

HC: Demand Order Set Aside for Non-Issuance of SCN under Rule 142(1A)

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REFER THE DECISION OF THE HON'BLE ANDHRA PRADESH HIGH COURT IN THE CASE OF

**Sri Shakthi Communications vs. Assistant Commissioner of State Taxes
Citation: (2025) 32 Centax 288 (A.P.)**

FACTS:

The petitioner, Sri Shakthi Communications, challenged the final assessment/demand order passed by the Assistant Commissioner of State Taxes.

The grievance was that no proper show cause notice (SCN), as required under Rule 142(1A) of the CGST Rules, 2017, had been issued before the passing of the order.

The petitioner argued that the absence of an SCN violated principles of natural justice and the mandatory statutory requirement, thereby making the order invalid.

Judicial precedents from various High Courts were cited, holding that DRC-01 or summary cannot substitute a proper SCN.

Hon'ble High Court Judgement:

The Andhra Pradesh High Court held that issuance of a proper SCN under Rule 142(1A) is a mandatory prerequisite before passing any final assessment or demand order under GST.

In the absence of such SCN, the order was deemed to be passed without jurisdiction.

Consequently, the demand order was set aside and the authorities were directed to initiate proceedings afresh, strictly following the mandated procedure.