IN THE HIGH COURT OF JUDICATURE AT BOMBAY
NAGPUR BENCH, NAGPUR.

WRIT PETITION NO. 466 OF 2025

(Rite Water Solutions (India) Ltd. Vs. Joint Commissioner, CGST & Central Excise, Nagpur & Ors.)

Office Notes, Office Memoranda of Coram, appearances, Court's orders of directions and Registrar's Orders.	Court's or Judge's orders.

Mr. Kapil Hirani with Mr. Deepak Gupta, Counsel for the petitioner.
Ms Ketki Jaltare – Vaidya, Counsel for respondent nos. 1 and 2.
Mr. P.V. Navlani, Counsel for respondent no.3.

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CORAM : ANIL L. PANSARE AND
RAJ D. WAKODE, JJ.
NOVEMBER 28, 2025

Challenge is to clubbing notices issued under Section 74 of The Central Goods and Services Tax Act, 2017 (for short “CGST Act, 2017”). The Counsel for the petitioner submits that respondent no.1 has issued notice dated 4/8/2024 calling upon the petitioner to show cause as to why tax amount of Rs.2,12,16,300/- should not be demanded and recovered from them under Section 74 read with Section 9 of CGST Act, 2017, and Section 20 of The Integrated Goods and Services Tax Act, 2017. The notice issued covers tax period from July – 2017 to March – 2022.

2] The argument is that such clubbing of notices is not permissible. In support, the Counsel has relied upon the judgment of a Division Bench of this Court at Goa in *M/s. Milroc Good Earth Developers Vs. Union of India & Ors. [Writ Petition No. 2203/2025* decided on *9/10/2025],* wherein, the Court held that if an authority lacks jurisdiction to have composite assessment for different tax periods/assessment years, then the formality of responding to show cause notice shall not be encouraged. While doing so, the Court considered various provisions of the CGST Act, 2017, and held as under :

> *"18. When we have perused the scheme of assessment and payment of tax, we find that the taxes payable under the Act commensurate with Return filed for 'each tax period' and this is may be in the form of selfassessment or provisional assessment as provided in the Act. However, what is important to note is that there is a prescription of period of five years of due date on which 'annual Return' is filed for the relevant financial year and provision of payment and recovery is also included in the statutory scheme in form of Section 73 and 74, which underwent significant amendment by the Act 15 of 2024 and the provision as per sub-section (12) shall be applicable for determination of tax pertaining to the period up to Financial Year 2023-24 and for financial year 2024-25 and onwards, the provision under Section 74A will be relevant.*
>
> *19. From the perusal of the entire Scheme, it is evidently clear to us that the statutory provision for assessment of tax for each financial year expect the Show Cause Notice to be issued at least 3 months prior to the time limit specified in Section 73(10) and 74(10) of the Act, for issuance of assessment order as sub-section (10) provide that the proper officer shall issue the order within a period of five years from the due date for furnishing of annual Return for the financial year to which the tax not paid/short paid or input tax credit wrongly availed or utilised relates to or within five years from the date of erroneous Return. Thus, there is limitation prescribed for demand of tax and its recovery.*
>
> *The Act of 2017, therefore involve a definite tax period, based on the filing of the Return, which can be either monthly or annual Return and if the assessment is based on annual*

> *Return, the tax period shall be the relevant financial year.*
>
> *In the light of the statutory scheme, we find that there is no scope for consolidating various financial years/tax period which is attempted by the impugned Show Cause Notices assailed in the Petition."*

3] As could be seen, the Division Bench has in categorical terms held that there is no scope for consolidating various financial years/tax period while issuing show cause notice under Section 74 of the CGST Act, 2017.

4] The Counsel for respondent nos. 1 and 2 has invited our attention to a communication dated 15/9/2025 issued by the Under Secretary to the Government of India in favour of Principal Chief Commissioners/Commissioners of CGST Zones indicating that composite show cause notice for multiple financial years are legally permissible.

5] This communication apparently runs contrary to the provisions of the CGST Act, 2017, as discussed by the Division Bench in the aforesaid judgment and, therefore, will be of no help to the respondents.

6] Accordingly, and since notice hereunder is admittedly issued consolidating five years, the same will have to be set aside. Hence, following order is passed :

ORDER

I] The petition is allowed in terms of prayer Clause (a), which reads as under :

> *"a. Quash and Set Aside impugned show cause notice dated 4/8/2024 having DIN –*

20240866vk000061826d & SCN No. 181/GRP-06/JC/2024-25 issued by Respondent No.1 i.e. Joint Commissioner, CGST & Central Excise, Audit Division, Civil Lines, Nagpur under section 74 of the Central Goods and Service Act, 2017"

II] The respondents, however, are at liberty to re-issue notice strictly in terms of Section 74 of the CGST Act, 2017, if there is no other legal impediment.

III] The petition is disposed of in above terms.

(JUDGE) **(JUDGE)**

Sumit