

HC: Summary in DRC-01 Not a Valid SCN for Demand Proceedings

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

Shreerihant Logistics Pvt. Ltd. v. State of Assam *Citation: (2025) 33 Centax 180 (Gau.)*

Shreerihant Logistics Pvt. Ltd. received a Form GST DRC-01. It was just a summary of a show cause notice (SCN), along with a tax computation statement under Section 73(3).

But what was missing?

The actual, detailed SCN required under Section 73(1), explaining the grounds, allegations, and reasons for demand.

The department went ahead and initiated demand proceedings based only on this summary.

The company objected, saying:

“A summary cannot replace the real thing. Without a proper SCN, how can we defend ourselves?”

The matter reached the Gauhati High Court.

The Court agreed with the assessee:

- **A summary in DRC-01 is only an aid to the proceedings, not a substitute.**
- **The law requires a formal SCN under Section 73(1) to initiate demand.**
- **Without it, the proceedings were not in conformity with law.**

Conclusion



Result: The demand proceedings were held invalid.