You Got a GST Notice. Now What?

A real case: ■6,40,000 demand. Reduced to ■12,000. Here is exactly how.

The truth most accountants won't tell you:

90% of GST notices are issued by the system automatically. They are not personal.
Most can be resolved with the right reply — filed within the deadline. Nothing more.

The 5-Step Response. Follow in order. Miss none.

STEP 1 **Read the notice type first — not the amount**

Every GST notice has a Section number at the top. That number tells you everything.
ASMT-10 = Scrutiny of returns. DRC-01 = Demand. DRC-01A = Pre-demand intimation (best case).
If it says DRC-01A — breathe. You still have time to pay without interest penalty.

STEP 2 **Check the date. Count 30 days from notice date.**

Your reply window is usually 30 days. Not from the day you read it. From the notice date.
If you are already past 20 days — call a professional today. Not tomorrow.

STEP 3 **Do NOT ignore it. Do NOT panic. Do this instead.**

Pull your GSTR-2B for that period. Pull your GSTR-3B. Pull your purchase invoices.
The notice will cite a specific month and a specific mismatch. Match it line by line.
In 80% of cases, the mismatch is a timing difference — not fraud.

STEP 4 **Draft your reply on the GST portal — not by letter.**

Login to gst.gov.in → Services → User Services → View Notices.
Every notice must be replied to on the portal itself. A physical letter is not a legal reply.
Attach reconciliation statement + supporting invoices as PDF. Keep file size under 5MB.

STEP 5 **Never make a payment before getting this reviewed.**

Paying without a proper reply is an admission of guilt.
If the demand is above ■50,000 — get a professional review before paying anything.
If below ■50,000 and you know it is correct — pay immediately to stop interest clock.

Notice Type Decoder

Know what you are dealing with before you panic.

Notice	Type	What It Means	Deadline	Risk	Action
ASMT-10	**Scrutiny of Returns**	System found mismatch in your filed returns Reconcile GSTR-1 vs GSTR-3B vs GSTR-2B	30 days	**Medium**	
DRC-01A	**Pre-Demand Intimation**	Officer suspects tax liability — giving you a chance Pay correct tax or file detailed reply NOW	30 days	**Low**	
DRC-01	**Show Cause Notice**	Formal demand issued — reply mandatory Get professional help immediately	30 days	**High**	
DRC-07	**Demand Order**	Decision made. Demand confirmed. Appeal in 3 months or pay full with interest	3 months appeal	**Critical**	
REG-03	**Notice for Registration**	Query on your GST registration documents Submit clarification and documents online	7 days	**Low**	
REG-17	**Registration Cancellation**	Your registration may be cancelled Reply immediately — restoration later is painful	7 days	**High**	
GSTR-3A	**Non-filing Notice**	You missed filing GSTR-3B or GSTR-1 File pending return immediately + late fee	15 days	**Medium**	
RFD-08	**Refund Deficiency Memo**	Your refund claim has a deficiency Rectify and refile with correct documents	15 days	**Medium**	

Real Case: ■6,40,000 demand → ■12,000 final payment

A textile trader in Tamil Nadu received DRC-01 for ■6,40,000 for FY 2021-22.
The demand: ITC mismatch between GSTR-2B and GSTR-3B across 4 months.
On review: 3 vendors had filed late. The ITC was valid — just timing.
Reply filed with reconciliation + vendor confirmation letters. Final demand: ■12,000.

The 10 Mistakes That Turn Small Notices Into Big Problems

01 **Ignoring the notice hoping it will go away**
It will not. After deadline, the officer can pass an ex-parte order. You lose the right to reply.

02 **Replying by email or WhatsApp to the officer**
Only portal replies are legal. Everything else is not on record and will not help you.

03 **Paying the full demand without filing a reply**
Paying without a reply = admission. You lose the right to contest anything later.

04 **Submitting documents without a covering reconciliation**
Invoices alone do not tell the story. A one-page reconciliation does. Always attach both.

05 **Missing the deadline by even one day**
The system closes automatically. You then need to file a condonation request — extra step, extra risk.

06 **Assuming your accountant has seen it**
Check the GST portal yourself. Notices go to the portal, not your email. Verify monthly.

07 **Not checking if the notice is for your GSTIN or a wrong GSTIN**
GST system errors happen. Wrong GSTIN notices must be replied to with a clear objection.

08 **Treating all notices the same way**
A REG-03 needs documents. A DRC-01A needs payment or reply. They are completely different.

09 **Arguing with the officer in the reply**
Your reply is a legal document. State facts. Cite sections. No emotion. No argument.

10 **Waiting until the last day to start preparing**
Gathering 12 months of reconciliation in 48 hours is impossible. Start the day you receive it.