Module 14 · Dispute resolution P19 · topics 14.1–14.4

SM pp. 895–1027 (exercise 1028–1036). **2–18 marks a paper; 7–9 since Dec'24** (expected 5.9). **Pre-deposit for appeals** is the recurring sum (J23 Q7(b)(c), D24 Q8(a), J26 Q8(b), J24 MCQ) — SM Illus. 10–12 are the template; Department's monetary limits (J25 Q8(a)); advance ruling s.97 (D25 Q4(b)); s.74A time limit (J26 MCQ). The Jun'26 supplementary rewrote much of this module (DIN, s.74A officers, GSTAT rules).

Paper	Long question	MCQ
Jun'23	Q5(b) appeal time limit; one or both authorities? · Q7(b)(c) **pre-deposit** (whole / part demand)	–
Dec'23	–	GSTAT fees for three appeals
Jun'24	–	**pre-deposit on a part appeal** · days of interest on provisional assessment
Dec'24	**Q8(a) pre-deposit before GSTAT + interest on its refund**	–
Jun'25	**Q8(a) Department's appeal to the SC: monetary limits**	maximum IGST pre-deposit
Dec'25	**Q4(b) matters for advance ruling (s.97)**	GSTAT hears anti-profiteering
Jun'26	**Q8(b) pre-deposit for first appeal and GSTAT; fate of the earlier deposit**	time limit for a s.74A notice

A Demands — section 74A (FY 2024-25 onwards)

- s.73 (non-fraud) and s.74 (fraud) merged into **s.74A** for demands from **Financial Year 2024-25** (w.e.f. 1-11-2024). No notice if the tax for a year is below **one thousand rupees**. [SM 910]
- **Notice**: within **forty-two months** from the due date of the annual return for the year (or of the erroneous refund) — fraud or not (J26 MCQ). **Order**: within **twelve months** of the notice, extendable by up to **six months** by the Commissioner / an officer not below Joint Commissioner. [SM 910–911]
- **Penalty**: non-fraud — **ten per cent** of tax or **ten thousand rupees**, higher; fraud / wilful misstatement / suppression — **equal to the tax**. [SM 911]

Pay tax + interest ...	Non-fraud	Fraud
before the notice	no penalty	+ **fifteen per cent**
within **sixty days** of the notice	no penalty	+ **twenty-five per cent**
within sixty days of the order	–	+ **fifty per cent**

Self-assessed or collected tax not paid within 30 days of the due date → the non-fraud penalty applies anyway. [SM 911–912]

JUN'26 SUPPLEMENTARY

- **DIN not needed** for communications on the GST portal that carry an RFN (Circular No. 249/06/2025-GST, 9th June 2025). [Supp J26 p.45]
- Officers' monetary limits for s.74A notices notified — e.g. proper officer = Superintendent (up to ₹20 lakh). [Supp J26 p.53]
- **Track and trace** (s.148A, w.e.f. 01.10.2025): notified goods carry a unique identification marking; breach → penalty u/s **122B** of **₹1,00,000 or 10%** of the tax on the goods, whichever is higher, in addition to other penalties. [Supp J26 p.69]

B Appeals and pre-deposit · Q8 (J23, D24, J26)

FIRST APPEAL — APPELLATE AUTHORITY (s.107)

- Within **3 months** of communication (delay of **30 days** condonable); Department within **6 months**; form APL-01; hard copy / self-certified copy within **7 days**, else that later date is the filing date. Up to **3** adjournments; decide within **ONE year** where possible; **no remand**. [SM 955–957]
- **Pre-deposit s.107(6)**: the **admitted** tax, interest, fine, fee, penalty **in full** + **10%** of the remaining **tax in dispute**, maximum **₹20 crore** CGST (+ ₹20 crore SGST) from 1-11-2024. Penalty-only order: 10% of the penalty (from 01.10.2025; earlier 25%). Order u/s 129(3) (detention): 25% of the penalty. [SM 952–953]
- No appeal against: transfer of proceedings, seizure of books, sanction of prosecution, instalment orders u/s 80. One appeal only — CGST and SGST officers are cross-empowered (Illus. 9). [SM 948–949]

SECOND APPEAL — GSTAT (s.112)

- Against orders u/s 107 or 108, within **three months** (+ three months condonable); cross-objections within **forty-five days**; GSTAT may refuse appeals of **fifty thousand rupees** or less. [SM 963]
- **Pre-deposit s.112(8)**: admitted amounts + **10%** of the tax **still** in dispute, **in addition to** the s.107(6) deposit, maximum ₹20 crore. [SM 953]
- Principal Bench at New Delhi + State Benches; **single Member** for cases up to **fifty lakh rupees** with no question of law. [SM 962–963]
- **Refund of pre-deposit** with interest u/s 115 at **6%** from the date of payment to the date of refund. [SM 954]

PROBLEMS BOX · PRE-DEPOSIT (RECOMPUTED BY SCRIPT)

WORKED PATTERN · SM ILLUSTRATIONS 10–12

- Demand: tax ₹5,00,000 + interest + penalty. Appeal against all → pre-deposit 10% × 5,00,000 = **₹50,000** before the hearing date. Disputing only ₹3,00,000 → admitted ₹2,00,000 + 10% × 3,00,000 = **₹2,30,000**. [SM 954]
- GSTAT after a lost first appeal: a further 10% → **₹50,000** (case 1) / **₹30,000** (case 2), in addition to the first deposit. [SM 954]
- Interest on refund (Illus. 12): pre-deposit 10% × ₹50,50,000 (= ₹5,05,000) × 6% × 186 days ÷ 365 = **₹15,441** (day of refund excluded). [SM 955]

⚠ SM slip: the formula line prints "86/365"; its own day table totals 186 days, and ₹15,441 needs 186.

J24 MCQ (i)

Admitted: tax 3,00,000 + interest 15,000 + penalty 20,000 = 3,35,000 + 10% × disputed tax 5,00,000 = **₹3,85,000** (B).

J26 Q8(b) (OUR WORKING, ₹ LAKH)

- (i) First appeal: 10% × tax in dispute 100 = **10** (penalty with tax needs no separate deposit).
- (ii) GSTAT: 10% × tax still in dispute 65 = **6.50**, in addition to the first-appeal deposit.
- (iii) Deposit attributable to the deleted ₹35 lakh (3.50) is refundable with 6% interest u/s 115; (iv) fresh 6.50 is needed — the s.112(8) amount is "in addition to" the s.107(6) amount.

PRACTISE THESE

J23 Q5(b), Q7(b)(c) · D24 Q8(a) (old 20% GSTAT rate then) · J26 Q8(b) · J24 MCQ (i) · SM Illus. 9–12 (SM 949–955) · **ICMAI Practice Workbook Ch12 set 2 illus. 1–6; set 3 illus. 10–16; Ch12 illus. 4–8** · MCQ bank Q66, Q67, Q144–Q146.

DEPARTMENT'S MONETARY LIMITS (J25 Q8(a)) · CIRCULAR 207/1/2024

- No departmental appeal below: **GSTAT ₹20,00,000** · **High Court ₹1,00,00,000** · **Supreme Court ₹2,00,00,000** — measured on tax in dispute only (interest / penalty / late fee only where no tax is disputed); composite orders on the total. [SM 949–950]
- Limits do **not** apply where a provision / rule / circular is held ultra vires; valuation, classification, refunds, place of supply; recurring or interpretation issues; strictures or costs against the Department. [SM 950]

⚠ IGST CAP · J25 MCQ

The SM prints the IGST cap as "₹50 crore" with a garbled note about the 1-11-2024 amendment (SM 953–954); J25 MCQ (x) offered ₹50 crore. After the Finance Act 2024 the IGST cap is ₹40 crore for each appeal (₹20 crore CGST + ₹20 crore SGST) — our knowledge, verify. In an MCQ choose the option that matches the SM if ₹40 crore is not offered.

JUN'26 SUPPLEMENTARY · GSTAT PROCEDURE RULES (w.e.f. 22-09-2025)

Rule 110 (appeal in APL-05; provisional acknowledgement in Part A of APL-02A, self-attested copy within 7 days), rule **110A** (President / Vice-President may send an appeal with no question of law to a **single Member Bench**; sent back if a question of law arises), rule 111, rule 113 (order with summary in APL-04); Circular 250/07/2025 on common adjudicating authorities. The supplementary prints "22-09-2925" — read 22-09-2025. [Supp J26 p.56–68]

C Advance ruling · D25 Q4(b)

- **s.97(2) — the only questions**: (a) **classification** of goods / services; (b) applicability of a **notification**; (c) **time and value** of supply; (d) admissibility of **ITC**; (e) **liability to pay tax**; (f) whether the applicant must **register**; (g) whether a thing done **amounts to a supply**. [SM 984]
- AAR admits or rejects (not if the question is pending or decided in the applicant's own proceedings; hearing before rejection); ruling within **ninety days** of the application. [SM 984–985]
- Appeal to the Appellate Authority for Advance Ruling; the National AAAR (w.e.f. 1-8-2019) for conflicting rulings of different States. [SM 985]
- Binding only on the applicant and the jurisdictional officer (MQP MCQ); void if obtained by fraud or suppression (s.104); rectification of apparent mistakes (s.102). [SM 988–989]
- Answer format (D25 Q4(b)): define advance ruling → list the seven s.97(2) matters → one line on binding effect.

R Revision sheet · numbers

Item	Number	SM
s.74A notice · order · extension	**42** months · **12** months · +**6** months	[SM 910]
s.74A penalty non-fraud · fraud	10% or ₹10,000, higher · 100%; fraud 15 / 25 / 50% if paid early	[SM 911]
First appeal · condonation · Department	**3** months · **30** days · **6** months	[SM 955]
Pre-deposit AA / GSTAT	**10%** of tax in dispute each, cap ₹20 crore	[SM 952–953]
Interest on refunded pre-deposit	**6%** (s.115 / s.56)	[SM 954]
GSTAT may refuse · single Member	≤ ₹50,000 · ≤ ₹50 lakh (no question of law)	[SM 963]
Department appeal limits	GSTAT ₹20 lakh · HC ₹1 crore · SC ₹2 crore	[SM 949]
Advance ruling	within **90** days; 7 questions u/s 97(2)	[SM 984–985]

MEMORY HOOK

"Admit all, deposit ten, ten again at the Tribunal, six back with interest." s.74A: **42–12–6**.