

HC: Demand Order Exceeding Amount Proposed in Show Cause Notice Held Unsustainable and Remanded for Fresh Adjudication

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

R.T.S. Electricals and Civil India Pvt. Ltd. vs. State of U.P. Citation: (2025) 35 Centax 240 (All.)

In R.T.S. Electricals and Civil India Pvt. Ltd. v. State of U.P. – (2025) 35 Centax 240 (All.), the Allahabad High Court held that when the demand order for tax, interest, and penalty exceeds the amount proposed in the show cause notice for the same period and components, such action violates the principles of natural justice and the statutory mandate under the GST law which prohibits adjudication beyond the scope of the notice.

The Court observed that the adjudicating authority cannot travel beyond the specific proposals made in the show cause notice. Any enhancement of demand without due notice and opportunity of reply is impermissible and renders the order unsustainable in law.

Accordingly, the impugned order was set aside, and the matter was remanded for fresh adjudication after affording the petitioner a reasonable opportunity of hearing.

Held: Demand order cannot exceed what is proposed in the show cause notice; any such excess is invalid and requires remand for re-adjudication.

// भगवान महावीर का संदेश //

"जीवो और जीने दो" — यही हो हमारा संकल्प।

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