

GST- ON BEAT, OFF-BEAT AND BACK BEAT



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Notices under GST Article 6: FORM GST DRC-13& 14

This is the sixth article in the series of Notices under GST. This article covers Form GST DRC-13 & DRC-14.

These two forms are linked to each other hence I'll be covering both in this very article. The proper officer may recover the tax amounts from the default taxpayer's debtors or any person who owns money to the defaulting taxpayer. This is normally used by the department as a last option to recover the tax dues from the deflated taxpayer. The proper officer has to do a proper due diligence before issuing such notice for recovery of the tax amounts.

To understand these forms, we'll have to go through their provisions:

Background and Legal Provision:

Rule 145(1) of CGST Rules 2017: DRC-13

As per 145(1) of the Rules, the proper officer may serve upon a person referred to in clause (c) of sub-section (1) of section 79 (hereafter referred to in this rule as "the third person"), a notice in Form GST- DRC 13 directing him to deposit the amount specified in the notice.

Rule 145(2) of CGST Rules 2017: DRC-14

As per 145(2) of the Rules, where the third person makes the payment of the amount specified in the notice issued under sub-rule (1), the proper officer shall issue a certificate in Form GST DRC-14 to the third person clearly indicating the details of the liability so discharged.

Section 79 of CGST Act 2017:

❖ This section pertains to Recovery of Tax. Section 79

contemplates that if any amount payable by a person to the Government under any of the provisions of the Act and Rules made there under is not paid then the proper officer could recover the amount by one or more modes.

Form GST DRC-13:

1. This form is covered under section 79(1) (c) of the Act as “Notice to a third person”.
2. As per rule 145(1) of the Rules for serving such notice to the third person as specified below.
3. DRC-13 is another way of recovery of amount by realizing it from the debtors or any other person from whom money is due or may become due or who holds or may subsequently hold money for or on account of the defaulter.

4. Such person has been abbreviated as “the third person” in the Rules.
5. The proper officer can serve a notice to any third person as mentioned above directing him to pay the amount of his whole liability to the defaulter or to the extent of the liability of the defaulter to the Government, whichever is less.

Form GST DRC-14:

1. This form is covered under section 79 of the Act as “Certificate of Payment to a Third Person”.
2. After getting notice in DRC – 13 a person is bound to comply with that notice, and if he fails to make the payment, he deems to be the defaulter to the Government as per section 79 of the Act.

Form DRC-13:

FORM GST DRC – 13

[See rule 145(1)]

Notice to a third person under section 79(1) (c)

To _____
The _____

Particulars of defaulter -

GSTIN –
Name -
Demand order no.: _____ Date: _____
Reference no. of recovery: _____ Date: _____
Period: _____

Whereas a sum of Rs. <<---->> on account of tax, cess, interest and penalty is payable under the provisions of the <<SGST / UTGST/CGST/ IGST>> Act by <<Name of Taxable person>> holding <<GSTIN>> who has failed to make payment of such amount; and/or

It is observed that a sum of rupees ----- is due or may become due to the said taxable person from you; or

It is observed that you hold or are likely to hold a sum of rupees ----- for or on account of the said person.

You are hereby directed to pay a sum of rupees ----- to the Government forthwith or upon the money becoming due or being held in compliance of the provisions contained in clause (c)(i) of sub-section (1) of section 79 of the Act.

Please note that any payment made by you in compliance of this notice will be deemed under section 79 of the Act to have been made under the authority of the said taxable person and the certificate from the government in **FORM GST DRC - 14** will constitute a good and sufficient discharge of your liability to such person to the extent of the amount specified in the certificate.

Also, please note that if you discharge any liability to the said taxable person after receipt of this notice, you will be personally liable to the State /Central Government under section 79 of the Act to the extent of the liability discharged, or to the extent of the liability of the taxable person for tax, cess, interest and penalty, whichever is less.

Please note that, in case you fail to make payment in pursuance of this notice, you shall be deemed to be a defaulter in respect of the amount specified in the notice and consequences of the Act or the rules made thereunder shall follow.

Signature
Name
Designation

Place:
Date:

