

## HC: Composite SCN Across Years Void

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REFER THE DECISION OF THE HON'BLE MADRAS HIGH COURT IN THE CASE OF

**Oriental Lotus Hotel Supplies (P.) Ltd. v. Joint Commissioner - [2025] 177 taxmann.com 563 (Madras)**

**Oriental Lotus Hotel Supplies (P.) Ltd. faced a composite show cause notice (SCN) and a single assessment order issued by the GST department covering multiple financial years together. The department sought to recover tax and input tax credit (ITC) dues not involving fraud, misstatement, or suppression.**

**The assessee challenged the proceedings before the Madras High Court, contending that such clubbing of years was impermissible under the CGST Act.**

**The Court agreed with the assessee, holding that:**

- **Under GST, each financial year is a distinct unit for the purposes of assessment and limitation.**
- **Issuing a single SCN/assessment order for multiple years undermines the statutory scheme of year-wise limitation.**
- **Such practice also denies the assessee an effective year-wise rebuttal and thus results in jurisdictional overreach by the authority.**

**Accordingly, the High Court declared that the composite SCN and assessment order were void ab initio, and directed that the department must issue separate notices and orders for each year if it seeks to proceed further.**

### Key Takeaway

- 1. Each financial year = separate unit under GST.**
- 2. Composite SCNs/Orders for multiple years are invalid.**
- 3. Assesseees have a right to year-wise defence and rebuttal.**
- 4. Such clubbing amounts to jurisdictional error.**