

2024 TAXONATION 2426 (KARNATAKA)

KARNATAKA HIGH COURT**WRIT PETITION NO. 15810 OF 2024 (T-RES)****Veremax Technologie Services Limited-Appellant****Versus****The Assistant Commissioner of Central Tax Bengaluru.-Respondent****Coram: HON'BLE MR JUSTICE S.R.KRISHNA KUMAR****Date of order: 04/09/2024****Decision-In Favour of Assessee**

Held That: The petitioner challenges a consolidated show cause notice issued for multiple tax periods under [Section 73](#) of the CGST Act, arguing that separate notices are required for each year. The Court quashes the notice, ruling that clubbing tax periods is impermissible, but allows the respondent to issue separate notices for each year.

Appearance:**Sri. Shankare Gowda M.N., Advocate For the Petitioner****Sri. Unnikrishnan M., CGC For the Respondent****JUDGMENT**

In this petition, petitioner challenges the impugned show cause notice dated 03.05.2024 at Annexure – D and the order dated 21.11.2023 at Annexure – B issued by the respondent for the tax periods 2017-18, 2018-19, 2019-20 and 2020-21. The petitioner contends that these notices, issued under [Section 73](#) of the Central Goods and Services Tax (CGST) Act, 2017, are flawed due to the improper consolidation of multiple tax periods into a single show cause notice.

2. The petitioner's primary argument is that the respondent cannot issue a common show cause notice by grouping the tax periods from 2017-18 to 2020-21. The petitioner asserts that under Section 73 of the CGST Act, a specific action must be completed within the relevant year, and the limitation period of three years applies separately to each assessment year. Consequently, the petitioner contends that clubbing multiple tax periods in a single notice is

impermissible, and separate notices should have been issued for each assessment year under sub- Section (1) of [Section 73](#).

3. The petitioner relies on the judgment of the Hon'ble Madras High Court in the case of *M/s. Titan Company Ltd. vs. Joint Commissioner of GST W.P.No.33164 of 2023*. The Madras High Court, while addressing a similar issue, relied on the Hon'ble Supreme Court's decision in *State of Jammu and Kashmir and Others vs. Caltex (India) Ltd., AIR 1966 SC 1350*. The Hon'ble Apex Court held that where an assessment encompasses different assessment years, each assessment order can be distinctly separated and must be treated independently.

4. This Court has reviewed the judgment of the Madras High Court and the scope of inquiry under [Section 73](#) of the CGST Act. Based on the established legal principles and the precedent set by the Hon'ble Apex Court, this Court finds that the respondent erred in issuing a consolidated show cause notice for multiple assessment years, spanning from 2017-18 to 2020-21.

5. [Section 73](#) (10) of the CGST Act mandates a specific time limit from the due date for furnishing the annual return for the financial year to which the tax due relates. The law stipulates that particular actions must be completed within a designated year, and such actions should be executed in accordance with the law's provisions. The principles enunciated in the judgment cited by the Hon'ble Supreme Court are directly applicable to the present case.

6. For the reasons aforementioned, this Court concludes that the show cause notices issued by the respondent are fundamentally flawed. The practice of issuing a single, consolidated show cause notice for multiple assessment years contravenes the provisions of the CGST Act and established legal precedents.

7. Accordingly, this Court proceeds to pass the following:

ORDER

(i) The writ petition is allowed.

(ii) The impugned show cause notice dated 03.05.2024 (Annexure-D) issued by the respondent for the tax periods 2017-18, 2018-19, 2019-20 and 2020- 21 are hereby quashed;

(iii) This order, however, does not preclude the respondent from issuing separate show cause notices for each assessment year in compliance with Section 73 of the CGST Act, 2017.

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