Milroc Good Earth Developers vs Union of India & Ors.

Show Cause Notice – Clubbing of multiple financial years in a single show cause notice under Sections 73 and 74 of the CGST Act, 2017 – validity of consolidated show cause notice for different tax periods.

Date of Order: October 9, 2025
Case Law No: GIB-BHC-GOA-2025-12-DB
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CASE DESCRIPTION / SUMMARY

Facts:
The petitioner, a developer engaged in construction projects, challenged the show cause notice dated 28.03.2025 issued under Sections 74(1) and 74A of the CGST Act proposing tax, interest and penalty for the period from FY 2017-18 to FY 2023-24. The petitioner contended that the notice illegally clubbed multiple financial years in a single show cause notice contrary to the scheme of the CGST Act.

Court Decision:
The Court held that under the statutory scheme of the CGST Act, tax liability is determined with reference to the "tax period", which is linked to the return filed for that period. Returns are filed either monthly or annually, and when the assessment is based on annual returns, the relevant tax period corresponds to the particular financial year.

The Court observed that Sections 73(10) and 74(10) prescribe limitation for issuing orders based on the due date for filing the annual return for the respective financial year. Since the limitation operates separately for each financial year, the statute does not permit consolidation of multiple financial years into a single show cause notice.

The Court further held that issuance of consolidated show cause notices covering several financial years frustrates the statutory limitation scheme and deprives the assessee of the opportunity to give year-specific explanations. Accordingly, the consolidated show cause notices issued for multiple financial years were held to be without jurisdiction and were quashed.

Cases Referred by Court:

· R A and Co. v. Additional Commissioner of Central Taxes, W.P. No.17239 of 2025 (Madras

High Court)

· Titan Company Ltd. v. Joint Commissioner of GST & Central Excise, W.P. No.33164 of 2023 (Madras High Court)

· Veremax Technologie Services Limited v. Assistant Commissioner of Central Tax, W.P. No.15810 of 2024 (Karnataka High Court)

· Bangalore Golf Club v. Assistant Commissioner of Commercial Taxes (Enforcement)-22, W.P. No.16500 of 2024 (Karnataka High Court)

· Tharayil Medicals v. Deputy Commissioner, 2025:KER:30805 (Kerala High Court)

· State of Jammu and Kashmir and Others v. Caltex (India) Ltd., AIR 1966 SC 1350

· RioCare India Pvt. Ltd. v. Assistant Commissioner, CGST & C.Ex., (2025) 26 Centax 339 (Bombay High Court)

· Ambika Traders v. Additional Commissioner, Adjudication DGGSTI, CGST Delhi North, W.P.(C) No.4783 of 2025 (Delhi High Court)

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