

****Received a DRC-07 Order? Planning to File a GST Appeal?**

Read This BEFORE You Start.

Most taxpayers panic the moment when they see **DRC-07**. They call their consultant. They start collecting documents. They think filing an appeal is just another formality.

But here's the truth

 **99% of GST appeals are won or lost *before* the first word of drafting begins.**

This post will help you avoid the most common mistakes and build a strong, structured, professional appeal from Day 1.

1. Step One — READ the DRC-07 (Don't Jump to Drafting)

Before anything else, sit with the order and understand:

-  What exactly is the allegation?
-  What reply was given to the SCN?
-  Which points were *missed* in SCN reply?
-  Which findings of the adjudicating authority are incorrect or unsupported?

Now comes the MOST ignored part 📌

Check the Root of the SCN (This decides your grounds!)

If SCN is from Scrutiny (u/s 61):

- ✓ Was **ASMT-10** issued as per Rule 99?
- ✓ Was **DRC-01A** issued before SCN?
- ✓ Did you get an opportunity for PH before DRC-07?

If any step is missing → **Procedural lapse = big strength in appeal.**

If SCN is from Departmental Audit (u/s 65):

- ✓ Was **ADT-01** issued?
- ✓ Followed by **ADT-02**?
- ✓ Then SCN?

If SCN was issued *directly*, without audit compliance → **highlight it strongly.**

Once clarity is achieved, prepare a **flowchart or mind map** of the case.

This will tell you exactly which points must become your Grounds of Appeal.

2. Prepare Strong “Facts of the Case” (Your Narrative Matters)

Your facts must clearly show:

- Nature of your business
- How the issue originated
- Full chronology: Notice → SCN → PH → Order
- All communications with the department
- Any violation of natural justice
- Any delay, non-speaking order, or ignored submissions

Remember:

Facts are not storytelling — they are positioning your case.

3. Draft Strong Grounds of Appeal (Rebut Every Finding Logically)

This is where 80% of appeals fail because grounds are vague.

Your grounds must:

- ✓ Challenge jurisdiction, if applicable
- ✓ Correct factual mistakes one-by-one
- ✓ Counter incorrect interpretation with law
- ✓ Cite sections, rules, circulars, notifications

✓ Add relevant case laws

✓ Bring out procedural lapses

Sample Example (Turnover Mismatch due to TDS by Govt Entity)

If officer added turnover based on 26AS/GSTR-7 →

✓ Point out timing difference

✓ Accounting Methodology followed

✓ Double deduction of TDS errors by the government entity

✓ Recipient has no control

✓ Attach year-wise reconciliation

This instantly weakens the department's stand.

4. Strong Defence on Interest & Penalty

Especially **penalty under Section 74**: If the SCN under 74 **does not specifically allege fraud, suppression, or wilful misstatement, penalty cannot survive.**

The burden to prove fraud lies **100% on the officer**. Mention this strongly and back it with case laws.

5. Draft a Clear, Professional “Prayer” Section

Your prayer must ask for:

- Setting aside the DRC-07
- Dropping interest and penalty
- Considering all documents submitted
- Granting personal hearing
- Passing the order in the interest of justice
- This shows clarity and professionalism.

6. Documentation Checklist Before Filing the Appeal

Prepare the following:

APL-01 (as per CGST Rules) Followed by:

- i. Detailed Facts
- ii. Chronology
- iii. Grounds of Appeal
- iv. Annexures (numbered & indexed)
- v. Working Sheets
- vi. Interest/Penalty defence
- vii. Prayer
- viii. **INCA (Indexed Compilation of Annexures)** is your backbone.

7. After Filing the Appeal Online — Submit Physical Copies

Print Appeal Memorandum in **4 sets** one-sided duly signed in each page:

- 2 sets → Department
- 1 set → Client
- 1 set → Consultant (for hearing prep)

Include:

- ✓ Appeal memo
- ✓ All annexures
- ✓ Authorization letter
- ✓ Covering letter

A neat, organised file creates a strong impression.

8. Hearing Day — What to Do (This Makes a Big Difference)

Before the hearing:

- Prepare thoroughly
- Create a **2–5-page Synopsis**
- Bookmark & highlight documents
- Practice a crisp 8–10 min explanation

During the hearing:

- Speak only what is necessary
- Pause when needed
- Maintain clarity & confidence
- Hand over your synopsis to the appellate officer
- Stay calm and respectful

Professional appearance matters

Wear formal attire; even a blazer helps.

Carry a clean, well-organised file.

A polished representation builds immediate credibility.

Final Thought

A GST appeal is not just drafting. It's a mix of **law + facts + documentation + presentation**.

And trust me — **These small steps are exactly what differentiate a seasoned GST professional from the rest.**

If you have doubts about your DRC-07, need help with grounds of appeal, or want to understand your case better — feel free to reach out.

Always happy to help! 🙏 Happy reading

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