

HC: Final order beyond the scope of the original Show Cause Notice Not Permitted.

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

IRFC Ltd. v. Assistant Commissioner (ST), Madras HC, WP No. 8992 of 2025

Case:

Indian Railway Finance Corporation Ltd. (IRFC) challenged an assessment order under GST before the Madras High Court.

Grounds:

- 1. No personal hearing was granted (violation of Section 75(4), CGST Act).**
- 2. Final order went beyond the scope of the original Show Cause Notice (SCN).**

Legal Findings:

- SCN forms the basis of adjudication; new grounds in the final order are impermissible.**
- Absence of hearing and jurisdictional overreach violated principles of natural justice.**

Outcome:

- The High Court quashed the assessment order.**
- Directed the department to issue a fresh SCN if needed and ensure compliance with legal procedure.**

Significance:

This ruling reinforces that GST authorities must strictly adhere to the SCN and ensure fair hearings. Any deviation renders the order legally unsustainable.