S.A. Aromatics Pvt. Ltd. & Anr. vs. Union of India & Ors.

Validity of composite show cause notice for multiple financial years and multiple noticees – Sections 73, 74 and 6(2)(b) of the CGST Act, 2017 and UPGST Act, 2017.

Date of Order: January 20, 2026
Case Law No: GIB-AHC-2025-18-DB
Source: GST INDIA Biz (www.gstindia.biz)

CASE DESCRIPTION / SUMMARY

Facts:
Search and investigation proceedings were conducted by different GST authorities against the petitioners relating to alleged tax evasion in the manufacture and sale of scented tobacco and pan masala products. Subsequently, composite show cause notices dated 30.09.2025 and 04.10.2025 were issued under Section 74 of the CGST/UPGST Acts covering multiple financial years and involving more than one noticee. The petitioners challenged the notices contending that a single show cause notice cannot be issued for multiple financial years or for multiple noticees and that the proceedings were also barred under Section 6(2)(b) due to parallel action by different authorities.

Court Decision:
The High Court examined the statutory scheme of the CGST Act, including the definitions of "tax period", provisions relating to filing of returns, and the adjudication mechanism under Sections 73 and 74. The Court noted that the limitation for adjudication orders under Sections 73(10) and 74(10) is linked to the due date for filing the annual return for the relevant financial year.

Considering the divergent views expressed by different High Courts on the issue of composite show cause notices for multiple financial years, the Court held that the challenge raised in the batch of petitions required detailed examination of statutory provisions and precedents. The matters were therefore considered together, and the Court addressed the legal questions regarding the permissibility of composite show cause notices, applicability of Section 6(2)(b), and jurisdiction of different authorities.

Cases Referred by Court:

- *State of West Bengal vs. Kesoram Industries Ltd.*
- *Dhananjaya Reddy vs. State of Karnataka*

- *CIT vs. Anjum M.H. Ghaswala*
- *Mehsana District Central Cooperative Bank Ltd. vs. State of Gujarat*
- *Maharao Bheem Singh of Kota vs. CIT*
- *State of Gujarat vs. Arcelor Mittal Nippon Steel India Ltd.*
- *State of U.P. vs. Jai Prakash Associates Ltd.*
- *B. Prabhakar Rao vs. State of Andhra Pradesh*
- *Pramur Homes and Shelters vs. Union of India*
- *Mathur Polymers vs. Union of India*
- *Milroc Good Earth Developers vs. Union of India*
- *Titan Company Ltd. vs. Joint Commissioner*
- *R.A. & Co. vs. Additional Commissioner of Central Taxes*
- *Tharayil Medicals vs. Deputy Commissioner*
- *State of Jammu and Kashmir vs. Caltex (India) Ltd.*
- *G.K. Trading Company vs. Union of India*
- *Armour Security (India) Ltd. vs. Commissioner, CGST*
- *Sangeeta Singh vs. Union of India*
- *Palm Groves Cooperative Housing Society Ltd. vs. Magar Girme and Gaikwad Associates*
- *Grasim Industries Ltd. vs. Collector of Customs*
- *R.K. Ispat Ltd. vs. Union of India*
- *X.L. Interiors vs. Deputy Commissioner (Intelligence)*
- *Britannia Industries Ltd. vs. Union of India*
- *Delhi Foils vs. Additional Commissioner*
- *Riocare India Pvt. Ltd. vs. Assistant Commissioner, CGST*

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