Circular No. 259/05/2026-GST

F. No. CBIC-20001/2/2026-GST
Government of India
Ministry of Finance
(Department of Revenue)
Central Board of Indirect Taxes & Customs
GST Policy Wing
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Room No. 16039, Kartavya Bhawan-01
New Delhi, Dated: 26.10.2026

To,

The Principal Chief Commissioners/ Chief Commissioners (All)
The Principal Director General/ Director General (All)

Madam/Sir,

Subject: Clarification on various issues pertaining to the amount paid as pre-deposit as per sub-section (6) of section 107 or sub-section (8) of section 112 of the CGST Act - reg.

Representations have been received from trade and industry seeking clarification on various issues pertaining to the amount required to be paid as pre-deposit for admission of appeal under sub-section (6) of section 107 or sub-section (8) of section 112 of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as 'the CGST Act'), at the time of filing of an appeal. It has been represented that varying interpretations are being taken regarding pre-deposit payment under the CGST Act. This inconsistency has caused confusion among stakeholders and has led to an increase in litigation, thereby creating uncertainty about the correct procedural and compliance requirements for making pre-deposits.

2. In order to ensure uniformity in the implementation of the provisions of law across the field formations, the Board, in exercise of its powers conferred by sub-section (1) of section 168 of the CGST Act, hereby clarifies the issues as below: -

S.No.	Issue	Clarification
1.	What is "Admitted Amount" and "tax in dispute" as provided under sections 107 and 112 of the CGST Act?	(i) Sub-section (6) of section 107 of the CGST Act provides for the full payment of the admitted amount of tax, interest, fine, fee, and penalty along with 10% deposit of tax in dispute for filing appeal with the Appellate Authority. Similarly, sub-section (8) of section 112 of the CGST Act provides for the full payment of the admitted amount of tax, interest, fine, fee, and penalty along with 10% deposit of tax in dispute for filing appeal with the Appellate Tribunal, in addition to the amount earlier paid for filing appeal with the Appellate Authority. (ii) It is clarified that the term "Admitted amount" refers to the portion of the tax, interest, fine, fee, penalty arising from the impugned order, which the taxpayer acknowledges as payable and represents the portion, the taxpayer does not intend to challenge by way of appeal. This amount must be paid in full before filing an appeal, in accordance with the statutory requirement under sections 107 and 112 of the CGST Act. (iii) The remaining portion of the liability which is contested by the taxpayer, and in respect of which an appeal is intended to be filed, shall be treated as "tax in dispute" and the *"sum equal to ten percent of the remaining amount of tax in dispute"*, as mandated under the provisions of sub-section (6) of section 107 and sub-section (8) of section 112, which is referred as the "*pre-*

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		deposit", is calculated with reference to this disputed tax component. (iv) Thus, the decision whether to treat an amount as admitted or in dispute is to be made by the taxpayer at the time of filing the appeal and is captured in Table-14 of APL-01 and Table 20 of APL-05.
2.	What would be the quantum of pre-deposit required to be paid for admission of appeal before the Appellate Tribunal under section 112 of the CGST Act, if the tax liability is modified by the Appellate Authority?	(i) Sub-section (8) of section 112 of the CGST Act mandates that, for the admission of appeal before the Appellate Tribunal, the appellant must pay in full, the admitted part of the amount of tax, interest, fine, fee, and penalty, arising from the impugned order, along with a sum equal to 10% of the remaining amount of tax in dispute, in addition to the amount paid for the admission of appeal with the Appellate Authority. (ii) It is, therefore, clarified that in the event of preferring an appeal before the Appellate Tribunal, 10% of the remaining amount of tax in dispute is to be computed with reference to the liability confirmed by the Appellate Authority, which is disputed by the appellant.
3.	When the Appellate Authority or Appellate Tribunal issues an order, should it be required to explicitly state that the pre-deposit paid by the appellant must be refunded?	When an amount paid by the appellant under sub-section (6) of section 107 or sub-section (8) of section 112 is required to be refunded consequent to any order of the Appellate Authority or Appellate Tribunal, it is clarified that such an order does not require to explicit mention that pre-deposit is to be refunded.

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		Further, it is also clarified that, upon receipt of the order, the refund claim in respect of pre-deposit needs to be filed under S. No. 7 of FORM GST RFD-01 i.e., 'on account of order'.
4.	Is a taxpayer eligible for refund of pre-deposit, when the taxpayer obtains a favourable decision from the Appellate Authority or the Appellate Tribunal, but the Department is contemplating further appeal against the order?	(i) It is observed that in all cases where the Appellate Authority or the Appellate Tribunal renders a decision in favour of the appellant, and the appellant files an application for refund, the appellant becomes entitled to receive the refund of the amount paid as pre-deposit. (ii) If the Department contemplates appeal against the order of the Appellate Authority, which is in favour of the appellant, refund of pre-deposit would still be payable unless such order is stayed by the Appellate Tribunal or Court. (iii) Therefore, refund of the pre-deposit amount should not be denied merely on the ground that the Department intends to or has filed an appeal against the order of the Appellate Authority.
5.	What date would be considered as the date of payment of pre-deposit for refund purposes subsequent to a favourable decision by the Appellate Tribunal, where refund of the amount deposited for the admission of appeal with the Appellate Authority and	(i) Pre-deposit is required to be paid for the admission of appeal at the stage of Appellate Authority and Appellate Tribunal, separately. Section 115 of the CGST Act provides for payment of interest from the date of payment of the amount where such an amount is required to be refunded. (ii) Thus, it is clarified that where pre-deposit is

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	Appellate Tribunal?	made at both levels of appeal namely, before the Appellate Authority under sub-section (6) of section 107 and before the Appellate Tribunal under sub-section (8) of section 112, the date of payment for interest computation shall be determined separately for each level, corresponding to the actual date on which the respective payment was made.
6.	What is the procedure for refund of the pre-deposit amount paid for filing an appeal when the matter is remanded by the Appellate Tribunal?	(i) In cases where the Appellate Tribunal remands the matter to the original Adjudicating Authority, the appellant would be eligible for refund of the pre-deposit amount, which shall be granted within the prescribed time limit. (ii) In cases of partial remand, where a portion of the tax demand is upheld, the refund of pre-deposit shall be released only after ensuring that the amount corresponding to the tax demand confirmed in favour of the Revenue is recovered or adjusted against the pre-deposit, along with applicable interest, before refunding the balance amount to the taxpayer.

3. It is requested that suitable trade notices may be issued to publicize the contents of this Circular.

4. Difficulty, if any, in the implementation of this Circular may be brought to the notice of the Board.

Yours faithfully,

(Gaurav Singh)
Commissioner (GST Policy Wing)

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