IN THE HIGH COURT OF JUDICATURE AT PATNA

Civil Writ Jurisdiction Case No.9321 of 2025

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Amara Raja Batteries Ltd. (now known as Amara Raja Energy and Mobility Ltd) a Company incorporated under the Companies Act, 1956 having its office at 6B/19, Asha Niketan, Tilak Marg, North S.K. Puri, Patna-800013 through its Commercial Co-ordinator, Debnath Mukherjee (Male, aged about 41 Years), son of Shri Shyama Prasad Mukherjee, resident of 162, Uttar Subhash Pally, Dankuni, Hooghly, West Bengal - 712311.

... ... Petitioner/s

Versus

1. The State of Bihar through Commissioner of Commercial Taxes, Bihar, Patna having its office at Vikas Bhawan, Patna.
2. Joint Commissioner of Commercial Taxes, Patliputra Circle, having its office at Kar Bhawan, Bir Chand Patel Path, Patna.
3. Asst. Commissioner of Commercial Taxes, Patliputra Circle, having its office at Kar Bhawan, Bir Chand Patel Path, Patna

... ... Respondent/s

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with

Civil Writ Jurisdiction Case No. 9436 of 2025

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Amara Raja Batteries Ltd. (now known as Amara Raja Energy and Mobility Ltd) a Company incorporated under the Companies Act, 1956 having its office at 6B/19, Asha Niketan, Tilak Marg, North S.K. Puri, Patna-800013 through its Commercial Co-ordinator, Debnath Mukherjee (Male, aged about 41 Years), son of Shri Shyama Prasad Mukherjee, resident of 162, Uttar Subhash Pally, Dankuni, Hooghly, West Bengal - 712311.

... ... Petitioner/s

Versus

1. The State of Bihar through Commissioner of Commercial Taxes, Bihar, Patna having its office at Vikas Bhawan, Patna.
2. Joint Commissioner of Commercial Taxes, Patliputra Circle, having its office at Kar Bhawan, Bir Chand Patel Path, Patna.
3. Asst. Commissioner of Commercial Taxes, Patliputra Circle, having its office at Kar Bhawan, Bir Chand Patel Path, Patna

... ... Respondent/s

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with

Civil Writ Jurisdiction Case No. 9503 of 2025

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Amara Raja Batteries Ltd. (now known as Amara Raja Energy and Mobility Ltd) a company incorporated under the Companies Act, 1956 having its office at 6B/19, Asha Niketan, Tilak Marg, North S.K. Puri, Patna - 800013 through its Commercial Co-ordinator, Debnath Mukherjee (Male, aged about 41 Years), Son of Shri Shyama Prasad Mukherjee, resident of 162, Uttar Subhash Pally, Dankuni, Hooghly, West Bengal- 712311.

... ... Petitioner/s

Versus

1. State of Bihar through Commissioner of Commercial Taxes, Bihar, Patna having its Office at Vikas Bhawan, Patna.
2. Joint Commissioner of Commercial Taxes, Patliputra Circle, having its office at Kar Bhawan, Bir Chand Patel Path, Patna.
3. Asst. Commissioner of Commercial Taxes, Patliputra Circle, having its office at Kar Bhawan, Bir Chand Patel Path, Patna.

... ... Respondent/s

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with

Civil Writ Jurisdiction Case No. 9517 of 2025

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Amara Raja Batteries Ltd. (now known as Amara Raja Energy and Mobility Ltd) a Company incorporated under the Companies Act, 1956 having its office at 6B/19, Asha Niketan, Tilak Marg, North S.K. Puri, Patna-800013 through its Commercial Co-ordinator, Debnath Mukherjee (Male, aged about 41 Years), son of Shri Shyama Prasad Mukherjee, resident of 162, Uttar Subhash Pally, Dankuni, Hooghly, West Bengal - 712311.

... ... Petitioner/s

Versus

1. The State of Bihar through Commissioner of Commercial Taxes, Bihar, Patna having its office at Vikas Bhawan, Patna.
2. Joint Commissioner of Commercial Taxes, Patliputra Circle, having its office at Kar Bhawan, Bir Chand Patel Path, Patna.
3. Asst. Commissioner of Commercial Taxes, Patliputra Circle, having its office at Kar Bhawan, Bir Chand Patel Path, Patna

... ... Respondent/s

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with

Civil Writ Jurisdiction Case No. 9528 of 2025

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Amara Raja Batteries Ltd. (now known as Amara Raja Energy and Mobility Ltd) a company incorporated under the Companies Act, 1956 having its office at 6B/19, Asha Niketan, Tilak Marg, North S.K. Puri, Patna - 800013 through

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its Commercial Co-ordinator, Debnath Mukherjee (Male, aged about 41 Years), Son of Shri Shyama Prasad Mukherjee, resident of 162, Uttar Subhash Pally, Dankuni, Hooghly, West Bengal- 712311.

... ... Petitioner/s

Versus

1. State of Bihar through Commissioner of Commercial Taxes, Bihar, Patna having its Office at Vikas Bhawan, Patna.
2. Joint Commissioner of Commercial Taxes, Patliputra Circle, having its office at Kar Bhawan, Bir Chand Patel Path, Patna.
3. Asst. Commissioner of Commercial Taxes, Patliputra Circle, having its office at Kar Bhawan, Bir Chand Patel Path, Patna.

... ... Respondent/s

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Appearance :
(In all the cases)

For the Petitioner/s	:	Mr. D. V. Pathy, Sr. Adv. Mr. P. K. Mishra Mr.Sadashiv Tiwari Ms. Shivani Dewalla Mr. Hitesh Karan
For the Respondent/s	:	Mr. Vivek Prasad, GP 7

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

JUDGMENT AND ORDER
C.A.V.

(Per: HONOURABLE MR. JUSTICE ANIL KUMAR SINHA)

Date : 06-11-2026

Since all these five writ applications involve common question of law and fact, with the consent of the parties, all these applications have been heard together and are being decided by this common judgment/order.

2. In all these five writ applications, the petitioner has made common prayer for quashing of the order, dated 13.03.2025, as contained in Annexure P/10, whereby the applications of the

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petitioner seeking settlement of tax dispute for the tax period 2007-08, 2013-14, 2014-15, 2015-16 and 2017-18, under the Bihar Settlement of Taxation Disputes Act, 2024 (in short, "the Settlement Act"), has been rejected. The petitioner further seeks for a direction upon the respondents to issue the requisite certificate/order of settlement in accordance with the provisions of the Settlement Act and the Bihar Settlement of Taxation Disputes Rules, 2024 (in short, "the Settlement Rules").

3. Since the facts in all these writ applications are more or less similar, as such, for the sake of brevity, the facts are being taken from CWJC No. 9321 of 2025.

4. The petitioner is a limited company, engaged in the manufacture and sale of automotive and industrial batteries, in the brand name of Amaron Battery. In respect of the tax period 2007-08, the petitioner duly filed its return under the Bihar Value Added Tax Act, 2005 (hereinafter referred to as the "VAT Act") on 31.12.2008, disclosing therein its taxable transactions and the tax liability arising therefrom. In the said return, the petitioner disclosed output tax of Rs. 1,16,74,142/-, against which it claimed set-off of Entry Tax amounting to Rs. 91,51,103/-, and discharged the balance tax liability of Rs. 25,14,577/- by cheque. According to the petitioner, the entire amount of tax admitted and disclosed by it

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in its return stood duly discharged. There was no admitted tax liability remaining unpaid by the petitioner in respect of the tax period in question.

5. The assessment proceedings were undertaken by the Assistant Commissioner of Commercial Taxes, Patliputra Circle-respondent no. 3, under the provisions of the VAT Act, culminating in the assessment order, dated 24.05.2010. By the said assessment order, the tax liability was determined at Rs. 1,17,70,862/-, while the petitioner's claim towards Entry Tax set-off was allowed only to the extent of Rs. 82,92,289/-, as against the claim of Rs. 91,51,103/- as per the return. After giving credit for the tax already paid and the Entry Tax set-off allowed, a further demand of Rs.9,66,167/- was raised against the petitioner. Consequentially, a demand notice, dated 28.05.2010, was issued.

6. The additional demand essentially arose on account of its disallowance of a part of the petitioner's claim for Entry Tax set-off in respect of batteries supplied by the petitioner to its customers by way of free replacement. The amount relatable to such disallowance was Rs. 8,58,814/-.

7. Being aggrieved by the assessment order, dated 24.05.2010, the petitioner preferred a statutory appeal before the Joint Commissioner of Commercial Taxes (Appeal), Central

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Division, Patna. The said appeal was admitted by order, dated 05.04.2011. While admitting the appeal, the appellate authority took note of the return filed by the petitioner and the tax disclosed and paid thereunder. During the pendency of the appeal, the petitioner further deposited a sum of Rs.3,38,104/- towards tax, interest and penalty.

8. The appeal was dismissed by order, dated 28.11.2012. Aggrieved thereby, the petitioner preferred a further appeal before the Commercial Taxes Tribunal, Bihar, Patna. The appeal before the Tribunal also came to be dismissed on 07.02.2025.

9. The petitioner thereafter filed M. A. No. 565 of 2025, which is still pending before this Court.

10. During the pendency of the appeal before the Tribunal, the State Legislature enacted the Bihar Settlement of Taxation Disputes Act, 2024, which was published in the Official Gazette on 14.03.2024. The Settlement Act introduced a statutory mechanism for settlement of specified pending taxation disputes, subject to the conditions and manner prescribed therein and under the Settlement Rules.

11. Being eligible to avail the benefit of the statutory settlement mechanism, the petitioner submitted an application in Form-I on 19.07.2024 in respect of the tax dispute pertaining to

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the tax period 2007-08. The said application was duly acknowledged by the concerned authority in Form-II on 29.07.2024. Along with the application, the petitioner furnished the requisite particulars relating to the arrears, the amount already paid and the amount proposed to be paid under the settlement scheme.

12. The respondent no.2 issued an order, dated 31.07.2024, in Form-IV. In the said order, the amount of tax in dispute, as disclosed in Form-I, was noticed as Rs. 9,63,396/-. The respondent no. 2 determined the settlement liability at Rs. 8,67,276/-, which included an amount of Rs. 33,848/- towards assessed tax, and directed the petitioner to deposit Rs. 5,67,276/- towards admitted tax and Rs. 33,849/- towards assessed tax, after allowing credit of Rs. 3,00,000/- stated to have been paid subsequent to the assessment.

13. The petitioner disputed the aforesaid computation and submitted detailed objections/representations dated 08.08.2024, 10.09.2024 and 24.10.2024. The petitioner specifically contended that the admitted tax for the purposes of the Settlement Act could only be the amount disclosed by the petitioner as payable in its return, amounting to Rs. 1,16,74,142/-, against which the petitioner had already discharged its liability in

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accordance with the return. It was further contended that the amount arising from the disallowance of the Entry Tax set-off constituted an assessment dispute and were the subject-matter of the assessment as well as subsequent appellate proceedings. Accordingly, the said disputed amount could not, according to the petitioner, be treated as “admitted tax” for the purposes of the settlement scheme.

14. Thereafter, respondent no. 2 passed an order, dated 27.11.2024. While referring to the assessment order and noticing that Entry Tax set-off of Rs. 82,92,289/- has been allowed as against the claim of Rs. 91,51,103/-, the respondent no. 2 proceeded on the basis that after allowing the admissible set-off, an amount of Rs. 33,81,853/- remained payable towards admitted tax. The objections raised by the petitioner were accordingly rejected and the petitioner was directed to make payment in terms of the earlier Form-IV communication.

15. The facts, giving rise to CWJC No. 9517 of 2025, is similar to that of CWJC No. 9321 of 2025. The only difference is that it relates to the tax period 2013-14, and there is difference in the disclosed output tax (Rs. 5,73,29,796/-), amount claimed as set-off of Entry Tax (Rs.4,88,00,579/-), and the amount of discharge of balance tax liability by cheque (Rs.96,94,996/-). But

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the respondent no. 2 allowed the amount of Entry Tax set-off to the extent of Rs. 4,18,42,775/-, as against the claim of Rs. 4,88,00,579 and a further demand of Rs. 57,92,025/- was raised against the petitioner.

16. The facts, giving rise to CWJC No. 9528 of 2025, is also similar to that of CWJC No. 9321 of 2025. The only difference is that it relates to the tax period 2014-15, and there is difference in the disclosed output tax (Rs. 7,19,87,485/-), amount claimed as set-off of Entry Tax (Rs. 6,15,34,035 /-), and the amount of discharge of balance tax liability by cheque (Rs. 1,04,53,539/-). But the respondent no. 2 allowed the amount of Entry Tax set-off to the extent of Rs. 6,09,37,114/-, as against the claim of Rs. 6,15,34,035/- and a further demand of Rs. 6,56,515/- was raised against the petitioner.

17. The facts, giving rise to CWJC No. 9436 of 2025, is also similar to that of CWJC No. 9321 of 2025. The only difference is that it relates to the tax period 2015-16, and there is difference in the disclosed output tax (Rs. 10,36,86,206/-), amount claimed as set-off of Entry Tax (Rs. 9,12,14,835/-), and the amount of discharge of balance tax liability by cheque (Rs. 1,38,87,370/-). But the respondent no. 2 allowed the amount of Entry Tax set-off to the extent of Rs. 7,66,51,777/-, as against the claim of Rs.

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9,12,14,835/- and a further demand of Rs. 1,51,19,119/- was raised against the petitioner.

18. The facts, giving rise to CWJC No. 9503 of 2025, is also similar to that of CWJC No. 9321 of 2025. The only difference is that it relates to the tax period 2017-18, and there is difference in the disclosed output tax (Rs. 4,67,83,115/-), amount claimed as set-off of Entry Tax (Rs. 3,81,05,216/-), and the amount of discharge of balance tax liability by cheque (Rs. 92,44,539/-). But the respondent no. 2 allowed the amount of Entry Tax set-off to the extent of Rs. 2,82,22,565/-, as against the claim of Rs. 3,81,05,216/- and a further demand of Rs. 90,16,153/- was raised against the petitioner.

19. Mr. D. V. Pathy, learned Senior Counsel appearing on behalf of the petitioner in all the five writ applications, argued that the entire approach adopted by respondents is contrary to the statutory scheme. Section 2(b) of the Settlement Act defines "admitted tax" to mean the amount of tax admitted as being payable in the returns filed by the party under the relevant law. Therefore, once the petitioner has disclosed tax in its return and has admittedly discharged the said liability, the said amount constitutes the admitted tax for the purposes of the Settlement Act.

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20. It has been submitted that the Entry Tax set-off was claimed in the return and the balance tax was paid by the petitioner. The subsequent disallowance by the assessing authority of a portion of the claim of set-off will not retrospectively convert the tax admitted in the return into the "admitted tax" under the Settlement Act.

21. The disallowed Entry Tax set-off was the very subject-matter of the assessment dispute and subsequent appeal. Therefore, it fell within the statutory concept of a "dispute" and "disputed amount". The Settlement Act itself contemplates settlement of arrears arising from the orders of assessment and separately prescribes the settlement amount applicable to such disputed arrears.

22. Section 3 of the Settlement Act, under which, in respect of an ordinary arrears of tax, the settlement amount is prescribed at 35 per cent of the arrears of tax in dispute or the amount already paid towards such arrears, whichever is higher. With regard to the disputes arising out of orders levying penalty, fine or interest, the statute prescribes 10 per cent of the disputed amount or the amount already paid, whichever is higher. The statute further specifically provides that the settlement amount

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does not include any payment towards arrears of admitted tax and the party is required to deposit the total admitted tax separately.

23. The explanation of Section 3 of the Settlement Act says that for the purposes of this sub-section, the expression "settlement amount" shall not include any payment towards any arrears of admitted tax and the party shall deposit the total amount of admitted tax.

24. It is, therefore, submitted that the statutory scheme itself maintains a clear distinction between admitted tax, arrears of tax in dispute, penalty, interest or fine in dispute and settlement amount payable for resolution of the dispute.

25. Learned Senior Counsel next submits that respondent no. 2 has effectively obliterated this statutory distinction by treating the disputed portion arising from disallowance of Entry Tax set-off as admitted tax.

26. It is further submitted that Rule 4 of the Settlement Rules requires the prescribed authority to verify the computation of the disputed amount, payments made, settlement amount and other particulars furnished in Form-I. If any discrepancy is found in Form I, the authority is required to communicate the deficiency in Form III or require production of evidence of payment in Form IV. The Settlement Rules do not authorize the authority to reject an

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application in Form I by mechanically treating the entire disputed demand as admitted tax. The Settlement Rules contemplate a determination and computation in accordance with the Settlement Act.

27. The impugned order is a printed/formatted order, which merely refers back to the earlier communication and does not deal with the objections raised by the petitioner. It is, therefore, contended that the order is non-speaking, arbitrary and violative of the principles of natural justice.

28. Learned Senior Counsel has placed reliance on a decision of this Court, in the case of **Expression Buildtech Private Limited v. Union of India**, reported in **2022 SCC OnLine Pat 3906 : (2022) 1 BLJ 400 (Pat)**, to contend that where a statutory settlement scheme is available, the competent authority is required to consider the claim in accordance with the scheme and pass an appropriate order.

29. Per contra, learned counsel appearing on behalf of the respondents argued that the petitioner failed to deposit the settlement amount in full, which was mandatory pre-condition for grant of settlement under the Settlement Act. It is submitted that the assessment order had determined the liability of the petitioner and had allowed Entry Tax set-off only to the extent of Rs.

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82,92,289/-. According to the respondents, the difference between the Entry Tax claimed and the Entry Tax allowed represented an amount payable by the petitioner.

30. It is admitted that one of the essential condition prescribed in the statutory scheme was that an assessee opting for settlement was required to make payment of total amount of admitted tax payable by it. It is further submitted that upon examination of the petitioner's records and the particulars furnished in the settlement application, if the prescribed authority found that the tax admitted as payable by the petitioner for the tax period in question, had not been paid in full, a deficiency memo shall be issued to the petitioner requiring him to deposit the settlement amount, which include the unpaid admitted tax payable by the petitioner. Since the petitioner failed to deposit the settlement amount within the prescribed period, the appropriate authority was justified in rejecting the settlement application.

31. Learned Counsel further submits that the petitioner has approached this Court after considerable lapse of time and in the meanwhile, the Settlement Act has ceased to operate. It is, therefore, contended that the settlement scheme has expired, no relief could be granted to the petitioner under the said enactment.

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On this ground also, it is submitted that the writ applications have become infructuous.

32. Learned Counsel next submits that the petitioner is engaged in the manufacturing of batteries outside the State of Bihar and imported said batteries to the local areas within the State of Bihar under the provisions of Bihar Tax on Entry of Goods into Local Areas for Consumption, Use or Sale therein Act, 1993, the petitioner was liable to pay entry tax on import of such batteries into the local areas of the State of Bihar. The petitioner paid entry tax in respect of the batteries brought into the State of Bihar, however, according to the respondents, those batteries were subsequently not sold in the ordinary course of business, but was utilized for replacement of old/defective batteries free of cost to its customers. Since there was no sale of such batteries, no VAT liability arose in respect thereof.

33. Notwithstanding the above position, the petitioner claims reduction of its VAT liability to the extent of entry tax paid on batteries, which were subsequently utilized for replacement purposes. Such claim was rightly disallowed by the assessing authority since VAT arose upon sale of the goods and in absence of any sale, the petitioner could not claim adjustment of the entry tax against its VAT liability.

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34. The liability arising from the assessment order continues to operate against the petitioner and that the petitioner cannot seek to claim the amount which remain payable pursuant to the assessment as having been discharged merely on the basis of the figures disclosed in the original return. It is, accordingly, contended that the prescribed authority was justified in asking the petitioner to deposit the amount determined under the settlement scheme and upon failure to do so, in rejecting the petitioner's settlement application.

35. I have heard learned Counsel for the parties concerned and have gone through the materials available on record, including the order under challenge, the return filed by the petitioner, the assessment order and the relevant provisions of Settlement Act and the Settlement Rules.

36. The petitioner invoked the provisions of Settlement Act and submitted its application in Form-I on 19.07.2024 while the Settlement Act was in force, which was duly acknowledged in Form-II and the prescribed authority thereafter proceeded to determine the amount payable under the settlement scheme.

37. An objection was raised by the petitioner on computation done by the authority, specifically contending that the tax admitted by it in the return had already been paid and further

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liability arose on account of disallowance of the Entry Tax set-off. The application for settlement was rejected on the ground that the petitioner has failed to deposit the amount demanded by the prescribed authority, as against the admitted tax.

38. The question, which arises for consideration before me, is as to whether the amount demanded from the petitioner was determined in accordance with the scheme of the Settlement Act or not?

39. Section 2 (b) of the Settlement Act defines "admitted tax" to mean the amount of tax admitted as being payable in the returns filed by the party under the law. Section 2 (d) separately defines "arrear tax, penalty, interest or fine in dispute" and includes tax payable pursuant to an order of assessment, reassessment or scrutiny or any other order passed under the law. Section 2 (e) defines "dispute" with reference to proceedings pending against such levy, while Section 2 (f) defines "disputed amount" as the tax, interest, fine or penalty determined as payable pursuant to an order of assessment, reassessment, scrutiny or any other order passed under the law.

40. The Legislature has, thus, maintained a distinction between the tax admitted in the return and the amount determined pursuant to an assessment order. The former is founded upon the

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return filed by the assessee; whereas the latter is referable to the determination made under the assessment proceedings. This distinction assumes significance in the present case.

41. The petitioner had claimed the Entry Tax set-off in its return. The assessing authority disallowed a part of the claim and as a consequence thereof, raised an additional demand. The additional demand was not an amount, which had been separately admitted by the petitioner in its return. It arose upon the determination made in the assessment order. The said determination in the assessment order was pursued by the petitioner under the statutory remedy before the appellate authority and the Tribunal etc. The liability arising from the disallowance of the Entry Tax set-off was, therefore, an amount arising pursuant to the assessment order and falling for consideration under the provisions relating to the disputed amount. Whether the Entry Tax set-off was rightly or wrongly disallowed is not an issue which is to be decided in the present proceeding.

42. Section 3 of the Settlement Act provides a mechanism for settlement of dispute and prescribe settlement amount to be 35 per cent of the arrears of tax in dispute or the amount already paid towards such arrears, whichever is higher.

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The provision separately deals with disputes relating to penalty, fine or interest, which is 10 per cent of the disputed amount.

43. The explanation appended to Section 3 (1) of the Settlement Act provides that the expression "settlement amount" shall not include any payment towards any arrear of admitted tax and the party shall deposit the total amount of admitted tax. Thus, the Settlement Act does not make the admitted tax a component of the settlement amount. The settlement amount is calculated with reference to the dispute, while the admitted tax is dealt with separately.

44. Section 3 (2) of the Settlement Act further provides that where the party has already deposited any amount in respect of the dispute, such amount is to be treated as payment towards the settlement amount and only the difference is required to be paid.

45. The scheme is, therefore, not one where the entire liability reflected in the assessment order is simply required to be deposited. The Settlement Act requires the amount forming the subject matter of the dispute to be identified, the settlement amount to be calculated in accordance with Section 3 of the Settlement Act, and the amount already paid towards the dispute, as contemplated under sub-sections (2) and (3) of Section 3 of the Settlement Act.

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46. The rules framed under the Settlement Act, i.e. Settlement Rules, also proceeds on the same basis inasmuch as Rule 2 (2) of the Settlement Rules defines the words and expressions used in the Settlement Rules, but the words or expressions not defined in the Settlement Rules shall have the meanings assigned to them in the Settlement Act or in the relevant law. Thus, the expression “admitted tax”, having been defined in Section 2 (b), of the Settlement Act, carries that meaning where the Settlement Rules are applied.

47. Rule 3 of the Settlement Rules prescribes the manner in which the application for settlement is to be made, Rule 4 deals with disposal of the application. Under Rule 4 (2) of the Settlement Rules, the prescribed authority is required to verify the computation of the disputed amount, the payments made, the settlement amount and the other particulars furnished in Form-I. If the disputed amount or the settlement amount has not been correctly computed or is not in accordance with the Act, or if a payment claimed by the applicant is not borne out from the official records or VATMIS, Rule 4 (5) permits the authority to issue Form-IV.

48. Thus, it is clear that Form-IV deals with only the disputed amount or the settlement amount and not the admitted

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tax. Form-IV, therefore, is not the source of the liability towards admitted tax upon the petitioner.

49. What is required to be demanded through Form-IV is the amount, which is payable after the disputed amount and the settlement amount have been correctly determined in accordance with the Settlement Act. Rule 4 (5) of the Settlement Rules itself uses the expression “settlement amount as calculated in accordance with the provisions of the Act”.

50. Where the application is found to be in order, Rule 4 (6) of the Settlement Rules contemplates Form-V, requiring deposit of the settlement amount. Upon deposit of the entire settlement amount, Rule 4 (7) of the Settlement Rules contemplates an order in Form-VI settling the dispute. Rule 4 (8) of the Settlement Rules provides for rejection where, *inter alia*, the applicant fails to furnish evidence of payment of the balance settlement amount demanded in Form-IV or fails to furnish evidence of deposit of the entire settlement amount pursuant to Form-V.

51. In the present case, the petitioner asserts amount admitted as payable in the return is discharged and the additional liability arose only because a part of the Entry Tax set-off claimed in the return was disallowed in the assessment. The assessment

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order alone could not furnish the basis for treating the amount arising from disallowance of Entry Tax set-off as admitted tax, whereas, on the other hand, the prescribed authority asserts that the payable admitted tax amount has not been discharged. The distinction becomes relevant because the Settlement Act separately deals with admitted tax, arrears of tax in dispute and the arrears of admitted tax.

52. The authority is required to examine the return and the payment particulars for the purpose of determining the admitted tax in terms of Section 2 (b) of the Settlement Act. The settlement amount was required to be worked out in accordance with Sections 2 (b), 2 (d), 2 (f), 3 (1) and Explanation (1) to Section 3 of the Settlement Act. The respective provisions needs strict interpretation for the purposes of present adjudication.

53. The preamble of the Settlement Act provides for settlement of disputes arising from proceedings under Part I of the Bihar Finance Act, 1981 (Bihar Act 5 of 1981) [as it stood before its repeal by section 94 of the Bihar Value Added Tax Act, 2005 (Act 27 of 2005)], the Bihar Value Added Tax Act, 2005 (Act 27 of 2005), the Bihar Tax on Entry of goods into Local Areas for Consumption, use or Sale Therein Act, 1993 (Bihar Act No 16 of 1993), the Bihar Taxation on Luxuries in Hotels Act, 1988 (Bihar

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Act 5 of 1988), the Bihar Entertainment Tax Act, 1948 (Bihar Act XXXV of 1948), the Bihar Tax on Advertisement Act,2007, [as they stood before their repeal by section 173 of the Bihar Goods and Services Tax Act, 2017(Bihar Act No. 12 of 2017)],the Bihar Electricity Duty Act.1948 (Bihar Act 36 of 1948)[as it stood before its repeal by section 23 of the Bihar Electricity Duty Act, 2018 (Act 4 of 2018)], the Bihar Electricity Duty Act.2018 (Bihar Act 4 of 2018) and the Central Sales Tax Act, 1956 (Act 74 of 1956) and is in the nature of granting remission.

54. For present purposes of adjudication, the provisions of Section 2(b) and Explanation to Section 3 (1) of the Settlement Act are reproduced herein below:-

> "**2.** (b) "admitted tax" means the amount of tax admitted as being payable in the returns filed by the party under the law;"
>
> **Explanation 1 to Section 3 (1)**.- For the purposes of this sub-section, the expression "settlement amount" shall not include any payment towards any arrear of admitted tax and the party shall deposit the total amount of admitted tax."

55. In the present case, CWJC No. 9321 of 2025, the petitioner has admitted output tax of Rs. 1,16,74,142/- and for availment of settlement scheme, the petitioner, as per strict interpretation of explanation (1) to Section 3 (1) of the Settlement

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Act, which is reproduced herein above, is required to make payment of entire amount of admitted tax. As per the petitioner, it has discharged the payment of admitted tax of Rs. 1,16,74,142/- by way of adjustment of payment of Rs. 91,51,103/- made under Entry Tax Act and remaining amount of Rs. 25,14,577/- under VAT Act by cheque. The payment of Rs. 91,51,103/- by adjustment has been reduced by the assessing authority to Rs. 82,92,289/-. In effect, the arrears/short payment against payment of admitted tax is Rs. 8,58,814/-.

55. On strict interpretation of Explanation to Section 3 (1) of the Settlement Act, I am of the considered view that the petitioner is required to make payment of Rs. 8,58,814/- against arrears/short payment of admitted tax for availment of settlement scheme.

56. Accordingly, even though the tenure of settlement Act is over, if the petitioner makes payment of arrears of admitted tax within a period of two weeks from today, the respondent is obliged to pass fresh order for settlement in furtherance of scope and object of the Bihar Settlement of Taxation Disputes Act, 2024. The aforesaid liberty is extended to the petitioner in proceeding of CWJC No. 9517 of 2025, CWJC No. 9528 of 2025, CWJC No. 9436 of 2025 and CWJC No. 9503 of 2025,

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57. These writ applications are disposed with the aforesaid liberty.

(Anil Kumar Sinha, J.)

Vikash Kumar, J.: I agree.

(Vikash Kumar, J.)

Prabhakar Anand/-

AFR/NAFR	AFR
CAV DATE	11-08-2026
Uploading Date	06-11-2026
Transmission Date	N/A

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