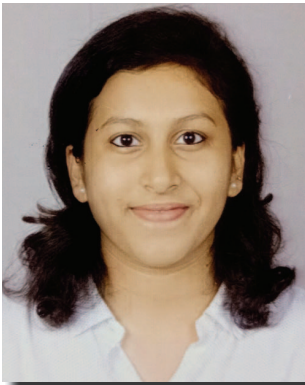




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GST- ON BEAT, OFF-BEAT AND BACK BEAT

Notices under GST Article 3: FORM DRC-01

I am thankful to Tax Research Team who has allowed me to start this series on Notices under GST. I will try to cover about as many notices issued under GST for various reasons and under various legal provisions and how a tax payer should deal with it. This is the third article in the series of Notices under GST.

Background and Legal Provision:

DRC-01: Rule 100(2):

(2) The proper officer shall issue a notice to a taxable person in accordance with the provisions of section 63 in FORM GST ASMT-14 containing the grounds on which the assessment is proposed to be made on best judgment basis and shall also serve a summary thereof electronically in FORM GST DRC-01, and after allowing a time of fifteen days to such person to furnish his reply, if any, pass an order in FORM GST ASMT-15 and summary thereof shall be

uploaded electronically in FORM GST DRC-07.

Rule 142 (1) (a): Provisions under Rule 142 of the Central Goods and Services Tax (CGST) Rules, 2017 relating to “Notice and Order for Demand of Amounts Payable under the Act”, are as under:

(a) notice issued under section 52 or section 73 or section 74 or section 76 or section 122 or section 123 or section 124 or section 125 or section 127 or section 129 or section 130, a summary thereof electronically in FORM GST DRC-01.

Form GST DRC-01A under rule 142(1A) of the Rules indicates that it is a pre-show cause notice intimation with reference to Section 73(1)/ (5) or Section 74(1)/ (5) to an assessee so that either he may deposit the amount of tax and interest or he may disagree to the ascertainment resulting in show cause notice under Section 73(1) or Section 74(1), as the case may be.



FORM DRC-01 as under:

FORM GST DRC - 01
[See rule 142(1)]

Reference No: _____ Date: _____

To _____ GSTIN/ID
----- Name
----- Address

Tax Period ----- F.Y. ----- Act -

Section / sub-section under which SCN is being issued -
SCN Reference No. ---- Date ----

Summary of Show Cause Notice

(a) Brief facts of the case

(b) Grounds

(c) Tax and other dues

(Amount in Rs.)

Sr. No.	Tax Period	Act	Place of supply (name of State)	Tax / Cess	Others	Total
1	2	3	4	5	6	7
Total						

384

[See Rule 142 (1A)]

Part A

No.:

Date:

Case ID No.

To

GSTIN.....Name

me.....

Address.....

Sub.: Case Proceeding Reference No.....- Intimation of liability under section 73(5)/section 74(5) – reg.

Please refer to the above proceedings. In this regard, the amount of tax/interest/penalty payable by you under section 73(5) / 74(5) with reference to the said case as ascertained by the undersigned in terms of the available information, as is given below:

Act	Period	Tax			
CGST Act					
SGST/UTGST Act					
IGST Act					
Cess					
Total					

The grounds and quantification are attached / given below:

You are hereby advised to pay the amount of tax as ascertained above along with the amount of applicable interest in full by, failing which Show Cause Notice will be issued under section 73(1).

You are hereby advised to pay the amount of tax as ascertained above along with the amount of applicable interest and penalty under section 74(5) by, failing which Show Cause Notice will be issued under section 74(1).

In case you wish to file any submissions against the above ascertainment, the same may be furnished by..... in Part B of this Form

Proper Officer

Signature.....

Name.....

Designation.....



FAQs:

When does the Proper officer under GST serve show cause notice (SCN) to a person?

Following are the reasons:

- ✳ Tax not paid/short paid;
- ✳ Tax erroneously refunded;
- ✳ Input tax credit wrongly availed or utilized.

Along with SCN, what all details are issued by the Proper officer?

- ✳ Details of person to whom SCN is to be issued like GSTIN, address etc.
- ✳ Tax period, financial year, Section reference and SCN reference no.
- ✳ Brief facts of the case;

- ✳ Grounds; and
- ✳ Taxes and other dues (Interest, penalty and others).

What is the Time limit to issue SCN/Summary of SCN (DRC-01)?

- ✳ In case of Bona-fide defaulter: 2 years + 9 months from due date of filing of Annual return of relevant FY.
- ✳ In case of Mala-fide defaulter (i.e. cases of Fraud, Suspension etc.): 4 years + 6 months from due date of filing of Annual return of relevant FY.

Note: In cases where tax not paid but collected by recipient, SCN can be issued any time with no time limit.

Rights of the Registered Person/Tax Payer:

- ✳ On receipt of intimation in Form DRC-01A, a taxpayer can use the second part of the said form, i.e. Part B, to communicate to the officer.

Part B

Reply to the communication for payment before issue of Show Cause Notice
[See Rule 142 (2A)]

No.: _____ Date: _____

To
Proper Officer,
Wing / Jurisdiction.

Sub.: Case Proceeding Reference No.....- Payment/Submissions in response to liability intimated under Section 73(5)/74(5) – reg.

Please refer to Intimation ID..... in respect of Case ID..... vide which the liability of tax payable as ascertained under section 73(5) / 74(5) was intimated.

In this regard,
A. this is to inform that the said liability is discharged partially to the extent of Rs. through and the submissions regarding remaining liability are attached / given below:



✳ Through Part B, the taxpayer can communicate the following to the authorized officer:

- i) Details of part-payment of the ascertained tax liability.
- ii) Rejection of the ascertained tax liability (with

submissions supporting the rejection).

Duties of the Registered Person/Tax Payer:

The intimation in Part A of GST DRC-01A will explicitly mention the date by which the submissions against the ascertainment have to be filed.

In case you wish to file any submissions against the above ascertainment, the same may be furnished by..... in Part B of this Form

Proper Officer

Signature.....

Name.....

Designation.....

Common Advice to all the Taxpayers:

- ✳ Taxpayers are always advised to keep track of the details posted on the GST portal as a good practice and timely response to the notice.
- ✳ If any irregularity or error is found, the taxpayer should, if possible, attempt to correct the same in the latest return.

- ✳ Taxpayers should also reconcile all returns with each other, such as the turnover recorded in GSTR 1 with GSTR 3B and the generated e-way bills.
- ✳ Also, ITC reconciliation with GSTR 2A or GSTR 2B was used in GSTR 3B.

