

## HC: Order to Be Set Aside Due to Demand Exceeding SCN Proposal, Violating Adjudication Provisions

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

S.R. Construction V/s State of U.P., decided on 2-4-2025

### Key Issues:

Is It Permissible for the Final Order to Demand More Than the Amount Proposed in the SCN?

### The Hon'ble High Court Judgement:

The High Court held that the final tax demand must not exceed the amount specified in the SCN. Any increase beyond the proposed amount, without providing the taxpayer an opportunity to respond, constitutes a violation of the principles of natural justice. The court emphasized that the SCN serves as the foundation for any tax demand, and **any deviation without due process is impermissible.**

**Section 73 and 75 of Central Goods and Services Tax Act, 2017.**