GOODS AND SERVICES TAX APPELLATE TRIBUNAL

ERNAKULAM BENCH

APPEAL NO: APL/18/ERN/2026

THE COMMISSIONER OF CGST & CE

KOCHI .... Appellant

Versus

SURYA BUSINESS COMBINES .... Respondent

For Appellant	**For Respondent**
Baiju Daniel, AR	None

CORAM:

Hon'ble Shri Subramanya Rayaprol, Vice-President

Hon'ble Shri Ramamoorthi Sriram, Member (Technical)

FINAL ORDER NO. 03/EKM/KERALAM/2026

Date of Hearing: 10-8-2026

Date of Order: 8-9-2026

1.0 Mr Baiju Daniel, Ld Deputy Commissioner, CGST, appeared as AR for the Appellant and None appeared for the respondent.

2.0 Heard the Ld Deputy Commissioner appearing as AR for the Revenue (CGST). No one appeared for the respondent taxpayer.

3.0 The facts of the case is that the present appeals is filed by the Revenue (CGST) against the order of the first appellate authority i.e. the JC (Appeals) dated 26-10-2024. The respondent taxpayer is a Partnership firm engaged in the supply telephone sets including telephones for cellular or other networks (IISN 8517) and are holding GSTIN 32AATFS8952J1ZG. An SCN dated 28-3-2023 was issued to recover interest of Rs.10,01,390/- [CGST interest of Rs.5,00,695/-, SGST interest of Rs.5,00,695/-) on the grounds of late filing of GST Returns and consequent late payment of tax, interest is payable under Section 50 of CGST Act/ Kerala State GST Act, 2017. The said SCN was adjudicated vide Order-in-Original No. 06/2023-24/GST (MVPA) dated 12-122023 and the entire demand of interest Rs.10,01,390/- {CGST and SGST Interest: Rs.5,00,695/- each} was confirmed U/s. 50 of the CGST/ KGST Act, 2017 along with penalty of Rs.10,000/- U/s.125 of the CGST/KGST Act 2017. Aggrieved by the said OIO dated 12-12-2023, the respondent taxpayer further filed an appeal before the JC (Appeals).

4.0 The JC (Appeals) modified the OIO and passed an Order-in-Appeal dated 2610-2024, and passed the following order:-^

"I allow the appeal A.No.175/GST/CHN/ADC-JC/2023-24 dated 13.03.2024 filed by the Appellant viz. M/s. Surya Business Combines, 6/23, Neerumthanathu building, Main Central Road, East Marady, Muvattupuzha, Ernakulam-686673 [GSTIN: 32AATFS8952J1ZG]. Further, I modify Sl. No. (i) under Para 16 Order of the Orderin-Original No. 06/2023-24-GST(MVPA) dated 12.12.2023 as follows:

'(i) I confirm the demand of interest Rs.2,65,676/-(Rupees Two Lakh sixty Five Thousand Six Hundred and Seventy Six Only) {CGST interest of Rs. 1,32,838/-, SGST interest of Rs. 1,32,838/-} on late payment of tax payable under Section 50(1) of the CGST Act/KGST Act, 2017 as amended w.e.f. 01.07.2017 read with Rule 88B of the CGST/KGST Rules, 2017 under Section 73(9) of the CGST Act/KGST Act, 2017 on the amount of tax paid by debiting the electronic Cash Ledger. I drop the interest demand of remaining Rs. 7,35,714/- on the grounds that it is legally untenable."~

5.0 Further, the Revenue (CGST) has filed the present appeals on the grounds that the Interest was chargeable on the full amount of tax that was short- paid and not just the tax discharged by debiting the Electronic Cash Ledger, and hence, the decision of the Appellate Authority to restrict the demand of Interest to Rs.2,65,676/- and dropping of Interest on the tax paid though Electronic Credit Ledger, amounting to Rs. 7,35,714/- is flawed and hence, not legal and proper.

6.0 We find that the Circular No. 207/1/2024-GST dated 26-6-2024 issued by the GST Policy wing, pertains to the "Reduction of Government Litigation - fixing monetary limits for filing appeals or applications by the Department before GSTAT, High Courts and Supreme Court -reg." wherein standard minimum threshold of monetary limits have been fixed against filing of appeals by the Revenue under the National Litigation Policy. The relevant portion of the Circular, is reproduced as below:-^

"2. Accordingly, in exercise of the powers conferred by Section 120 of the CGST Act read with section 168 of the CGST Act, the Board, on the recommendations of the GST Council, fixes the following monetary limits below which appeal or application or Special Leave Petition, as the case may be, shall not be filed by the Central Tax officers before Goods and Service Tax Appellate Tribunal (GSTAT), High Court and Supreme Court under the provisions of CGST Act, subject to the exclusions mentioned in para 4 below:

Appellate Forum	Monetary Limit (amount involved in Rs.)
GSTAT	20,00,000/-
High Court	1,00,00,000/-
Supreme Court	2,00,00,000/-

3. While determining whether a case falls within the above monetary limits or not, the following principles are to be considered:-^

i. Where the dispute pertains to demand of tax (with or without penalty and/or interest), the aggregate of the amount of tax in dispute (including CGST, SGST/UTGST, IGST and Compensation Cess) only shall be considered while applying the monetary limit for filing appeal.

ii. Where the dispute pertains to demand of interest only, the amount of interest shall be considered for applying the monetary limit for filing appeal.

iii. Where the dispute pertains to imposition of penalty only, the amount of penalty shall be considered for applying the monetary limit for filing appeal.

iv. Where the dispute pertains to imposition of late fee only, the amount of late fee shall be considered for applying the monetary limit for filing appeal.

v. Where the dispute pertains to demand of interest, penalty and/or late fee (without involving any disputed tax amount), the aggregate of amount of interest, penalty and late fee shall be considered for applying the monetary limit for filing appeal.

vi. Where the dispute pertains to erroneous refund, the amount of refund in dispute (including CGST, SGST/UTGST, IGST and Compensation Cess) shall be considered for deciding whether appeal needs to be filed or not.

vii. Monetary limit shall be applied on the disputed amount of tax/interest/penalty/late fee, as the case may be, in respect of which appeal or application is contemplated to be filed in a case.

viii. In a composite order which disposes more than one appeal/demand notice, the monetary limits shall be applicable on the total amount of tax/interest/penalty/late fee, as the case may be, and not on the amount involved in individual appeal or demand notice.~

4. EXCLUSIONS

Monetary limits specified above for filing appeal or application by the department before GSTAT or High Court and for filing Special Leave Petition or appeal before the Supreme Court shall be applicable in all cases, except in the following circumstances where the decision to file appeal shall be taken on merits irrespective of the said monetary limits:-^

i. Where any provision of the CGST Act or SGST/UTGST Act or IGST Act or GST (Compensation to States)

Act has been held to be ultra vires to the Constitution of India; or

ii. Where any Rules or regulations made under CGST Act or SGST/UTGST Act or IGST Act or GST (Compensation to States) Act have been held to be ultra vires the parent Act; or

iii. Where any order, notification, instruction, or circular issued by the Government or the Board has been held to be ultra vires of the CGST Act or SGST/UTGST Act or IGST Act or GST (Compensation to States) Actor the Rules made there under; or iv. Where the matter is related to -^

a. Valuation of goods or services; or

b. Classification of goods or services; or

c. Refunds; or

d. Place of Supply; or

e. Any other issue,~

which is recurring in nature and/or involves interpretation of the provisions of the Act /the Rules/ notification/circular/order/instruction etc; or

v. Where strictures/adverse comments have been passed and/or cost has been imposed against the Government/Department or their officers; or

vi. Any other case or class of cases, where in the opinion of the Board, it is necessary to contest in the interest of justice or revenue.~

7.0 On perusal of records, we find that the dispute pertains to demand of interest only, the amount of interest shall be considered for applying the monetary limit for filing appeal, which is Rs. 7,35,714/-. The CBIC while exercising their powers under Section 120 of the CGST/KGST Act, 2017, has on the recommendations of the GST Council, has fixed the monetary limits of Rs. 20,00,000/- below which appeal shall not be filed by the Central Tax / State Tax officers before Goods and Service Tax Appellate Tribunal (GSTAT). We also find that the said circular also excludes some of the categories of appeals, and the present appeals is not covered under any of the exclusion clauses.

8.0 The present appeals filed by the Revenue (CGST) is very well below such monetary limit and therefore, the appeals are rendered beyond jurisdiction and are liable to be dismissed.

9.0 Accordingly, in view of the above, we pass the following Order:

The amount involved in the present case is below the prescribed monetary limit of Rs. 20 Lakhs which has been notified vide CBIC's Circular No. 207/1/2024-GST dated 26-6-2024 under Section 120 of the CGST/KGST Act, 2017. Accordingly, the appeals filed by the Revenue is dismissed on monetary limits under the National Litigation Policy.

(Order pronounced in open court on 8-9-2026)

Subramanya Rayaprol

Vice-President

Ramamoorthi Sriram

Member (Technical)

Date: 08.09.2026