

HC: Assessment Without Rule 142(1A) Intimation Invalid

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

Srinivasa Kirana Mart vs. Assistant Commissioner ST Citation: (2025) 33 Centax 197 (A.P.)

Srinivasa Kirana Mart, a small grocery wholesaler, was shocked to receive a show cause notice (SCN) under Section 73/74 for alleged GST short payment.

But something important was missing.

Under Rule 142(1A), before issuing such a notice, the department must send a pre-intimation (DRC-01A), giving the taxpayer a chance to pay voluntarily or explain their position.

In this case, no such intimation was ever given. The officer directly issued the SCN and then passed the assessment order.

The assessee argued before the High Court:

“This is against the law. We were never given the chance the rule mandates.”

The Andhra Pradesh High Court agreed:

- **Rule 142(1A) is not an empty formality; it ensures fairness before a SCN.**
- **Since no intimation was issued, the assessment was procedurally invalid.**
- **The matter needed to go back for a fresh assessment, this time following due process.**

Conclusion

The impugned order was set aside, and the case remanded to the department.