Lakshmi Mobile Accessories vs Joint Commissioner (Intelligence & Enforcement) & Anr.

Adjudication proceedings – issuance of show cause notice and passing of assessment orders under Section 74 of the CGST Act, 2017 – separate adjudication orders for different financial years.

Date of Order: January 28, 2025
Case Law No: GIB-KERHC-2025-11
Source: GST INDIA Biz (www.gstindia.biz)

CASE DESCRIPTION / SUMMARY

Facts:
The petitioner challenged the show cause notice dated 29.07.2024 issued under Section 74 of the CGST Act proposing tax, interest and penalty for the financial years 2018-19 to 2023-24. The petitioner apprehended that the authorities would pass a composite adjudication order covering multiple financial years and sought direction for passing separate orders and granting opportunity for cross-examination.

Court Decision:
The Court held that at the stage of show cause notice there was no material to assume that the authorities would adopt a procedure contrary to law or deny opportunity of hearing. Therefore, interference with the show cause notice was not warranted.

However, considering the limitation period for passing order for the financial year 2017-18, the Court permitted the authority to pass an order for that year within the prescribed limitation after granting opportunity of hearing. For the subsequent financial years, the Court observed that separate adjudication orders ought to be issued for each year even if the show cause notice is composite, and directed the authority to pass separate orders after granting reasonable opportunity of hearing. The writ petition was disposed of with these directions.

Cases Referred by Court:

· W.P.(C) No.35156 of 2024 (Kerala High Court)

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