

HC: Adjudication Order Under Section 73 Set Aside for Non-Consideration of Assessee's Objections

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

***Tvl. P. Baskar v. Deputy State Tax Officer (Intelligence)* [2025] 176 taxmann.com 208 (Madras)**

Facts of the Case:

The assessee, Tvl. P. Baskar, received a show cause notice under Section 73 of the CGST Act alleging wrongful availment of ITC/tax liability.

In response, the assessee raised objections, including a specific contention that hiring/renting services to Goods Transport Agencies (GTAs) are exempt under Notification No. 12/2017-Central Tax (Rate).

However, the adjudicating authority did not consider or address these objections in the final order.

The impugned order merely reiterated the proposals made in the SCN, without any independent reasoning or examination of the defense raised.

Hon'ble High Court Judgement:

The Madras High Court held that the principles of natural justice were violated as the objections raised by the assessee were not dealt with at all.

It observed that an adjudication order must reflect application of mind to the submissions made by the noticee.

Since the impugned order failed to consider the claim of exemption under Notification No. 12/2017, and simply echoed the SCN, it was liable to be set aside.

The Court accordingly quashed the adjudication order and remanded the matter for reconsideration in accordance with law, after due opportunity to the assessee.