

HC: No DRC-01A issued — Sec. 73/74 order quashed, matter remanded.

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

***Srinivasa Kirana Mart v. Assistant Commissioner ST* Citation: [2025] 177 taxmann.com 130 (Andhra Pradesh)**

FACTS:

The assessee was subjected to proceedings under Section 73(1)/74(1) of the CGST Act for recovery of tax/input tax credit not involving fraud, misstatement, or suppression.

The proper officer issued a show cause notice (SCN) directly, without first issuing an intimation in FORM GST DRC-01A as required under Rule 142(1A) of the CGST Rules.

The assessee challenged the validity of the assessment order, contending that the omission to issue the pre-SCN intimation violated mandatory procedural requirements.

Hon'ble High Court Judgement:

Rule 142(1A) requires that the proper officer shall serve an intimation of tax, interest, and penalty as ascertained before issuing the SCN, giving the assessee an opportunity to pay the amount and avoid further proceedings.

This requirement is mandatory and non-compliance vitiates the entire proceeding.

Since no intimation under Rule 142(1A) was issued, the impugned assessment order was invalid.

Matter remanded to the proper officer to conduct fresh assessment after complying with statutory procedure.