

HC: Summary in Form GST DRC-01 Cannot Replace Proper SCN under Section 73(1)

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

Shreerihant Logistics (P.) Ltd. v. State of Assam - [2025] 177 taxmann.com 107 (Gauhati)

FACTS:

Assessee: Shreerihant Logistics (P.) Ltd.

The department-initiated proceedings under Section 73 of the CGST Act for alleged short payment of tax.

Instead of issuing a detailed, proper Show Cause Notice (SCN) under Section 73(1), the department only issued:

- 1. A summary of the SCN in Form GST DRC-01.**
- 2. An attached tax determination statement under Section 73(3).**

The assessee challenged the proceedings, arguing that no proper SCN containing facts, legal grounds, and reasoning was served as required by law.

Hon'ble High Court Judgement:

The Gauhati High Court held that:

Form GST DRC-01 is only a summary meant for electronic intimation — it cannot be treated as the statutory SCN mandated under Section 73(1).

Section 73(1) requires a comprehensive notice stating facts, grounds, and the basis for demand so the assessee can respond effectively.

Merely issuing the summary along with a determination statement does not fulfill the statutory requirement.

Since no proper SCN was issued, the initiation of proceedings was invalid and without authority of law.

The department was given liberty to initiate fresh proceedings in accordance with law.