Bengal Engineering vs State of West Bengal & Ors

Legality of GST assessment exceeding Show Cause Notice amount and denial of personal hearing under Sections 75(7) and 75(4) of the West Bengal GST Act, 2017.

Date of Order: December 8, 2025
Case Law No: GIB-CHC-2025-03
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CASE DESCRIPTION / SUMMARY

The Division Bench allowed the appeal and set aside the Adjudication Order dated 10 December 2020 and the Appellate Order dated 02 January 2025.

The Court held that:

1. The Adjudicating Authority confirmed a tax liability exceeding the amount specified in the Show Cause Notice, in violation of Section 75(7) of the West Bengal Goods and Services Tax Act, 2017. The provision imposes a jurisdictional ceiling and prohibits confirmation of an amount higher than that stated in the notice. The excess demand rendered the order ultra vires and unsustainable.
2. The failure to grant a personal hearing despite a specific request violated Section 75(4) of the Act. The provision mandates that a personal hearing shall be granted where requested. The ex parte order passed without granting such hearing constituted a breach of principles of natural justice and was held to be a fatal infirmity.
3. The cumulative effect of breach of Section 75(7), violation of Section 75(4), and initiation of parallel proceedings under Sections 73 and 74 rendered the assessment fundamentally flawed.

The Court remanded the matter to the Adjudicating Authority for de novo adjudication from the stage of reply to the Show Cause Notice, directing grant of fresh personal hearing and strict compliance with Section 75(7).

Cases Referred by Court:

- Kaveri Telecom Products Ltd. vs. Commissioner of Customs (2018)

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