

HC: Assessment Order Treated as Show Cause Notice – Section 75(7)

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

S.P.K. Enterprises vs Deputy State Tax Officer-I, Thiruvottiyur Assessment Circle, Chennai - Madras High Court (2025) 94 GSTL 250

FACTS:

S.P.K. Enterprises **faced an** assessment order **citing discrepancies between** GSTR-3B and GSTR-2A/2B, **leading to differences in** CGST and SGST liabilities.

The discrepancies were never communicated earlier **to the taxpayer for explanation or reconciliation.**

The petitioner contended that issuing an assessment order without prior notice violated principles of natural justice.

Hon'ble High Court Judgement:

The Madras High Court **held that** Section 75(7) of the CGST Act **requires that any demand or adverse decision must be preceded by a proper show cause notice.**

Since no prior notice was issued, the assessment order itself should be treated as a show cause notice.

The authorities were directed to provide an opportunity for the petitioner to respond and then pass a fresh, reasoned order.