Instakart Services Private Limited vs The Additional Commissioner, Chennai South Commissionerate

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

Date of Order: February 22, 2025
Case Law No: GIB-MHC-2025-15
Source: GST INDIA Biz (www.gstindia.biz)

CASE DESCRIPTION / SUMMARY

Facts:
The petitioner challenged Order-in-Original No.04/2025-GST ADC dated 06.01.2025 and the consequential rectification order dated 30.04.2025 passed for the period July 2017 to March 2023. The petitioner contended that the department issued a single show cause notice and passed a single order covering multiple financial years, which is contrary to the scheme of the GST Act.

Court Decision:
The Court held that under the GST Act, show cause notices must be issued based on the "tax period". Where the assessment is based on annual returns, the relevant tax period corresponds to the respective financial year.

The Court relied on its earlier decision dated 21.07.2025 in a batch of cases holding that show cause notices cannot be clubbed for more than one financial year. Since the impugned order covered the period from July 2017 to March 2023 through a single proceeding, the action was held to be without jurisdiction.

Accordingly, the Court quashed the assessment order dated 06.01.2025 and the rectification order dated 30.04.2025 and granted liberty to the department to initiate separate proceedings for each financial year in accordance with law.

Cases Referred by Court: W.P. Nos.29716 of 2024 etc. batch (Madras High Court, Order dated 21.07.2025)

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