IN THE HIGH COURT OF JUDICATURE AT PATNA
Civil Writ Jurisdiction Case No.2226 of 2026

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M/S Jhajharia Galvano JV having GSTIN-10AAEAJ4389G1ZS having its office at Gram- Pakdihar, Post- Muthani, P.S.- Mohania, Bhabhua, District- Kaimur Bihar- 821109, through its Director, Sushil Kumar Agrawal, Gender- Male, aged about 60 years, Son of Kanhiayalal Agrawal, Resident of Ward No. 34, Jhajharia Mansion, Jagmal Chowk, Bilaspur, Chattisgarh- 495001

... ... Petitioner/s

Versus

1. The State of Bihar through the Principal Secretary, Department of State Taxes, (Commercial Tax Department), Bihar, Patna having its office at Kar Bhawan, Patna.
2. The Senior Audit Officer, Audit Management Group- IV, Bihar.
3. The Joint Commissioner of State Tax, Bhabhua Circle, Bhabhua, Bihar.

... ... Respondent/s

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Appearance :

For the Petitioner/s	:	Mr.Bijay Kumar Gupta
For the Respondent/s	:	Mr. AC to SC 11

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CORAM: HONOURABLE MR. JUSTICE ANIL KUMAR SINHA
and
HONOURABLE MR. JUSTICE VIKASH KUMAR

ORAL ORDER

(Per: HONOURABLE MR. JUSTICE ANIL KUMAR SINHA)

5 17-07-2026

1. Heard learned Counsel for the petitioner and learned Counsel for the State.

2. The petitioner has challenged the demand order, dated 30.12.2025, under Section 73 of the Bihar Goods and Services Tax Act, 2017, and a summary of the demand order, in form DRC-07, issued by the respondent no. 3- the Joint Commissioner of State Tax, Bhabhua, for the period April, 2021 to March, 2022, by which a liability of Rs. 7,13,67,784/- has been imposed upon the petitioner.

3. Learned Counsel for the petitioner submits that the petitioner is the authorized director of M/s Jhajharia Galvano JV, having its GSTIN Registration No. 10AAEAJ4389G1ZS and its principal place of business is at Mohania, Kaimur, at Bhabhua, and is engaged in the business of work contract.
4. A letter/notice, in the form of audit finding for the financial year 2020-21 and 2021-22, dated 29.10.2024, was issued to the petitioner by the respondent no. 3 and in reply thereto, the petitioner has explained all the contentions raised in the above audit finding. Subsequently, a show cause notice/summary of show cause notice, dated 23.09.2025, was issued by the respondent no. 3 on the GST Portal under Section 73 (1) of the 2017 Act in DRC-01, *inter alia*, alleging difference in purchase value, undischarged tax liability on account of trade payables, undischarged tax liability on retention money, undischarged tax liability on security deposit, excess availment of ITC, etc., directing the petitioner to make payment of the amount of Rs. 7,13,67,784/- for the period 2021-22 or to submit a reply to the show cause, dated 23.09.2025.

5. Learned Counsel for the petitioner further submits that in response thereto, the petitioner submitted his reply on 22.10.2025, stating therein that the petitioner has already given the reply to the audit findings, meeting all the points raised therein and in his reply to the show cause, the petitioner has specifically stated that the reply filed by the petitioner before the respondent no. 3 on the audit findings may be considered as reply to the show cause filed under Section 73 (1) of the 2017 Act. In DRC-06, the petitioner also opted for personal hearing, but the respondent no. 3-the Joint Commissioner of State Tax, Bhabhua, in its order in DRC-07, has not given the petitioner an opportunity of personal hearing and also did not consider the reply filed by the petitioner to the show cause, including the reply on audit findings and has fastened the liability of Rs. 7,13,67,784/-.

6. By way of example, learned Counsel referred to the impugned order of assessment (Annexure P3) and submits that against the objection regarding the tax payable on difference of purchase value, the petitioner had given a detailed reply submitted before the respondent no. 3 in response to the audit findings, but the

respondent no. 3, in its order, has mentioned that the petitioner had not given any response on this very point. Had the petitioner been given the opportunity of personal hearing as demanded by him in Form DRC-06, the petitioner would have been in a position to point out the respondent authority the reply and details submitted by him.

7. Learned Counsel for the State, referring to paragraph 15 of the counter affidavit, submits that it is true that the respondent no. 3 did not give the petitioner an opportunity of personal hearing while passing the impugned order.

8. Having heard learned Counsel for the parties concerned and taking into consideration the fact that the petitioner had already submitted point-wise detail reply/ response to the respondent no. 3 in response to the audit findings and in its reply to the show cause issued under Section 73 (1) of the 2017 Act, he filed the reply to the show cause, *inter alia*, stating therein that his reply filed in response to the audit findings to respondent no. 3 may be considered as reply to the show cause issued under Section 73 (1) of the 2017 Act and also demanded personal hearing, but the respondent no. 3 failed to grant personal hearing to the

petitioner at the time of passing the impugned order of assessment, dated 30.12.2025.

9. Accordingly, we come to the conclusion that the impugned order of assessment cannot sustain and is, accordingly, set aside.

10. The matter is remanded back to the respondent no. 3/adjudicating authority to pass a fresh order within a period of three months from today after considering the reply filed by the petitioner in response to the audit findings and after giving the petitioner an opportunity of personal hearing. The respondent no. 3/adjudicating authority shall inform the petitioner regarding the date of hearing in proper manner.

11. In the result, this writ application is allowed.

(Anil Kumar Sinha, J.)

(Vikash Kumar, J.)

Prabhakar Anand/-

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