24ETAX ERP · PROCESS GUIDE 14

Litigation and notices

Covers: GST & compliance › Litigation & notices (matters, notices, hearings, provisions, case types)

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Purpose

Keeps every statutory notice and legal case in one place: GST and income-tax notices, TDS defaults, PF and ESI inquiries, ROC adjudication, civil, consumer, arbitration and recovery matters. It tracks reply dates and hearings so none is missed, records the amount at stake, and books or discloses the liability in the accounts.

Who does what

Role	What they do here
Accountant, Admin	Open matters, record notices, replies, hearings and documents, change status, propose provisions.
Approver	Reads matters; approves the provision journal in Approvals.
Auditor	Reads matters and the contingent-liabilities note.

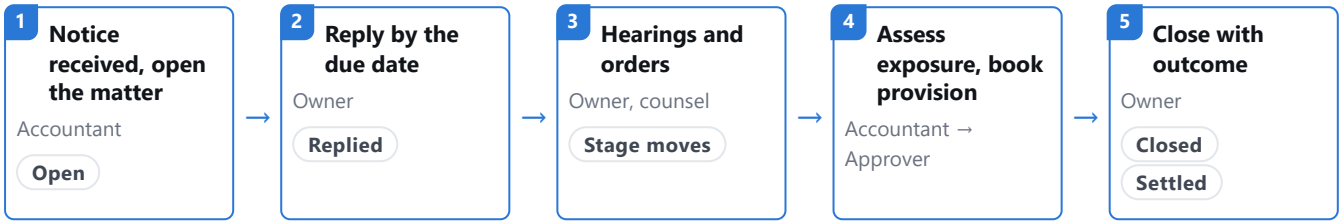
A matter may belong to a branch (its GSTIN). Members limited to branches see their branches' matters and organisation-wide ones.

Before you start

- Have the notice as PDF or photo, and know who will handle it (owner) and the counsel, if any.
- Check **Case types**: each type carries its default forum and list of stages. Add your own with **+ New case type** if needed.

Process flow

LIFE OF A MATTER



↳ Reminders go to the owner and the branch's accountants 7 days before, 1 day before, on the day and when overdue – in the app, by push and by e-mail.

↳ A closed matter can be reopened with a reason (for example, an appeal is filed).

Steps

1. Open a matter from a notice

1. Open **GST & compliance** › **Litigation & notices** and choose **New from notice**. Upload the PDF or photo.

2. The reader fills the **DIN**, **Section**, **Form**, period, **Notice date**, **Reply due** and the demand (tax, interest, penalty), suggests the **Case type** and picks the branch from the GSTIN.
3. Check every field against the notice – the reply date above all. Set the **Owner**, **Counsel** and **Likelihood**.
4. Click **Open matter with this notice**. The notice is attached to the matter.
5. Without a file, use **Or enter the matter by hand**.

2. Notices, replies and orders

1. Open the matter. Under **Notices, orders and replies** add each further paper with its date, kind, **Reference no.**, section or form, due date and amount; click **Add**.
2. When the reply is filed, attach it and click **mark replied** on the notice. The deadline closes in the calendar.
3. For an order that can be appealed, enter the appeal-by date as the due date so it is tracked the same way.

3. Hearings

1. Under **Hearings** enter the date, **Forum**, **Bench / room**, **Purpose** and who is **Attending**; click **Schedule**.
2. After the hearing click **record outcome**: **Held**, **Adjourned** or **Cancelled**, with notes. For an adjournment enter the **Next date**; the next hearing is scheduled for you.
3. Use **Move stage to** when the hearing takes the case to a new stage.

4. Documents

Under **Documents** use **Upload & attach** for replies, submissions, orders and correspondence, choosing each one's **Role**. Keep the file complete: whoever takes over the matter must find everything here.

5. Exposure and provision

1. Use **Edit details** to record the demand split: **Tax / principal**, **Interest**, **Penalty**, **Other**, and any **Pre-deposit paid**.
2. Set **Likelihood of outflow** with your counsel's view:

Likelihood	Accounting treatment
Probable	Provide in the books. Book a provision for the expected amount.
Possible	No entry. Disclosed in full as a contingent liability.
Remote	No entry and no disclosure.

3. For a probable matter, under **Exposure and provision** enter the target amount and book the provision. The journal (Dr Litigation Provision Expense, Cr Provision for Litigation) goes to Approvals. **Provision booked** updates only after it is posted.
4. When the estimate changes, revise it: only the difference is posted. When the matter ends without payment, **Release** the provision.

6. Close or reopen

1. Click **Change status…**, choose the **New status** (closed – won, closed – lost, settled, withdrawn) and enter the **Outcome**, **Relief obtained** and **Final liability**. Tick the box to release a booked provision. Click **Apply**.
2. If the matter comes alive again, click **Reopen…** and give the **Reason for reopening**.

7. The register and reports

- The list page shows **Open matters**, **Total demand**, **Provision booked**, **Contingent (disclosed)** and **Hearings this week**, with what falls due in the **Next 14 days**.
- Filter by **Category**, **Branch** and **Due within** (**7 days**, **30 days**, **90 days**). Tick **include closed** for history.

- **Contingent liabilities note** gives the year-end disclosure. Schedule III carries the note and CARO 3(vii)(b) the disputed statutory dues (guide 16).

Checks and controls

CHECKS AND CONTROLS

- Reply and hearing dates appear in the compliance calendar and are reminded four times.
- A provision is a journal under maker → checker like any other. One waiting in Approvals does not count yet.
- The notice reader only proposes; a matter exists only after a person confirms the fields.
- Every change of status, notice, hearing and document is in the audit trail.

Limits

LIMITS

- Scanned notices and photos are read only when an AI provider is configured. Without one, text PDFs are still read for DIN, section, dates and amounts.
- The system does not file replies on any portal. File on the GST or income-tax portal and record it here.

Routine checklist

Weekly

- [ ] Every notice received this week is opened as a matter with its reply date and owner.
- [ ] "Next 14 days" reviewed: reply drafts and hearing preparation are on track.
- [ ] Outcomes of the week's hearings recorded with the next date.

Quarterly and year end

- [ ] Likelihood reassessed for each open matter with counsel; provisions revised.
- [ ] Contingent liabilities note agreed with the auditor.