

Order passed by Assessing Authority being ex-parte and in violation of principle of natural justice liable to be quashed

The Hon'ble Patna High Court ("the High Court") in the case of *M/s. Cement House v. UOI [W.P.(C) No. 15680 of 2022] dated December 09, 2022*, held that order passed by the Assistant Commissioner of State Tax being *ex-parte* and in violation of principle of natural justice is liable to be quashed. Further, the High Court remanded back the matter to the Assistant Commissioner of State Tax to decide the case on merits and on the principles of natural justice.

Facts:

The Assistant Commissioner of State Tax ("the Assessing Authority") issued Assessment Orders ("AO") dated February 06, 2021, and March 06, 2021, for the Financial Year 2019-20 (collectively referred to as "the Orders") demanding total tax of Rs. 32,00,296/.

The Petitioner filed the Writ Petition before the High Court, *inter alia* praying to quash the Orders as being passed *ex-parte* (order passed without providing opportunity of being heard) which were in violation of principle of natural justice.

Issue:

Whether the AO can be set aside on the grounds of being *ex-parte*?

Held:

The High Court held:

- The Orders were *ex parte* in nature which was against the principle of natural justice. Also, sufficient time was not given to the Petitioner to represent its case.
- The Orders were quashed.

- Further, the Assessing Authority was instructed to initiate the case on merits after complying with the principle of natural justice and to pass a fresh Order after providing adequate opportunity of being heard to concerned parties.

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