Proper officer can adjudicate tax liability and impose linked penalties in same GST proceeding:

The High Court held that a proper officer who is authorized to determine GST tax liability through a Show Cause Notice (SCN) is also empowered to impose the related interest and statutory penalties in the same adjudication proceeding.

Key Findings

- The taxpayer was alleged to have engaged in mis-declaration, undervaluation of goods, and clandestine clearance of products, resulting in short payment of GST.
- The SCN proposed recovery of tax, interest, and penalties arising from the same set of facts.
- The taxpayer argued that separate proceedings were required for imposing penalties.
- The Court rejected this contention and held that the GST law does not mandate separate adjudication proceedings for penalties that are consequential to the tax demand.
- Once the proper officer has jurisdiction to adjudicate the tax liability, the officer can also decide the related interest and penalty provisions in the same order.
- Therefore, there was no jurisdictional error in imposing tax, interest, and penalties through a single adjudication process.

Key Takeaway

Under GST, a single adjudication proceeding can cover tax, interest, and consequential penalties arising from the same SCN and facts. The proper officer need not initiate separate proceedings for penalties if the statute authorizes such penalties as part of the demand proceedings. This helps avoid multiplicity of proceedings and ensures efficient tax administration.

Based on the case extract you shared, **the exact penalty sections and amounts are not mentioned**. The judgment primarily dealt with the **jurisdictional issue**—whether the proper officer who adjudicated the tax demand could also impose consequential penalties in the same proceeding.

From the facts, the SCN involved:

- Mis-declaration of goods
- Undervaluation
- Clandestine clearance/suppression of turnover
- Demand of tax and interest

In such cases, the penalties are typically those prescribed under the GST demand provisions, commonly:

- **Section 74** (where fraud, wilful misstatement, or suppression of facts is alleged), which can entail penalties up to **100% of the tax demanded** in addition to tax and interest.
- In some situations, penalties under **Section 122** for specified GST contraventions may also be proposed.

What the HC actually held

The High Court's key ruling was that:

- The officer who had jurisdiction to determine the tax liability pursuant to the SCN was also competent to impose the related statutory penalties.
- GST law does not require a **separate proceeding** solely for imposing such consequential penalties.
- Therefore, there was **no jurisdictional error** in levying tax, interest, and penalties through a single adjudication order.

Bottom Line

The summary available does **not disclose the specific penalty sections or quantum imposed**. It only confirms that **penalties linked to the tax demand were imposed and that the officer had the authority to do so in the same adjudication proceeding**. If you can share the full case citation or order, I can identify the exact penalty provisions and amounts involved.