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GST Compendium

A monthly guide

April 2021

Editor's note

We would like to thank all our readers for the overwhelming response and appreciation to our GST Compendium. Based on your valuable suggestions and feedback, we have introduced a column covering key developments of direct taxes in this edition.

On the GST front, effective 1 April 2021, e-invoicing has been made mandatory for taxpayers having a turnover of over INR 50 crore.

Recently, the Comptroller and Auditor General of India (CAG) has presented its compliance audit report containing its findings/ observations relating to the GST and legacy indirect taxes, viz. Central Excise and Service Tax. The report suggests that a definite time frame for the roll out of a simplified return form should be announced to provide certainty to the GST ecosystem. The report also highlights the gaps and absence of adequate controls/ validations in the refund and returns module. It also noticed significant deviations from law/rules such as incorrect computation of demand in the show cause notice (SCN), late issuance of SCNs, delay in adjudication, etc. and has recommended end-to-end computerisation of the SCN and adjudication process.

On the judicial front, the Supreme Court in its landmark judgment has held that the Directorate of Revenue Intelligence (DRI) officers have no power to issue SCNs under the customs law in case of non-payment or short payment of duty. The court further held that only "the proper officer" could issue such notice and not "any officer". The judgment is likely to impact the existing as well future litigations involving SCNs issued by DRI. Further, the ratio of this judgment may impact the SCNs issued by the Directorate General of Goods & Services Tax Intelligence under the GST. As an immediate recourse, the CBIC has taken proactive steps and has stated that all the future SCNs shall be issued only by jurisdictional Commissionerate and not by DRI. Further, all the SCNs already issued by DRI to be kept pending until further directions.

On the direct tax front, the apex court's ruling on taxation of software payments to non-residents has held that such payments are not taxable under the tax treaty. The dispute in this case centred around whether payments made for the acquisition of off-the-shelf software is for copyright or copyrighted article. It held that the amount paid by resident end-users/distributors to non-resident computer software suppliers/manufacturers, as consideration for the use/resale of software cannot be classified as royalty. This ruling provides relief to taxpayers who have been litigating this issue for almost two decades now.

To assist our readers to meet their tax compliances, we present a tax compliance calendar for FY 2021-22 which will act as a ready reckoner/guide to meet the compliance requirements.

We hope you will find this edition informative and interesting.

Vikas Vasal

National Managing Partner, Tax

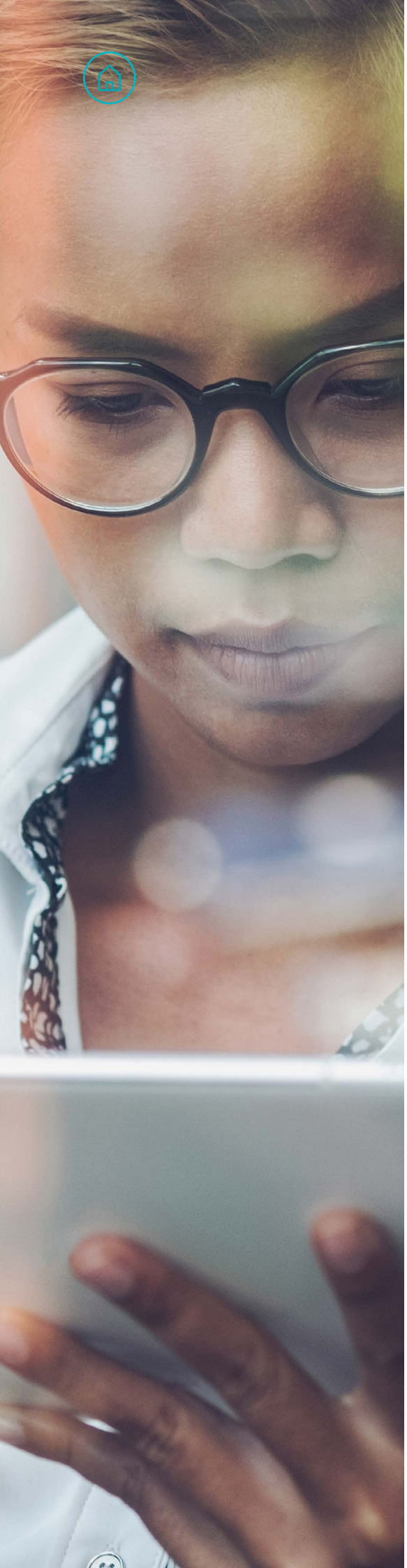
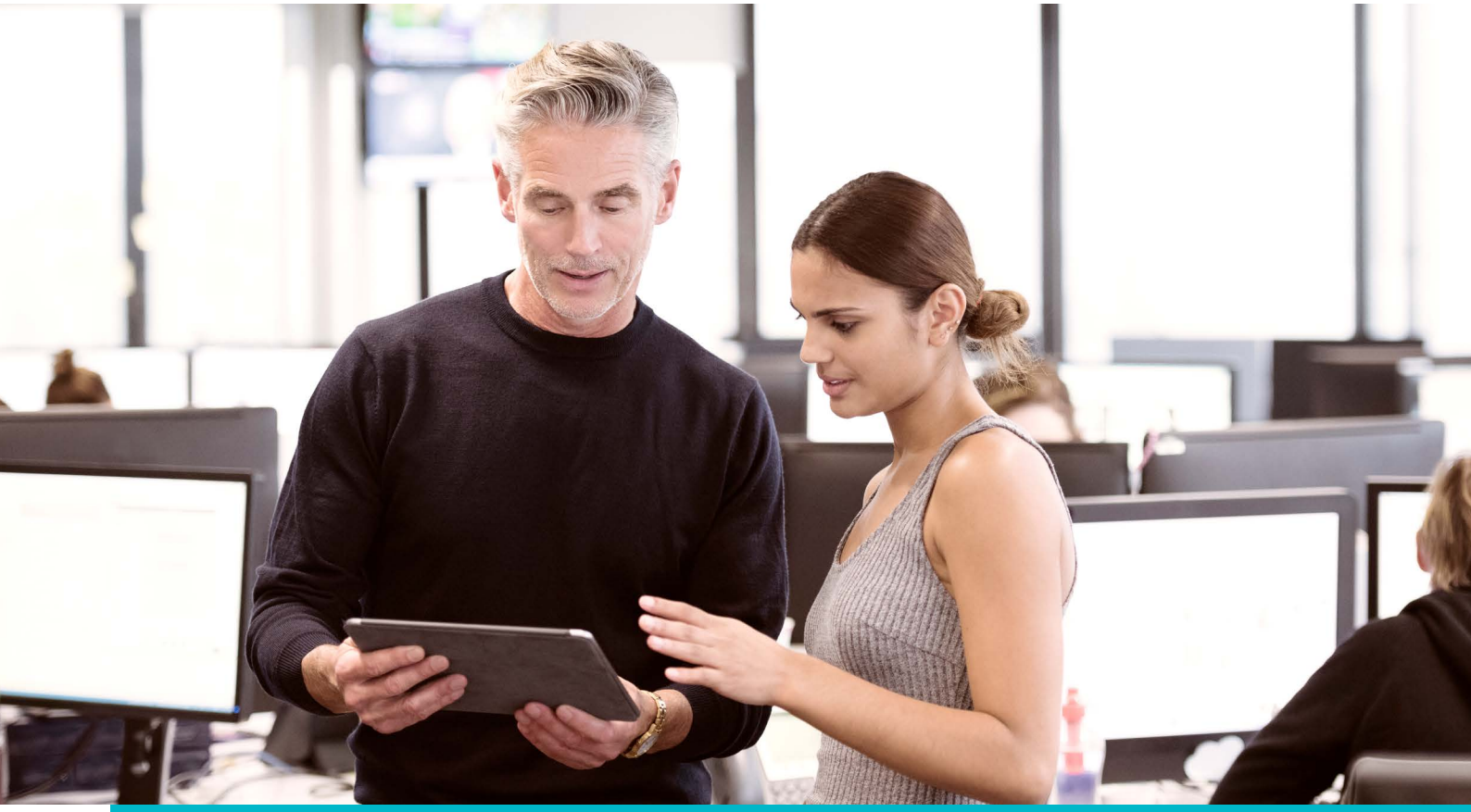


Table of **contents**

01 Activities to be undertaken upon commencement of FY 2021-22



Summary

Last financial year (FY 2020-21) has been an exception for the trade and industry due to the unprecedented situation caused by COVID-19. With more than a year into the pandemic, businesses and general public have slowly and steadily adapted this as new normal.

As we step into a new FY 2021-22, things are improving as compared with the last FY in terms of business operations and overall growth of the economy.

It is imperative to have a look at various compliances. This document covers the general compliances that need to be adhered to by the registered person.

Points for consideration

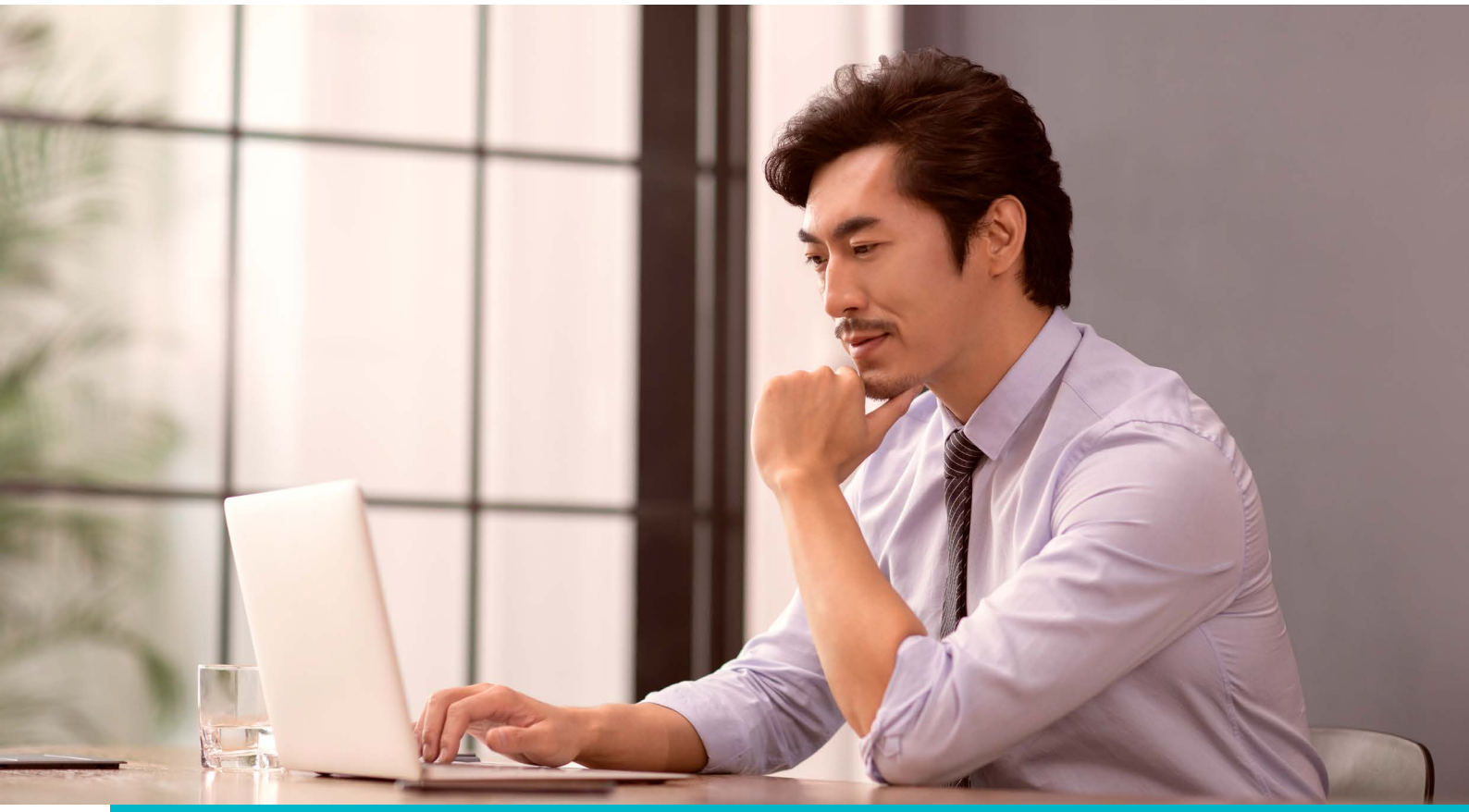
- **New invoice series:** As per GST laws, every registered person is required to maintain a unique document series in respect of all GST related documents (viz. invoices, debit and credit notes etc.) issued by it during a particular year. Therefore, it would be mandatory to have a unique document series for the year starting from **1 April 2021**. Further, with effect from 1 April 2021, the taxpayers having aggregate turnover of more than INR 50 crore are required to generate and issue e-invoice for B2B supplies.
- **Dynamic Quick Response (QR) code:** From **1 April 2021**, all businesses with turnover above INR 500 crore need to print dynamic quick response (QR) code on B2C supply invoices. A relaxation from this compliance has been provided till 30 June 2021 after which penalty will be levied in case of non-implementation.
- **HSN reporting:** The registered person having aggregate turnover up to INR 5 crore and more than INR 5 crore in the previous FY have to mention 4 and 6 digits respectively of HSN/SAC code on tax invoice issued **with effect from 1 April 2021**.
- **Submission of Bond along with Letter of Undertaking (LUT):** Every person engaged in making zero rated supplies (exports) without payment of tax, is required to furnish LUT online through GST portal. LUT is granted for a particular financial year, hence LUT granted for FY 2020-21 has expired on 31 March 2021. Therefore, taxpayers are required to furnish a fresh LUT for year 2021-22 before effecting any such exports.

- **Annual calculation of ITC reversals:** Every registered person is required to reverse the Input Tax Credit (availed on inputs and input services) attributable to exempt/non-business supplies on monthly basis. Subsequently, the amount so reversed on monthly basis is required to be recomputed on annual basis. If the amount already reversed falls short from the recomputed amount, then balance amount is required to be paid along with interest starting from 1 April of subsequent year till the date of reversal. Hence, to avoid unnecessary interest, the amount should be recomputed and reversed accordingly.
- **Reconciliation activities:**
  - Reconciliation of electronic cash/ credit/liability registers with books of accounts;
  - Reconciliation of outward supplies as per GST returns and books of accounts;
  - Reconciliation of ITC as per GST returns and books of accounts;
  - Reconciliation of outward supplies as per GST returns and e-way bill data.
- **Reconciliation of ITC as per books and GSTR-2A:** Reconciliation of ITC as per books and Form GSTR-2A for the year 2020-21, so that timely communication can be made to the vendors for getting the discrepancies corrected (if any). However, as per the amendment made through Finance Act 2021, now the taxpayers would get the credit only if the corresponding vendor has uploaded the invoice on the GST portal.
- **Accuracy of disclosure of outward supplies:** Rolling-out a communication to the customers to check if any of the invoices in respect of outward supplies need to be corrected. Though amendments can be made any time before furnishing GST returns for September 2021.
- **Updating the masters in ERP:** With the dynamic changes that continue to be brought in the GST laws and procedures, ensuring that the ERP is updated with the required fields to auto populate the data required for various existing and upcoming compliances. Further, as the taxpayers having turnover more than INR 5 crore need to issue invoice with six digit HSN codes, masters in ERP required to be suitably modified.
- **Miscellaneous points**
  - Final calculation of amount to be cross-charged to distinct persons .
  - Amendments in GST registration certificate to include all the places of business.
  - Choosing the frequency of the returns filing based on turnover limit prescribed (number of digits of HSN to be reported accordingly)
  - Assessing the status of payments made under protest/pre-deposits/ contingent liabilities.
- **Industry/Taxpayer specific timelines:**
  - **For banking companies, financial institutions and non-banking financial company (NBFC)*:** Banking companies, financial institutions and NBFCs have an option to avail 50% of eligible ITC on inward supplies (instead of following normal mechanism of proportionate reversal). Such companies can re-evaluate the viability of option exercised by it, as the option once exercised, cannot be withdrawn for remaining part of the year.
  - **For foreign currency conversion service:** The taxpayers engaged in conversion of foreign currencies, have an option to change the valuation method selected earlier for computation of the value of supply of service in case of foreign currency conversion**.

* Section 17(4) of the CGST Act, 2017

** Rule 32 of the CGST Rules, 2017

02 Important amendments/updates



E-invoicing mandatory for taxpayers with turnover over INR 50 crore from 1 April 2021

The Central Board of Indirect Taxes and Customs (CBIC) has notified that registered businesses having turnover above INR 50 crore will have to mandatorily issue e-invoices for business to business (B2B) transactions with effect from **1 April 2021**[1].

SCNs issued by Directorate of Revenue Intelligence (DRI) shall be kept pending until further directions

The Supreme Court (SC), in a recent case[2] has held that the DRI officers have no power to issue show cause notices (SCNs) under the customs law. The apex court concluded that the entire proceeding in the present case initiated by the Additional Directorate General (ADG) DRI by issuing SCN as invalid and without the authority of law.

In this regard, as an immediate recourse, the CBIC has instructed that all the SCNs issued by DRI to be kept pending until further directions. Further, all the fresh SCNs presently being investigated by DRI shall be required to be issued by Jurisdictional Commissionerate from where imports have taken place[3].

1. Notification No. No. 05/2021–Central Tax dated 8 March 2021
2. M/s Canon India Pvt Ltd v. Commissioner of Customs
3. CBIC Instruction No.04/2021-Customs dated 17 March 2021

Validity of Foreign Trade Policy 2015-2020 extended up to 30 September 2021

In view of the unprecedented situation arising out of COVID-19, the Government of India has extended the existing Foreign Trade Policy 2015-2020 up to **30 September 2021**. Similar extension has also been made in the related procedures by extending validity of handbook of procedures up to **30 September 2021**.

Exemption from IGST and compensation cess on imports under advance authorisations/EPCG scheme extended

The Central Board of Indirect Taxes and Customs (CBIC) has further extended the exemption from levy of integrated goods and services tax (IGST) and compensation cess on imports under Advance Authorisations (AA) and Export Promotion Capital Goods (EPCG) Scheme up to **31 March 2022**.

Penalty for non-compliance of QR code for B2C transactions waived till 30 June 2021

Based on the recommendations of the GST Council, the CBIC had earlier waived the penalty payable for businesses with turnover exceeding INR 500 crore on non-implementation of dynamic quick response (QR) code till 31 March 2021. The said waiver was subject to the condition that the person complies with the aforesaid provisions from 1 April 2021.

The CBIC has now further waived the penalty for non-compliance of the provisions in B2C invoices till **30 June 2021** subject to the condition that the said person complies with the provisions effective **1 July 2021**.

CBIC issues clarifications on refund related issues

Pursuant to the various representations received, the CBIC has issued certain clarifications on refund related issues[4] .

Key clarifications issued

Issue	Clarification
Refund claim by recipient of deemed export supply	There was no restriction under the GST law on recipient of deemed export supplies in availing input tax credit (ITC) of the tax paid on such supplies when the recipient files for refund claim. The said restriction has been placed by the circular issued by CBIC (Circular No. 125/44/2019-GST dated 18.11.2019). Therefore, relevant circular has been modified to remove the restriction of non-availment of ITC by the recipient of deemed export supplies on the invoices, for which refund has been claimed by such recipient. Thus, the amended circular provides that in case the refund is filed by the recipient of deemed export supplies, an undertaking shall have to be furnished by him stating that refund has been claimed only for those invoices that have been detailed in statement 5B for the tax period for which refund is being claimed and the amount does not exceed the amount of ITC availed in the valid return filed for the said tax period.
Extension of relaxation for filing refund claim in cases where zero-rated supplies have been wrongly declared	It is clarified that for the tax periods commencing from 1 July 2017 to 31 March 2021, such registered persons shall be allowed to file the refund application in Form GST RFD-01 on the common portal subject to the condition that the amount of refund of integrated tax/cess claimed shall not be more than the aggregate amount of integrated tax/cess mentioned in the table under columns 3.1(a), 3.1(b) and 3.1(c) of Form GSTR-3B filed for the corresponding tax period.
Manner of calculation of adjusted total turnover	It has been clarified that the value of export/zero-rated supply of goods to be included while calculating adjusted total turnover will be same as being determined as per the amended definition of 'turnover of zero-rated supply of goods'. Thus, the restriction of 150% of the value of like goods domestically supplied, as applied in 'turnover of zero-rated supply of goods', would also apply to the value of 'adjusted total turnover.'

4. Circular No. 147/03//2021-GST dated 12 March 2021

GSTN issues advisory on selection of core business on GST portal

The Goods and Services Tax Network (GSTN) has issued an advisory on selection of core business on GST portal[5]. This is a one-time data collection feature that provides various options to the taxpayers to select their core business once logged on to the GST portal. There are three major categories provided i.e. manufacturer, trader or service provider. The taxpayers can click on each category to understand in detail. In case the taxpayer falls in all three categories the GSTN has advised to select the largest component in the business activity based on the turnover.

Further, in case of wrong category selection, the taxpayers can update the same later by navigating to **My Profile>Core Business Activity Status** and provide reason for change.

DGFT introduces new module for issuance of import authorisation for 'restricted' items

As a part of IT revamp of services for exporters/importers, the Directorate General of Foreign Trade Policy (DGFT) has introduced a new online module for filing of electronic, paperless applications for import authorisations effective from 22 March 2021[6].

Applicants seeking import authorisation for restricted items may apply online by navigating to the **DGFT website (**https://www.dgft.gov.in**) > Services > Import Management Systems > License for Restricted imports.**

All pending applications have been migrated to this new system and will be processed suitably at DGFT (HQ).

In case of requests for re-validation or amendment of import authorisations issued prior to 22 March 2021, the said applications may be submitted directly to the concerned RA of DGFT for suitable action. RA may amend such authorisations manually as per the earlier procedure of re-validation/ amendment.

GSTN issues advisory on opting-in for composition scheme for FY22

The GSTN has issued an advisory for eligible registered taxpayers who want to opt-in for composition scheme for FY22[7].

Steps to opt-in for composition scheme:

- The eligible tax payers need to file application in Form GST CMP-02 on or before 31 March 2021 on the GST portal by navigating to **Log-in > Services > Registration > Application to opt for Composition Levy > Filing form GST CMP-02 > File application under DSC /EVC.** Once the application is filed, the composition scheme will be available to the taxpayer effective from 1 April 2021.
- The taxpayers already opted in for composition scheme earlier are not required to opt in again for FY22.
- Taxpayers who were regular taxpayers in previous financial year, but are opting-in for composition scheme for FY22, must file Form GST ITC-03 for reversal of ITC on stocks of inputs, semi-finished goods and finished goods available with them, within 60 days from the effective date of opting in.

5. GSTN advisory dated 16 March 2021
6. Trade Notice 47/2020-21 dated 23 March 23 2021
7. GSTN advisory dated 24 March 2021

Key observations from the Compliance Audit Report of CAG

The Compliance Audit Report of the Comptroller and Auditor General of India (CAG) on GST, Central Excise and Service Tax revenue for the years ended March 2019 and March 2020 was presented in Parliament on 24 March 2021. The report contains significant results of the compliance audit of CBIC under the Department of Revenue, and Information Technology audit of GSTN. Some of the key observations under the report have been encapsulated below:

Key observations

Particulars	Observations
Roll out of simplified return forms	• The CBIC is yet to put in place an effective system of scrutiny of returns based on detailed instructions/manual for the tax officers. • It is recommended that a definite time frame for roll out of simplified return forms may be fixed and implemented as frequent deferments are resulting in delay in stabilisation of return filing system and continued uncertainty in the GST ecosystem.
Refund	• Lack of mechanism to re-credit input tax credit (ITC) to taxpayer's ledger in cases where deficiency memo was issued on second and subsequent occasion was observed. • The refund of ITC sanctioned was disproportionately more than the actual value of export in case of export without payment of tax (Letter of Undertaking). • Due to non-implementation of withhold request functionality at back office there is a possibility of further refunds to non-compliant exporters. • Absence of auto-exclusion functionality to deduct the ITC of capital goods could lead to excess refund being claimed. • Lack of validation in the system to verify the turnover of inverted rate of supply in Statement-1 with the corresponding entries as provided in Statement-1A could lead to excess claim of refund.
Returns	• Incorrect creation of GSTR-2A, which is an important source of information on inward supply for the tax officers, could lead to irregular availability of ITC. • Absence of validation on turnover, leading to no restriction being imposed on composition taxpayers, in regard to filing of GSTR-4, even after crossing the threshold limit.
Transitional credits	• Irregular claim of transitional credit on input services, exempted goods and cess of earlier regime etc and excess carry forward amounting to INR 543.70 crore was noticed.
SCN and adjudication process	• Significant deviations was observed from law/rules such as incorrect computation of demand in SCNs, late issuance of SCNs, delay in adjudications etc. during audit of SCNs that were pending for adjudication as on 31 March 2019.

3a Key judicial pronouncements

DRI officers have no power to issue SCNs u/s 28(4) of the Customs Act,1962: SC

Summary

The Supreme Court (SC), in a recent case, has held that the DRI officers have no power to issue SCNs u/s 28(4) of the Customs Act, 1962, when there is non-payment or short payment of duty by reason of collusion, willful misstatement, or suppression of facts. The SC stated that only the proper officer could issue such a notice as the Parliament has employed the article 'the' before the words proper officer not accidentally but with the intention to designate the proper officer, who had assessed the goods at the time of clearance.

Facts of the case

- The petitioner[8] was denied exemption of basic customs duty accorded to the digital still image video cameras (DSIC) imported[9].
- Further, the consequential confiscation of goods, demand of interest and imposition of penalty[10] was upheld by the Customs, Excise and Service Tax Appellate Tribunal.
- Aggrieved by the said order, the petitioner filed present appeal wherein the main issue is whether after clearance of the cameras on the basis that they were exempted from levy of BCD, the proceedings initiated by DRI for recovery of duty not paid[11] are valid in law.

8. M/s. Canon India Pvt. Ltd.
9. in terms of exemption Notification No. 20/2005 dated 01.03.2005 (as amended by Notification No. 15/2012 dated 17.03.2012)
10. As provided for under various sections of the Customs Act, 1962
11. Under Section 28(4) of the Customs Act, 1962

Supreme Court's observations and ruling[12]

- **Proper officer who first assessed the goods shall have powers:** The Parliament has employed the article "the" not accidently but with the Supreme Court's interim order, intention to designate the proper officer who had assessed the goods at the time of clearance. It must be clarified that the proper officer need not be the very officer who cleared the goods but may be his successor in office or any other officer authorised to exercise the powers within the same office.
- **Two officers belonging to different departments cannot exercise powers in same case:** Where the statute confers the same power to perform an act on different officers, as in this case, the two officers, especially when they belong to different departments, cannot exercise their powers in the same case.
- **Things should be done as directed by the statue:** When the statute directs that "the proper officer" can determine duty not levied/not paid, it does not mean any proper officer but that proper officer alone. It is completely impermissible to allow an officer, who has not passed the original order of assessment, to re-open the assessment on the grounds that the duty was not paid/not levied, by the original officer who had decided to clear the goods and who was competent and authorised to make the assessment.
- **Officer who did assessment can only do re-assessment:** The nature of the power to recover[13] duties that have escaped assessment is in the nature of an administrative review of an act. The section must therefore be construed as conferring the power of such review on the same officer or his successor or any other officer who has been assigned the function of assessment. Thus an officer who did the assessment, could only undertake re-assessment.
- **Recovery proceedings to be set aside:** The Additional Director General of the DRI can be considered to be a customs officer only if he is shown to have been appointed as customs officer under the Customs Act. Therefore, he was not "the" proper officer to exercise the power and the initiation of the recovery proceedings in the present case is without any jurisdiction and liable to be set aside.

Our comments

In the landmark case of Sayed Ali, earlier in the year 2011, the apex court had quashed the SCNs issued by Commissioner (preventive) stating that such officer is not a "proper officer" to issue SCN. Further, the SC had categorically mentioned that if the approach of department is accepted then it will lead to a situation wherein multiple officers would exercise jurisdiction over the same assessee, leading to utter chaos and confusion. The verdict would have resolved legacy litigations pertaining to the powers of non-jurisdictional officers. However, realising the negative impact, the government took immediate step and made required amendments in the law as a corrective recourse.

The present judgment by the apex court is in line with the judgment of Sayed Ali and is most likely to impact the existing as well future litigations involving SCNs issued by DRI. Further, the ratio of this judgment may impact the SCNs issued by the Directorate General of Goods & Services Tax Intelligence (DGGSTI) under GST.

As an immediate recourse, the CBIC has instructed that all the SCNs issued by DRI to be kept pending until further directions. Further, all the fresh SCNs presently being investigated by DRI shall be required to be issued by Jurisdictional Commissionerate from where imports have taken place.

12. CIVIL APPEAL NO.1827 OF 2018 order dated 9 March 2021
13. Conferred by Section 28 (4) of the Customs Act, 1962

Madras High Court allows transitional credit of WCT TDS under erstwhile laws to GST

Summary

The Madras High Court (HC) has, in a recent case, held that the petitioner is entitled to transitional credit of WCT tax deducted at source (TDS) under the erstwhile indirect tax laws. The HC stated that such amount would stand included for the purposes of transition to the GST law and noted that TDS has been captured in return of turnover filed under erstwhile laws.

Madras High Court's observations and ruling[14]

- **TDS deducted is in the nature of taxes:** Since the relevant statutory provisions, rules and forms use terms such as deposit, amount, tax and other similar terms, interchangeably, TDS whether collected under the nomenclature of amount, deposit or tax has full authority of law.
- **Purpose of TDS deduction:** When a payer deducts any amount out of the amounts payable to a payee/ contractee, it is with the purpose of facilitating advance payment of taxes. This is further clear from the fact that whatever is deducted is immediately credited to the account of deductee and is automatically reflected as tax credit.
- **Nature of TDS remains constant:** Once any deduction is made towards anticipated tax liability it would assume the character of tax and will not change or fluctuate depending on whether it is held as credit or whether it is an adjustment against tax liability.
- **TDS would be included for transition under GST:** Since the amount collected/deducted has been captured in the returns of turnover filed under the erstwhile indirect tax regime, the HC accepted the stand of the petitioner to the effect that such amounts would stand included for transition into GST.
- **Petition allowed:** Thus, the HC allowed the petition and held that the petitioner is entitled to claim transitional credit in respect of TDS under the erstwhile indirect tax laws.

Our comments

Eligibility of unutilised credits pertaining to the erstwhile indirect tax regime for transitioning into GST has been a matter of extensive litigation.

This is an important and welcome judgment by the Madras HC wherein the HC has observed that what is deducted constitutes only a tax and the difference in nomenclature is irrelevant in deciding the issue. Since the amount collected/ deducted has been captured in the returns of turnover filed under the erstwhile indirect tax regime, the HC stated that such amounts would stand included for the purposes of transition to GST.

Further, the HC has referred to the Telangana HC[15] decision on a similar issue wherein it was held that once it is admitted that credit was available to the petitioner on the date of switch over from VAT regime to GST regime and once it is admitted that the petitioner may be entitled to make a claim for this credit in other modes, the revenue ought to have given a purposive interpretation to the transitional provisions under the GST law.

However, considering that the issue has been a matter of extensive litigation it may set precedence in similar pending matters.

14. W.P. Nos.9991 of 2020 etc. batch dated 26 February 2021
15. In the case of M/s Magma Fincorp Ltd.

Incentives paid to air travel agents for target achievement not leviable to service tax - CESTAT Delhi

Summary

The CESTAT, Delhi, in a recent case has held that the incentives paid to air travel agent by the central reservation system (CRS) companies for target achievement are neither business auxiliary services (BAS) nor promotional and marketing services. It further stated that it cannot be said that the travel agent is promoting the services of any airline though the airlines may benefit if more tickets are sold, but this would not mean that the travel agent is providing a service for promoting the airlines by rendering of services connected to travel by air.

Facts of the case

- The appellant[16] is an approved agent of International Air Ticketing Association (IATA) and is engaged in providing air tickets.
- The CRS companies enter into subscriber agreements with IATA agents wherein the IATA agents are permitted to use the data base available on the portal for booking of airline tickets for passengers/sub-agents. The CRS companies pay CRS commission to IATA agents when the agents achieve a minimum quantum of bookings through the concerned CRS portal.
- The revenue alleged that the appellant is providing promotional and marketing services to the CRS companies. Therefore, it confirmed the demand of service tax on the target based incentive and commission paid to it by the CRS companies under the category of BAS.
- Aggrieved the appellant filed an appeal which was referred to the principal bench.

CESTAT Delhi's observations and ruling[17]

- **Services of air travel agent cannot be in the nature of promotion:** It is necessary that a service provider must promote or endorse the service of the client. Since the air travel agents don't actively encourage the purchase of the tickets of a particular airlines, the services can't be said to be promotional in nature.
- **No promotional services to CRS companies:** The passengers aren't aware of the CRS software used by the air travel agents nor can they influence the decision of the travel agents to avail the services of a particular CRS companies. Furthermore, the passenger would never request the agent to book his ticket from a particular CRS company. It cannot therefore be said that a travel agent is promoting any activity before the passenger.
- **No promotional activity by agent:** The department has not pointed out at any activity undertaken by an air travel agent that promotes the business of the CRS company. Mere selection of software or exercising of a choice would not result in promotional activities.
- **Services provided by the air travel agent are not BAS:** The definition of BAS would reveal that the service provider must promote or market the service of the client. However, here the agent is promoting his own business even though this may lead to incidental promotion of the business of the airlines or the CRS companies. Thus, the services rendered are of the nature of air travel agent and not of BAS.
- **Incentives cannot be deemed consideration:** The incentives provided by the CSR companies/IATA are based on general performance of the service provider and are not related to a particular transaction of service. Thus, the incentives paid for achieving targets cannot be termed as consideration and therefore cannot be leviable to service tax.

Our comments

The division bench of the CESTAT, Delhi, in the case of D. Paul Consumer Benefit Ltd. had held that the commission/incentive received from CRS shall be covered under BAS and service tax is leviable on the same.

Contrary to this, the larger bench of CESTAT, Delhi, has now held that such incentives cannot be termed as consideration and therefore not leviable to service tax. This is an important and welcome judgment and may help resolve long-drawn litigations on matter. It had also pronounced a similar ruling in the case of M/s Rohan Motors Ltd. wherein it had held that amount of incentives received from the car company could not be treated as consideration for any service and said amount could not be leviable to service tax.

Further, the CESTAT, Cochin, in the case of M/s Popular Vehicles and Service Ltd. had also recently pronounced that incentives received from car company shall not be leviable to service tax.

16. Kafila Hospitality & Travels Pvt Ltd
17. Interim Order No. 4/2021 dated 18 March 2021

Issue of admissibility of CENVAT credit cannot be raised at the time of refund processing - CESTAT

Summary

The CESTAT Chandigarh in a recent case held that if the central value added tax (CENVAT) credit of service tax paid on rent a cab services was not disputed at the time of availment, the same cannot be objected at the time of entertaining the refund claim filed of such CENVAT credit availed.

Facts of the case

- The appellant[18] is an export oriented unit (EOU) engaged in provision of services.
- While providing these services, the appellant requires certain services to be availed from outside on which it is liable to pay service tax under reverse charge mechanism (RCM).
- It avails CENVAT credit of service tax paid under RCM and filed a refund claim[19] for CENVAT Credit lying unutilised in their CENVAT credit account.
- The refund claim in relation to CENVAT credit pertaining to 'rent a cab service' was denied on the ground that the vehicles which have been taken on rent are not registered in the name of the appellant. Therefore, it is not entitled to take CENVAT credit as these are not capital goods[20].
- Therefore, the appellant filed an appeal against the order denying refund claim[21].

CESTAT's observations and ruling[22]

- **CENVAT credit not disputed:** The entitlement of CENVAT credit was never disputed at the time of availment.
- **Sanction of refund is disputed:** The dispute in the matter is of sanction of refund claim of unutilized CENVAT credit in their account and not the issue of availment of the CENVAT credit on the input service.
- **Issue of admissibility can't be raised:** Since the appellant's entitlement to CENVAT credit was not objected at the time of availment, the issue of admissibility of CENVAT credit cannot be raised at the time of entertaining the refund claim.
- **Order set aside:** Therefore, the CESTAT set aside the order denying refund claim and allowed the appeal.

Our comments

This is an important and welcome judgment by the Chandigarh CESTAT which will help resolve longdrawn litigations as also clear working capital blockages due pendency of huge refund claims for businesses.

An analogy can be drawn even under the GST regime as most of the definitions/provisions under the GST law have been borrowed from the erstwhile laws.

18. M/s CNS Comnet Solution Pvt Ltd
19. Under Notification no. 27/2012 dated 18 June 2012
20. Under Rule 2(l) of the CENVAT Credit Rules, 2004
21. Order-in-Appeal No. 133, 134, 135-CE-CGST-APPEAL- GURUGRAM-SG-2019, dated: 30.09.2019
22. 2021-TIOL-94-CESTAT-Chandigarh-Service Tax (Finance Act 1994)

3b Decoding advance ruling

Activities of liaison office does not amount to supply of service - Karnataka AAAR

Summary

The Karnataka Appellate Authority for Advance Ruling (AAAR) in a recent case has set aside the order of Karnataka Authority for Advance Ruling (AAR) and held that the activities of a liaison office (LO) in India of a foreign entity do not amount to supply of services and are not liable to GST. The AAAR stated that an LO is a place of business to act as a communication channel between the head office and does not undertake any commercial /trading /industrial activity. Further, the LO cannot generate any income and also cannot earn any commission/ fee or any remuneration.

The HO located in Germany and the LO in India cannot be treated as separate persons but as one legal entity. Therefore, the liaison activity performed by the LO in India for the HO are in the nature of a service rendered to self. A service rendered to self cannot come within the purview of supply under GST.

Facts of the case

- The appellant[23] is an organisation incorporated in Germany and is engaged in promoting applied research and development for the benefit of industry and society.
- It has established a liaison office (LO) in India to carry out activities as permitted by the Reserve Bank of India (RBI).

23. Fraunhofer- Gessellschaft Zur Forderung

- It had sought an advance ruling before the Karnataka AAR to understand whether activities carried out by the LO for the HO shall be a supply under the GST law.
- The Karnataka AAR had held that the liaison activities being undertaken by the LO in line with the conditions specified by RBI amounts to supply[24] .
- Aggrieved by the said order, the appellant filed the present appeal.

Karnataka AAAR's observations and ruling[25]

- **No generation of income by LO:** The LO cannot generate any income or engage in any commercial/trading activity. It is operating entirely on inward remittances from the HO for office maintenance in India. Such inward remittances received from HO for maintaining the office in India cannot be termed as consideration for liaison activity.
- **No separate legal identity:** The LO is registered with same name of the HO and does not have a separate legal identity. The LO is a geographical extension of the HO.
- **Not related parties:** The LO is not a separate entity under the law and as the LO is not a person recognised in law, the question of being a related person to the HO does not arise.
- **Services rendered to self:** As the HO located in Germany and the LO in India cannot be treated as separate persons but as one legal entity, the liaison activity performed by the LO in India for the HO are in the nature of a service rendered to self. Therefore, a service rendered to self cannot come within the purview of supply under GST.
- **No supply:** Thus the AAAR held that the activities of LO does not amount to a supply of service[26] and shall also not be covered under activities by related persons[27].

Our comments

This is an important and welcome judgment by the Karnataka AAAR which may set precedence in similar pending matters. The ruling may bring required relief for the MNCs operating under similar model and thereby help to curb litigation on this account.

The ruling seems to be in line with similar rulings given by the Tamil Nadu AAR[28] wherein it had held that LO is nothing more than an extended arm of the HO and performs no separate functions other than those specified and approved by the RBI. The Rajasthan AAR[29] and the Maharashtra AAR[30] had also pronounced similar rulings earlier.

Even though advance ruling is applicable only to the applicant, the same acts as a guiding tool for other taxpayers with similar issues.

24. Karnataka AAR order no. KAR ADRG No. 50/2020 dated 8 October 2020
25. Karnataka AAAR order no. KAR/AAAR/04/2021 dated 22 February 2021
26. U/s 7(1)(a) of the CGST Act, 2017
27. Clause 2 of Schedule I of the CGST Act, 2017
28. Takko Holding Gmbh
29. Habufa Meubelen B. V.
30. M/ Hitachi Power Europe Gmbh

3c Key National Anti-profiteering Authority orders

Profiteering upheld as no steps taken by the franchisee to pass on the benefit: NAA

Summary

The National Anti-profiteering Authority (NAA) has in the case of a famous fast food restaurant franchisee upheld profiteering on the ground that the respondent had increased the base prices of different items to make up for the denial of (ITC) after GST rate reduction.

Facts of the case

- An application was filed against the respondent[31] alleging profiteering in respect of restaurant service supplied by him. It was alleged that the respondent had despite reduction in the GST rate from 18% to 5% effective from 15 November 2017 increased the base prices of his products and had not passed on the benefit of reduction in GST rate by way of commensurate reduction in the prices.
- On further reference to the Directorate General of Anti-Profiteering (DGAP), it was found that after the reduction in GST there was increase in the base prices of 246 items (96.47% of 255 items) supplied by the respondent. The lower rate of tax was charged on increased base prices and the cum-tax price paid by the consumers was not reduced commensurately.

31. M/s Dough Makers India Pvt. Ltd.

- The pre- and post- GST prices were compared and it was established that the respondent had increased the base prices by more than 8.72% i.e. by more than what was required to offset the impact of denial of ITC in respect of 241 items (out of 255 items) and the commensurate benefit of reduction in the rate of tax had not been passed. Thus, the DGAP computed profiteering to the extent of INR 78.42 lakh.

NAA's observations and ruling[32]

- **Increase in base prices of items:** The respondent had increased base prices in respect of 246 items (96.47% of 255 items supplied by him). The lower rate of 5% GST has been charged on increased base prices. Therefore, the cum-tax price paid by the consumers was not reduced commensurately for all items supplied despite reduction in GST rate.
- **Impact of denial of ITC:** The ratio of ITC to the net taxable turnover taken for determining the impact of denial of ITC which was available was approximately 8.72% of the net taxable turnover of the restaurant service.
- **Computation of profiteered amount:** The NAA stated that the quantum of profiteering cannot be computed based on the difference between the pre reduction and post reduction tax rates. It has to be computed on each item by comparing the average base price which the respondent was charging before tax reduction with the actual base price charged post tax reduction.
- **Methodology is correct, reasonable and justifiable:** The NAA stated that the methodology employed by the DGAP for computing the profiteered amount appears to be correct, reasonable, justifiable and in consonance with the anti-profiteering provisions[33].
- **No steps to pass on resultant benefit:** The NAA observed that the respondent had increased the base prices of his products immediately with effect from 15 November 2017 and had taken no steps to pass on the resultant benefit of tax reduction at any point till 31 March 2019. In other words, the violation of anti-profiteering provisions has continued unabated in this case and the offence continues till date.
- **Profiteering confirmed:** It was found that the increase in base prices was 8.72% more than what was required to offset the impact of denial of ITC. Thus, the NAA observed that the respondent has resorted to profiteering as the commensurate benefit of reduction in the GST rate from 18% to 5% has not been passed on by him. Thus, the NAA upheld the amount of profiteering determined by DGAP to the extent of INR 78.42 lakh.

Our comments

The NAA has reiterated that it has been empowered to determine the methodology and procedure and not to prescribe it. Similarly, the facts of the cases relating to the sectors of fast moving consumer goods (FMCG), restaurant service, construction service and cinema service are completely different from each other and therefore, the mathematical methodology adopted in the case of one sector cannot be applied to the other sector.

Lack of proper methodology for computation of profiteering amount has been a major reason due to which many businesses have come under the NAA's scanner. Therefore, it will be interesting to see the verdict of the Delhi HC on various matters pertaining to constitutionality of anti-profiteering provisions.

32. NAA order no. 01/2021 dated 12 March 2021
33. Section 171 of the Central Goods and Services Tax Act, 2017

4 Experts' column

Canon judgment - Significant impact on future role of DRI

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The Directorate of Revenue Intelligence (DRI) is a centralised agency in India that deals with violations of the customs laws and has been equipped with powers. However, the powers of DRI to issue a show cause notice (SCN) under Section 28(4) of the Customs Act, 1962 (the Act), in case of non-payment or short payment of duty by reason of collusion, willful misstatement or suppression of facts, has always been a matter of controversy and prolonged litigations. There have been various judicial pronouncements and a series of amendments in the law but the issue was never free from litigation.

Recently, in a landmark judgment in the case of **M/s. Canon India Private Limited vs. Commissioner of Customs**[34], the above issue was considered by the Supreme Court, wherein it has held that the DRI officers have no power to issue such SCNs. The court stated that only the officers who undertake the assessment at the time of clearance of goods have the power of reassessment. Further, the court emphasised that when the statute directs that "the proper officer" can determine the duty not levied/not paid, it does not mean "any" proper officer but that proper officer alone who cleared the goods, including his successor in office or any other officer authorised to exercise the powers within the same office.

Besides, the apex court observed that it is completely impermissible to allow an officer, who has not passed the original order of assessment, to reopen the assessment on the grounds that the duty was not paid/levied by the original officer, who had decided to clear the goods and was competent and authorised to make the assessment. The court emphasised that the specific usage of the article "the" has been done with the intention to designate only 'the proper officer' who had assessed the goods at the time of clearance.

34. TS-75-SC-2021-CUSTOMS

Brief background of the Canon Case

Canon India Pvt. Ltd. and others had imported Digital Still Image Video Cameras (DSIC) and customs authorities had allowed the clearance of the goods with an exemption from payment of the customs duty.

However, subsequently, an SCN was issued by DRI under Section 28(4) of the Act alleging that the consignment of cameras was cleared by willful misstatement and suppression of facts about the cameras.

The important questions of law under consideration were as follows

- Whether DRI can issue an SCN under the Section 28(4) of the Customs Act to recover duties not levied or short levied on goods previously assessed and allowed for clearance for import by the Deputy Commissioner of Customs
- Whether the DRI appointed as an "officer of customs" can be entrusted with functions of "proper officer" for the purpose of Section 28 of the Act

Key observations by the Apex Court

- The court, while deciding the authority of the DRI, stated that Section 28(4) empowers the recovery of duty not paid/partly paid/erroneously refunded by reason of collusion or any willful misstatement or suppression of facts and confers the power of recovery on **"the proper officer"**. The Court emphasised that the article "the" is not been deployed accidentally but with the intention to designate the proper officer who had assessed the goods at the time of clearance. It must be clarified that the proper officer need not be the very officer who cleared the goods but maybe his successor in office or any other officer authorised to exercise the powers within the same office.
- While referring to its earlier decision in the case of **Consolidated Coffee Ltd. and Another vs. Coffee Board, Bangalore**[35] and **Shri Ishar Alloy Steels Ltd. vs. Jayaswal Neco Ltd**[36] , the court held that the article "the" is called a definite article because it points out and refers to a particular person or a thing. If the parliament intended that any proper officer could have exercised power under Section 28 (4) then it would have used the word "any" instead of "the".
- Further, while discussing the validity of relevant notification[37] issued by the CBIC, which assigns the functions of the proper officer under Section 28 of the Act to DRI officers, the court held that Section 2 (34) of the Act merely defines "proper officer" but does not confer any powers to any authority to entrust any functions to officers. Whereas, Section 6 of the Act provides entrustment of the functions of "customs officers" on other officers of central and state government. Hence, if it was intended that officers of DRI, who are officers of central government, should be entrusted with the functions of the customs officers, the central government should have exercised its power under this section. The notification which purports to entrust functions as proper officer under the Customs Act has been issued by CBIC in the exercise of non-existing power under the Act. Accordingly, the court held the notification as invalid having been issued by an authority that had no power to do so as only the central government should have issued such notification under Section 6 of the Act.
- While pronouncing its judgment, reliance was also placed on its earlier landmark judgment in case of **Commissioner of Customs vs. Sayed Ali and another**[38], wherein it was being held that on a conjoint reading of Section 2 (34) and Section 28 of the Act, it is manifest that only such a customs officer, who has been assigned the specific functions of assessment of duty in the jurisdictional area where the import has been affected, either by the board or by the commissioner of customs in terms of Section 2 (34) of the Act is competent to issue notice under the Section 28 of the Act. The court also stated that SCN issued by an officer who is not a "proper officer" in terms of Section 2(34) of the Act is illegal and without the authority of law. A customs officer assigned with the specific functions of assessment and re-assessment of duty is competent to issue a notice under Section 28 of the Act. The court held it to be a fatal jurisdictional error and observed that if the approach of the department is accepted, then it was likely to lead to a situation wherein multiple officers would exercise jurisdiction over the same assessee, leading to 'utter chaos and confusion'.

35. (1980) 3 SCC 358
36. (2001) 3 SCC 609
37. Notification No. 40/2012 Customs (NT) dated 2 May 2012
38. 2011 (265) E.L.T. 17 (S.C.)

Accordingly, the apex court held the entire proceeding initiated by Additional Director General of DRI by issuing SCN as invalid without any authority of law and liable to be set aside. Undoubtedly, this is a landmark judgment and will have major repercussions – positive ones for taxpayers and negative for revenue exchequer.

The question that remained unanswered before the court was the validity of Notification No. 44/2011[39] , which was also issued under the Section 2(34) of the Act to entrust DRI officers with the functions of the proper officer (for assessment). Whether this notification would also be regarded as invalid in line with Notification 40/2012[40] remains unanswered. At this juncture, it is imperative to note that the Gujarat High Court while dealing with the similar issue in the case of **Sundeep Mahendrakumar Sanghvi vs Union of India**[41], had observed that both notifications co-exist and subsequent notification assigns further functions to various officers, including those under the DRI functions.

Nevertheless, the present judgment by the apex court is most likely to impact the existing as well future litigations involving SCNs issued by DRI. Further, the ratio of this judgment may impact the SCNs issued by the Directorate General of Goods & Services Tax Intelligence (DGGSTI) related to the GST. As anticipated, as an immediate recourse, the CBIC has already taken proactive steps and has stated that all the future SCNs shall be issued only by the jurisdictional Commissionerate and not by DRI. Further, all the SCNs already issued by DRI to be kept pending until further directions.

However, the moot question that now arises is what will be the precise role of DRI going forward?

It is well-known that the DRI is the apex investigative body embedded with the task of detecting and curbing smuggling and combating illicit international trade and evasion of customs duty. However, the question that now arises is what will be the exact role of the DRI after this judgment by the apex court. The question is whether the power of DRI will be limited to only investigations and thereafter passing on the findings to the jurisdictional proper officer to enable them to issue necessary SCNs? Also, whether the DRI can investigate the cases where an SCN has already been issued by the jurisdictional officers and what will be the modus operandi in such cases?

39. Notification No. 44/2011-Cus. (N.T.) dated 6 July 2011
40. Notification No. 40/2012 Customs (NT) dated 2 May 2012
41. 2020 (9) TMI 808 - GUJARAT HIGH COURT

5 Issues on your mind

What is the procedure for making payment under the new QRMP Scheme?

Effective from 1 January 2021, the following two options are made available to the taxpayers, who are under Quarterly Returns and Monthly Payment of Tax (QRMP) Scheme, for payment for first two months of a quarter:

- **Fixed sum method:** The portal can generate a pre-filled challan in Form GST PMT-06, based on past record.
- **Self-assessment method:** The tax due is to be paid on actual supplies, after deducting the Input Tax CreditITC available.

In fixed sum method, the 35% challan can be generated by selecting the reason For **Challan>Monthly Payment for Quarterly Return**> 35% challan which is in turn calculated as per following method:

- 35% of amount paid as tax from electronic cash ledger in their preceding quarter GSTR 3B return, if it was furnished on quarterly basis; or
- 100% of the amount paid as tax from electronic cash ledger in their GSTR-3B return for the last month of the immediately preceding quarter, if it was furnished on monthly basis.

For the months of January and February, 2021, in Q4 of 2020-21, the auto-populated challan generated under 35% challan would contain 100% of the tax liability discharged from electronic cash ledger for the month of December, 2020 (and not 35%).

The major benefit for taxpayers opting for this payment method (as opposed to self-assessment method) would be that no interest shall be levied, if the actual tax amount for this particular month later turns out to be more than the amount deposited using 35% challan option, provided the amount is deposited by 25th of the following month.

The taxpayers are not required to deposit any amount for the first two months of a quarter, if:

- Balance in eElectronic cash ledger/e lectronic credit lLedger is sufficient for tax due for the first/second month of the quarter; or
- There is NIL tax liability

What is the procedure for withdrawal of refund application?

Earlier the taxpayers had no option to withdraw their refund applications, if they have committed any mistakes, while filing the application. A functionality has now been implemented for the taxpayer, to withdraw an already filed refund application, by filing Form **GST RFD-01W** (until the refund processing officer issues an acknowledgement in Form GST RFD-02 or a deficiency memo in Form GST RFD03).

Is there any linkage between e-way bill and GST return?

Even after implementation of e-invoice, the requirement of e-way bill while transporting goods continues to be mandatory. On successful reporting of invoice details to invoice registration portal (IRP), the invoice data (payload) including Invoice Reference Number (IRN), will be saved in GST system. The GST system will auto-populate them into Form GSTR-1 of the supplier and Form GSTR-2A of respective receivers. With source marked as 'e-invoice', IRN and IRN date will also be shown in GSTR1 and GSTR2A.

In case both Part-A and Part-B of e-way bill are provided in the e-invoice schema, the details will be used to generate e-way bill. In case Part-B details are not provided at the time of reporting invoice to IRP, the same will have to be provided by the user through 'e-way bill' tab in IRP log in or e-way bill portal, so as to generate e-way bill.

6 Important developments in direct taxes

A. Important amendments/updates:

Clarification on residential status of Individuals for FY21

Due to the COVID-19 induced restrictions, many non-residents had to extend their stay in India, which impacted their residential status and taxability in India. The Central Board of Direct Taxes (CBDT)[42] has specified that in case an individual faces double taxation due to his/her forced stay in India despite the short stay exemption in domestic law or tie breaker rule provided in tax treaties, such an individual can approach the CBDT for relief.

CBDT prescribes manner of calculation of taxable perquisite for annual accretion on excess contribution to specified funds

The CBDT has prescribed[43] formula for calculation of perquisite relating to annual accretion by way of interest, dividend or any other amount of similar nature on the excess contribution under section 17(2)(viia) of the Income tax Act, 1961 (the Act). Excess contribution here refers to contribution made to the account of an employee by the employer in a recognised provident fund, in pension scheme[44] and in a superannuation fund, to the extent it exceeds INR 750,000 in a previous year.

42. Circular No. 2 of 2021 dated 3 March 2021
43. Notification no. 11 of 2021 dated 5 March 2021
44. Section 80CCD(1) of the Income-tax Act, 1961

CBDT notifies form for application to determine proportion of sum chargeable to tax in case of payments made to non-residents

CBDT has prescribed[45] the format for making an application for grant of certificate to determine appropriate proportion of sum chargeable to tax in case of payments made to non-residents[46]. This form is to be filed electronically (under digital signature or through electronic verification code).

Government enlarges the ambit of Statement of Financial Transactions (SFT)

Under the enlarged[47] scope of transactions to be reported under SFT, specified persons will be required to furnish details of the following transactions:

Transactions	Specified person
Capital gains on transfer of listed securities or units of mutual funds	• Recognised stock exchange • Depository • Recognised clearing corporation • Registrar to an issue and share transfer agent
Dividend income	• Company
Interest income	• Banking company or co-operative bank • Post-master General • Non-banking financial company

These details will be used for the purpose of pre-filling the return of income of taxpayers.

B. Key judicial pronouncements

Supreme Court (SC)[48] provides clarity on payments for software to non-residents

The SC has recently decided a two-decade old dispute in respect of taxation of payments for software to non -residents, in favour of taxpayers. The dispute in this case centred around whether payments made for the acquisition of off-the-shelf software is for copyright or copyrighted article.

It held that the amount paid by resident end-users/distributors to non-resident computer software suppliers/ manufacturers, as consideration for the use/resale of software cannot be classified as royalty under the tax treaty. Therefore, it does not give rise to any income taxable in India and consequentially, no tax is required to be withheld by the Indian payer at the time of making such payments.

Our comments

The immediate impact of this ruling is likely to be in terms of a review of the existing contracts and whether they need to be re-negotiated, as now no tax withholding is required. Further, companies that have been disputing/litigating this matter, need to evaluate how refund claim needs to be made for the past years. Going forward, while these payments would be out of the income tax net, taxpayers would need to evaluate the applicability of equalisation levy provisions on these cases.

45. Notification no. 18 of 2021 dated 16 March 2021, Rule 28BA and Form-15E in the Income Tax Rules, 1962
46. Under 195(2) or 195(7) of the Income-tax Act, 1961
47. Notification no. 16 of 2021 dated 12 March 2021
48. Engineering Analysis Centre of Excellence Pvt. Ltd v. CIT [C.A 8733-8734 of 2018]

7 Compliance calendar for FY 2021-22

A. Direct tax compliance calendar

Frequency	Form name	Description	Due date
TDS/TCS			
Monthly		Payment of TDS/TCS	7th of the succeeding month in which tax was deducted/collected[49]
Quarterly	Form No. 24Q/26Q/27Q	Statement of deduction of tax	31st of the succeeding month from the end of relevant quarter[50]
Quarterly	Form No. 27EQ	Statement of collection of tax	15 days from the end of the relevant quarter[51]
Annually	Form 16	Certificate of deduction of tax at source for salary deduction	Fifteen days from the due date for furnishing the statement of tax deducted at source for the quarter ending Jan-Mar
Quarterly	Form 16A	Certificate of deduction of tax at source for deduction other than salary	Fifteen days from the due date for furnishing the statement of tax deducted at source

49. For the month of March, the due date for payment for TDS is 30th April
50. For the quarter ending Jan-Mar, the due date is 31st May.
51. For the quarter ending Jan-Mar, the due date is 15th May.

Frequency	Form name	Description	Due date
Quarterly	Form No. 27D	Certificate of collection of tax at source	Fifteen days from the due date for furnishing the statement of tax collected at source
Monthly	Form 26QB/ Form 26QC/Form 26QD	Furnishing of challan-cum-statement in respect of tax deducted under section 194-IA /194-IB /194M	30 days from the end of the month in which the deduction is made
Monthly	Form 16B/Form 16C/Form 16D	Issue of TDS Certificate for tax deducted under section 194-IA /194-IB /194M	15 days from the due date for furnishing the challan-cum-statement.
Income-tax Return			
Annually		Companies which are not required to furnish TP study report	31 October of following year.
Annually		Assessees other than companies which are required to get their accounts audited	31 October of following year.
Annually		Companies which are required to furnish TP study report	30 November of following year
Annually		Assessees other than covered above	31 July of following year
Advance Tax			
Quarterly		First quarter (15% of the tax amount)	Up to 15 June
Quarterly		Second quarter (45% of the tax amount)	Up to 15 September
Quarterly		Third quarter (75% of the tax amount)	Up to 15 December
Quarterly		Fourth quarter (100% of the tax amount)	Up to 15 March
Others			
Annually	Form 3CA/3CB-3CD	Furnishing of tax audit report	30 September of following year
Annually	Form 3CEB	Furnishing of information for international transaction and specified domestic transactions.	31 October of following year
Annually	Form No. 49C	Submission of a statement to be filed by Non-residents having liaison office(s) in India	60 days from the end of the relevant financial year
Annually	Form No. 61B	E-filing of annual statement of reportable accounts in pursuance to S. 285BA	31 May of the following year

B. Indirect tax compliance calendar

Frequency	Return type	Description on return	Due date
Normal taxpayer			
Monthly	GSTR 1	Details of outward supplies of taxable goods and/or services affected.	11th of month succeeding the tax period
Monthly	GSTR 3B	Summary of outward supplies and input tax credit along with payment of tax	20th of the month succeeding the tax period
Quarterly Return Filing and Monthly Payment of Taxes (QRMP) having aggregate turnover of up to INR 5 crore in the preceding financial year			
Quarterly	GSTR-1	Details of outward supplies of taxable goods and/or services affected.	13th of the month succeeding such quarter
Monthly	GST Challan	Payment of liability in case of shortfall of Input Tax credit vide Challan	25th of month succeeding the tax period
Monthly	IFF (Optional)	IFF (invoice furnishing facility) where quarterly filers can choose to upload their Business-to-business (B2B) invoices every month	13th of the month succeeding the tax period
Composition dealers			
Quarterly	CMP 08	Statement-cum-challan to make a tax payment by a taxpayer registered under the composition scheme under section 10 of the CGST Act	18th of the month succeeding such quarter
Others			
Monthly	GSTR 6	Return for input service distributor	13th of the month succeeding tax period
Monthly	GSTR 7	Return for tax deducted at source	10th of month succeeding the tax period
Monthly	GSTR 8	Return for tax collected at source	10th of month succeeding the tax period
Annual	GSTR 9	Annual return for FY21	31 December 2021
Annual	GSTR 9A	Annual return for composition dealers	31 December 2021
Annual	GSTR 9B	Annual return for e-commerce operators	31 December 2021
Quarterly	ITC 04	Details of goods/capital goods sent to job worker and received back	25th of month succeeding such quarter

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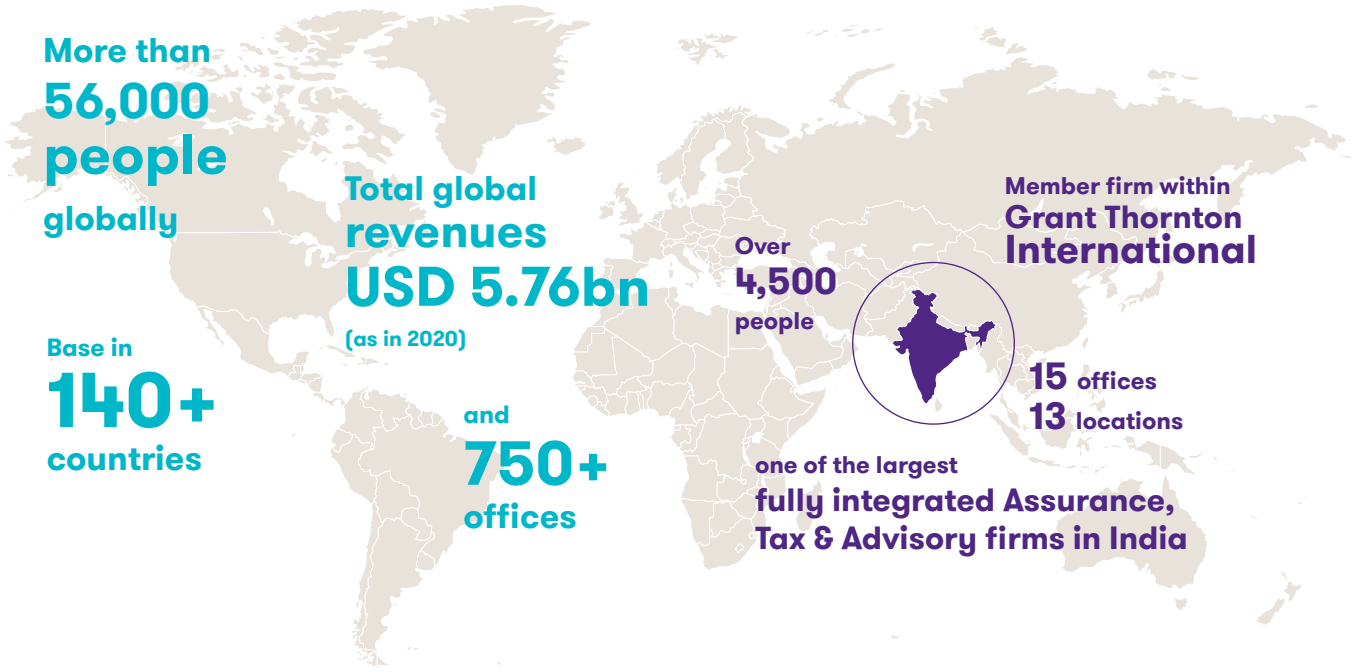

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