific registration number allotted to the petitioner. After Covid-19 Pandemic, petitioner's firm started work. In the peculiar facts and circumstances, the authority ought to have condoned the delay which unfortunately was not done, despite the petitioner having made a fervent request for condonation of delay in accepting the return, preventing cancellation of registration.

Hence, for all the aforesaid reasons, the order dated 08.08.2021 passed by the respondent no.3, namely the Joint Commissioner of State Taxes, Shahabad Circle, Bhojpur is quashed with the petitioner's registration restored, with a further direction to the respondent no. 1, namely The Commissioner, Department of State Taxes, Government of Bihar, Patna to finalize the petitioner's assessment and/or pass appropriate



orders, in accordance with law.

We reiterate that issue of delay in filing the returns shall remain closed and not raised again as is stated by Sri Vikash Kumar, learned Standing Counsel-11 appearing for the respondents.

The writ petition stands allowed in the above terms.

Interlocutory Application, if any, shall stand disposed of.

(Sanjay Karol, CJ)

(Partha Sarthy, J)

Sujit/Ashwini

AFR/NAFR	
CAV DATE	
Uploading Date	14.11.2022
Transmission Date	

