GST - Unsolved critical issues relating to Input tax credit

By CA Pitam Goel

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Basic Provision

Conditions for taking credit

Requirements of section 16

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Usage	Credit for only those goods services which are to be **used or intended to be used for business**
Documents	Credit of input tax allowed only if **invoice or debit note or other documents** are in **possession**
Receipt	ITC is available on **receipt of services or goods (last installment/lot)**
Tax payment	Supplier has paid tax to Government
Return	**Return** under section 39 is **filed by recipient**
Payment to supplier	**Payment** to supplier of goods services is made within **180 days**
Time Limit for availing credit	Credit not available after filing of **September Return or Annual Return** whichever is earlier

What is business?

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Section 2(17) of the CGST Act

*“business” **includes**—*

(a) any trade, commerce, manufacture, profession, vocation, adventure, wager or any other similar activity, whether or not it is for a pecuniary benefit;

(b) any activity or transaction in connection with or incidental or ancillary to sub-clause (a);

(c) any activity or transaction in the nature of sub-clause (a), whether or not there is volume, frequency, continuity or regularity of such transaction;

(d) supply or acquisition of goods including capital goods and services in connection with commencement or closure of business;

(e) provision by a club, association, society, or any such body (for a subscription or any other consideration) of the facilities or benefits to its members;

Documentary requirements and conditions

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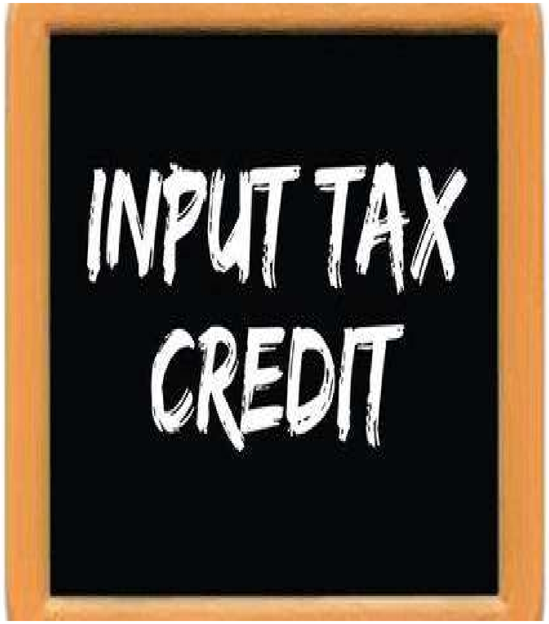
Rule 36 of CGST Rules, 2017

As per rule 36(1), ITC shall be availed by the Registered Person, including ISD, on the basis of any of the following documents, namely,:

- Invoice issued by supplier as per Section 31
- Invoice issued by in accordance of Section 31(1) (f), subject to payment of tax
- Debit Note issued by supplier as in accordance of Section 34
- Bill of Entry or any similar document
- ISD invoice or ISD credit note in accordance of Rule 54(1)



Details to be mentioned in Invoice

Minimum Information in invoice for availing ITC (Rule 36)

1. Details of the amount of tax charged,
2. Description of goods or services,
3. Total value of supply of goods or services or both,
4. GSTIN of the supplier and recipient
5. Place of supply in case of inter-State supply

Question 1

GSTR-2A vs. GSTR-2B

Rule 36(4) of CGST rules – Whether GSTR 2A or 2B?

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Rule 36(4)-
Input tax credit to be availed by a registered person in respect of invoices or debit notes, the details of which have not been furnished by the suppliers under sub-section (1) of section 37 in FORM GSTR-1 or using the invoice furnishing facility, shall not exceed 5 percent of the eligible credit available in respect of invoices or debit notes the details of which have been uploaded by the suppliers under sub-section (1) of section 37 in FORM GSTR-1 or using the invoice furnishing facility

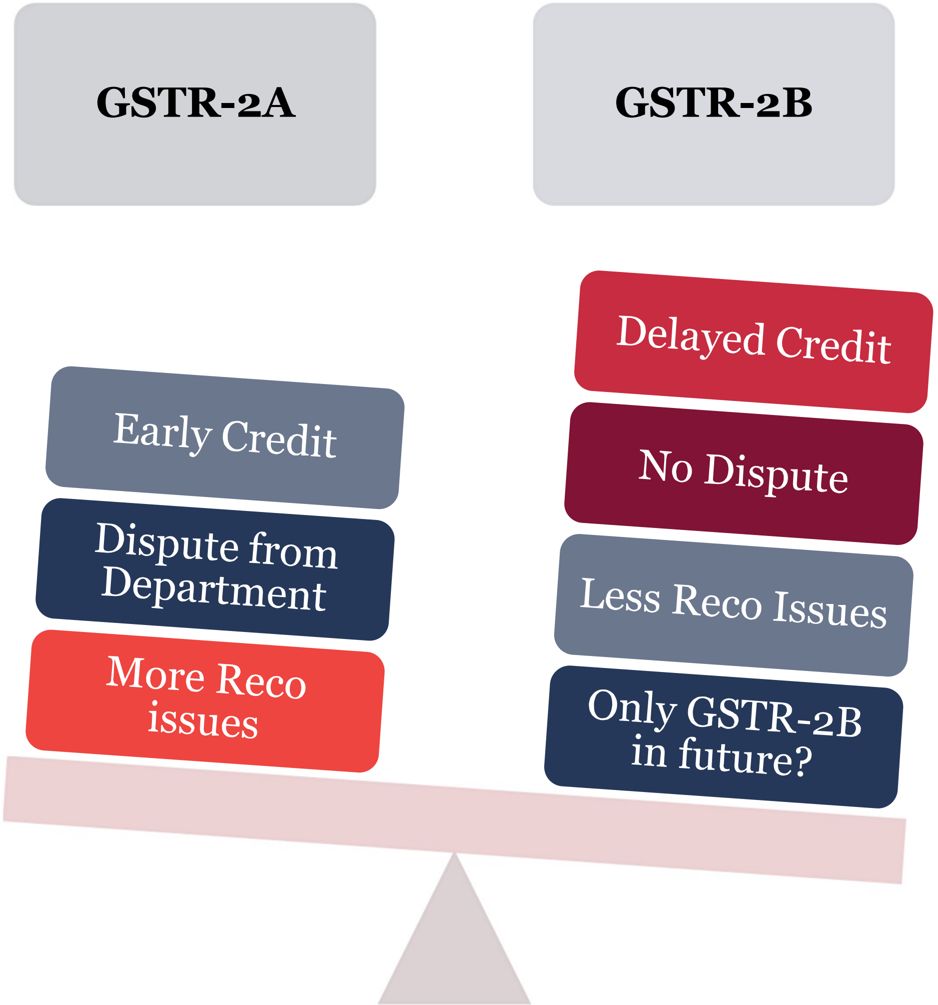
Details furnished in GSTR-1 is populated to GSTR 2A and GSTR 2B

GSTR-2B vs. GSTR-2A

Scenario	Invoice Date	Reporting in GSTR-1 for the month of	Date of filing of GSTR-1	Auto-population in the month of	
				GSTR-2A	GSTR-2B
A	01-01-2021	Jan-2021	11-02-2021	Jan-2021	Jan-2021
B	01-01-2021	March-2021	11-04-2021	March-2021	March-2021
C	01-01-2021	Jan-2021	11-04-2021	Jan-2021	March-2021

Late filing of return by supplier will auto-populate ITC in the delayed month.
This is due to static nature of GSTR-2B wherein data freezes on 12th of the following month

What to opt?



No loss of credit either in GSTR-2A or GSTR-2B?

Rule 36(4) of CGST rules – Whether GSTR 2A or 2B?

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Circular No. 123/42/2019– GST dated 11/11/2019
Subject: Restriction in availment of input tax credit in terms of rule 36(4) of CGST Rules, 2017

Sl. No.	Issue	Clarification
3	FORM GSTR-2A being a dynamic document, what would be the amount of input tax credit that is admissible to the taxpayers for a particular tax period in respect of invoices / debit notes whose details have not been uploaded by the suppliers?	The amount of input tax credit in respect of the invoices/debit notes whose details have not been uploaded by the suppliers **shall not exceed 20% (now 5%)** of the eligible input tax credit available to the recipient in respect of invoices or debit notes the details of which have been uploaded by the suppliers under sub- section (1) of section 37 as on the ***due date of filing of the returns in FORM GSTR-1*** of the suppliers for the said tax period. The taxpayer may have to ***ascertain the same*** from his auto populated **FORM GSTR 2A** as available on the ***due date of filing of FORM GSTR-1 under sub-section (1) of section 37.***

Writ petition admitted for ITC on Rule 36(4)

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GR Infraprojects Limited vs. Union of India [D.B. Civil Writ Petition No. 6337/2020]

- The petitioner challenged the notification introducing Rule 36(4) of the CGST Rules placing restrictions on availing ITC at 10/20 percent over and above the amount reflected in GSTR 2A, despite having a valid tax invoice.
- The petitioner submitted that such introduction is ***ultra vires*** to Sections 38(1) and 42(3) of the CGST Act.
- The matter has been admitted by the Rajasthan High Court and was last heard on 16 September 2020.

Vendor Management

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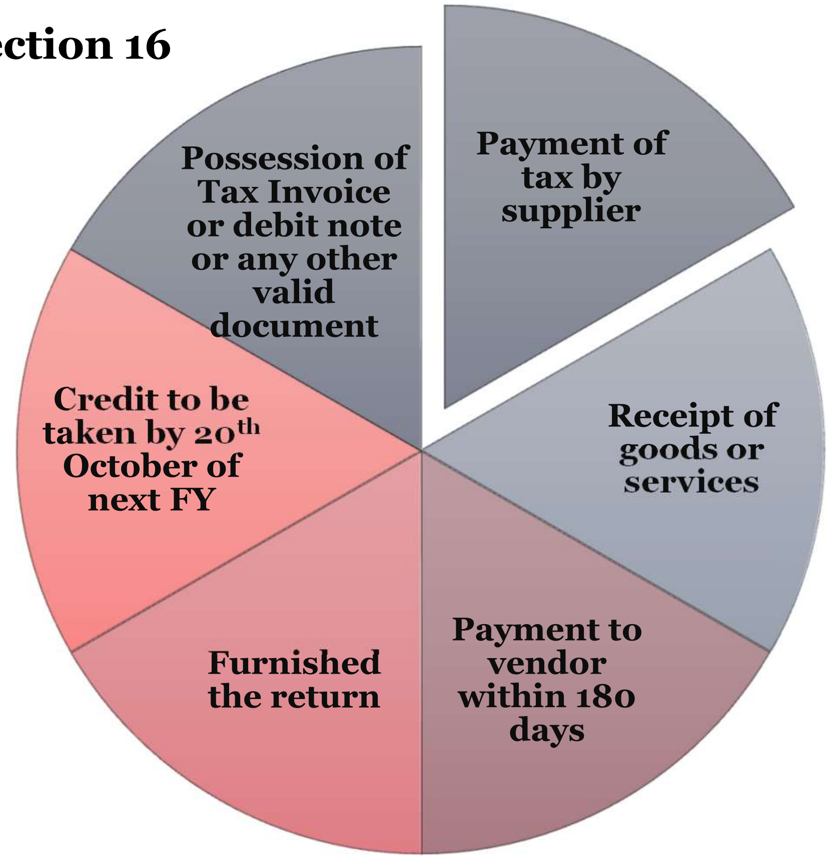
- Invoice issued timely along with all particulars
- Return filing and tax payment
- Revise PO Terms
- GSTR 2B ??

Question 2

Departmental notices for difference between GSTR-2A and GSTR-3B – Whether reversal of ITC required

Legal Background

Section 16



Section 16(2)(c)

- subject to the **provisions of section 41 / 43A**,
- the **tax** charged in respect of such supply
- has been actually **paid** to the Government,
- either in **cash** or through utilization of **input tax credit** admissible in respect of the said supply

Is Reconciliation legally required?

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Section 41

Every registered person to **provisionally** take the credit of eligible input tax, as **self-assessed**, in his return which shall be credited in his electronic credit ledger.

Section 42(3) – Matching, reversal and reclaim of ITC

The provisions related to **matching, reversal and reclaim of Input Tax credit**. Section 42(3) of the CGST Act states that where the input tax credit claimed by a recipient in respect of an inward supply is in excess of the tax declared by the supplier for the same supply or the outward supply is not declared by the supplier in his valid returns, **the discrepancy shall be communicated to both such persons in such manner as may be prescribed.**

Section 42(5)

The amount in respect of which any discrepancy is communicated under sub-section (3) and which is not rectified by the supplier in his valid return for the month in which discrepancy is communicated shall be **added to the output tax liability of the recipient, in such manner as may be prescribed, in his return for the month succeeding the month in which the discrepancy is communicated.**

Is Reconciliation legally required?

Rule 69 – Matching of ITC

Prescribes **details** relating to the claim of input tax credit on inward supplies including imports, provisionally allowed under section 41, **shall be matched** under section 42 after the due date for furnishing the return in FORM GSTR-3.

Rule 71

It states that any **discrepancy** in the claim of input tax credit in respect of any tax period, specified in sub-section (3) of section 42 and the details of output tax liable to be added under sub-section (5) of the said section on account of continuation of such discrepancy, shall be made available to the recipient making such claim electronically in **FORM GST MIS-1** and to the supplier electronically in **FORM GST MIS-2** through the common portal on or before the last date of the month in which the matching has been carried out.

On perusal of the aforesaid provisions, it can be said that there is a specific mechanism for reversing the credit in case of the discrepancy in the ITC availed by the recipient against the output liability of the supplier. However, the mechanism has been kept in abeyance due to some technical glitches in the GSTN System.

- ***Condition laid down under Section 16(2)(c) is subject to the provisions of Section 41 read with Rules 69 and 71***
- ***ITC reversal mechanism as laid down in Section 41 read with Rules is kept in abeyance***

Possible Contentions

- Section 16(2)(c) is **arbitrary** as it doesn’t differentiate between tax evaders and bonafide taxpayers
- **Bonafide** recipient should not be penalized for non-payment of tax by supplier
- ***Lex non cognit ad impossiblia:*** The law cannot compel the doing of impossibilities
- **No mechanism** to verify whether supplier has actually paid tax to the Government

Validity of Section 16(2)(c)

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Section 16(2)(c) of the CGST Act reads as under:
Section 16(2) Notwithstanding anything contained in this section, no registered person shall be entitled to the credit of any input tax in respect of any supply of goods or services or both to him unless,—

(c) subject to the provisions of section 41 or section 43A, the tax charged in respect of such supply has been actually paid to the Government, either in cash or through utilisation of input tax credit admissible in respect of the said supply;

Uninterrupted credit flow- Pivotal feature of GST scheme

Restrictions on availing ITC should be avoided unless absolutely necessary

Section 16(2)(c) may result in denial of credit to bona-fide purchaser because of failure/error on part of the supplier

Existing scheme does not provide any mechanism to purchaser to validate if supplier has deposited tax to Government

Question 3

Impact of recent amendment in Section 16(2) i.e., introduction of a new condition

Background

The department officials were consistently issuing **notices** to the taxpayers for the differences between the input tax credit availed in GSTR-3B and the input tax credit reflecting in GSTR-2A and was asking for reversal of the input tax credit not covered in GSTR-2A

Following these notices, the taxpayers had **challenged** such actions of the department on the basis that these actions lack statutory powers under the GST statute

Issues relating to excess/fake ITC were discussed at length in 39th GST Council Meeting

Amendment proposed by Finance Act, 2021

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Insertion of Section 16(2)(aa) [Provision yet to be enforced]

(aa) the details of the invoice or debit note referred to in clause (a) ***has been furnished*** *by the supplier in the statement of outward supplies and such details have been communicated to the recipient of such invoice or debit note in the manner* ***specified under section 37****;*

Through this amendment, it has been expressly provided that the input tax credit must be reflected in GSTR-2A for the availment of input tax credit by the recipient

Points to ponder

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- Impact of amendment on past disputes?
- Whether Section 16(2)(aa) can be challenged?
- What taxpayers should do?

Question 4

Implications of non-payments to vendors including retention money

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Reversal of ITC owing to ‘failure of payment’ within stipulated time period

According to 2nd proviso to Section 16(2)(d) of Central Goods and Service Tax Act,2017 –
Where a recipient fails to pay to the supplier of goods or services or both, other than the supplies on which tax is payable on reverse charge basis, the amount towards the value of supply and along with tax payable thereon **within a period of one hundred and eighty days from the date of issue if invoice** by the supplier, an amount equal to the input tax credit availed by the recipient shall be added to his output tax liability, along with interest thereon.

(Supplier)

Goods or services supplied to customer

Recipient fails to pay to the supplier of goods or services within 180 days

(Customer)

<u>The Amount equal to the input tax credit availed by the recipient shall be added to his output tax liability, along with interest thereon.</u>

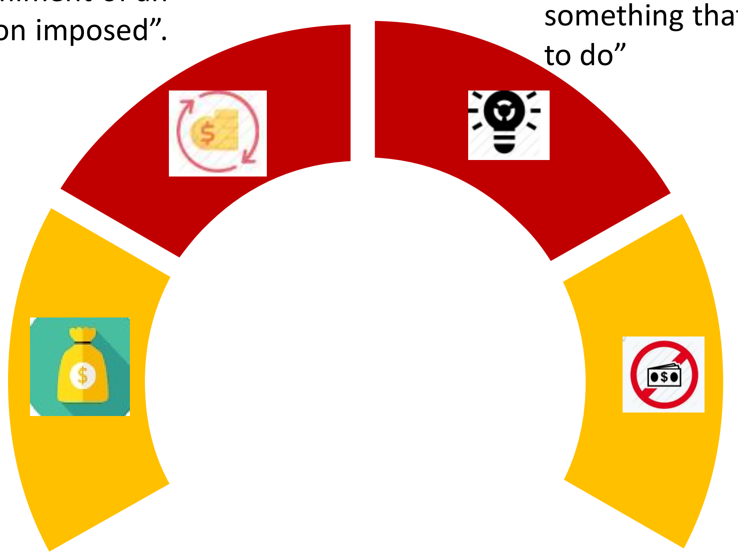
Meaning of Non – Payment or failure to pay

Royal Calcutta Turf Club Vs. Wealth Tax Officer

The word Failure means "Non-fulfilment of an obligation imposed".

Kavungal Kooppakkattu Zeenath Vs. Mundakkattu Sulfiker Ali

"Failure means not doing something that one is expected to do"



Ram Kishore Vs. Bimla Devi and Ors.

The word fails cannot connote the meaning of voluntary refusal. These words do not give a discretion or right to the person

Thattessara Subbaraya Vs. Chinne Gowda &Ors.

"Failure means the there is an omission on the part of the person to do something which it is possible for him to do

In ***Malaysian Airlines Vs. Union of India*** – Failure to pay means non-payment, which means failure to pay when due. In the said case, there is a penalty imposed if amount of foreign travel tax collected is not paid to the government, within **fifteen days** from the date of collection. It was held that failure to pay within this prescribed time frame would mean non-payment or failure to pay. If any persons fails to pay within the statutory period, then such person is well within the sweep of the words **"failure to pay"**

Once the statutory period is over and breach in payment of tax is committed, then it is immaterial when the defaulter in future is making the payment. Applying the said judgement, second proviso of section 16(2) of the CGST Act should only trigger **when payment is due.**

Retention Money

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Retention Money

It is amount held back from a payment made to be made to the supplier. It is generally held to ensure that supplier performs all of its obligations under the contract and the amount is released either on practical completion or after the end of defects notification period.

GST Implication on Retention Money?

Reversal u/s 16(2)

- Where a recipient fails to pay to the supplier the amount towards the value of supply of goods or services along with the tax payable thereon within a period of 180 days, such amount shall be added to output tax liability.
- Shall reversal under above section required to be done for consideration retained by recipient?

Question 5

Input tax credit on CSR expenses

Question 6

ITC on construction of immovable property

Works Contract and Construction Services

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Blocked Credit

- Section 17(5)(c) – Works Contract Services when supplied for construction of immovable property except where it is an input service for further supply of works contract service
- Section 17(5)(d) – Goods or services or both received by taxable person for construction of immovable property on his own account

ITC Availability?

- Civil Work
- Plant and Machinery
- Equipment
- Foundation or Structural Support
- Architect Services
- DG Sets
- Fire fighting equipments
- Furniture
- Electrical equipment

HC's order on availability of ITC on construction services which subsequently let out

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Safari Retreats Pvt. Ltd. vs. Chief Commissioner of CGST 2019-VIL-223-ORI

Issue:

Availment of input tax credit on construction services of shopping mall which is bared under section 17(5)(d) of CGST Act 2017.

Decision:

- In that view, of the matter, in our considered opinion the provision of Section 17(5)(d) is to be read down and the narrow restriction as imposed, reading of the provision by the Department, is not required to be accepted,
- If the assessee is required to pay GST on the rental income arising out of the investment on which he has paid GST, it is required to have the input credit on the GST
- SLP filed against the said order and pending in Supreme Court

ITC not available for construction rented out

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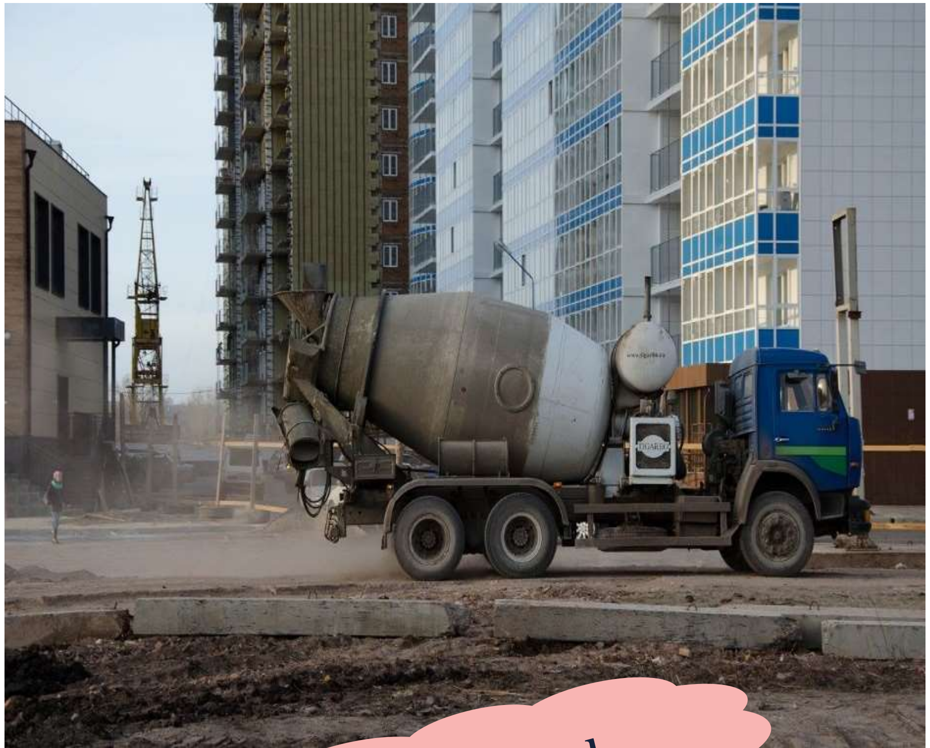
M/s Tarun Realtors Private Limited – Karnataka AAAR

A general understanding of the items such as Lift, Escalator, Travellator, Water treatment Plant, Sewage Treatment Plant, HSD yard, Mechanical Car Park, DG Set and, Transformers, mentioned in the appellant's application, is that they are fixed to the earth either by a foundation or with structural support and they qualify to be considered as "Plant and machinery". However since they are used for construction of shopping mall which is to be rented out, the credit shall not be available. we hold that Chiller, Air Handling Unit, Indoor/Outdoor Surveillance System (CCTV), electrical wiring and fixtures, Public Health Engineering (PHE), Fire-fighting and water management pump system do not qualify as plant or machinery but are items which are procured for the purpose of construction of the immovable property.



M/s Indag Rubber Limited Rajasthan AAR

Case Study – Availability of Input tax Credit ?

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Whether ITC will be available on Office fixture ?

Is ITC available on furniture ?

ITC on air conditioner ?

ITC on sanitary fittings on its newly constructed building ?

- **M/s Bahl Paper Mills AAR.**
  Sanitory Fitting – Not allowed
  Air conditioner – Allowed
- **M/s Nipro India - AAR.**
  Overhead crane, sewerage system and other electrical work – allowed
- **NMDC**
  Lightening system – Not allowed

Question 7

Reversal of Credit due to issuance of completion certificate

ITC Reversal on CC/OC

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1. Reversal of Input Tax charged under GST
2. Reversal of CENVAT Credit availed under service Tax
3. Reversal of unutilized CENVAT, carried forward under GST (Transitional ITC)

ITC Reversal on CC/OC

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1 **Reversal of ITC Availed under GST**

- Exempt supply includes Sale of Land; and Sale of building (after completion certificate or First occupancy.
- Reversal is to be done on the basis of *carpet Area*.

Calculation- Project wise or GSTIN wise ?

- For calculating proportionate common credit on exempt portion {C2 × (E÷F)}-
  E = Carpet Area of :
    a. Apartments the construction of which is exempt.
    b. Apartments remaining unsold on the date of completion certificate
  F = Aggregate Carpet area of the project
- Reversal is to be calculated finally, from commencement or 1st July 2017, till the date of completion certificate.

ITC Reversal on CC/OC

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2 **Reversal of CENVAT Credit availed under service Tax ??**

CENVAT Credit rules on Reversal??

Jurisprudence

- *CCE, Pune v. Dai-Ichi Karkaria Ltd. 1999 (112) E.L.T. 353(S.C.)*
- *H.M.T. V. CCE, Panchkula 2008 (232) ELT 217 (Tri-LB) affirmed by the P&H HC in CCE, Panchkula v. HMT Ltd 2010 TIOL 316 HC P&H.*
- *Hindustan Zinc Ltd. V. UOI 2008 (223) ELT 149 (Raj)*
- *CCE & Cus, Cochini v. Premier Tyres Ltd 2008 (223) ELT 149 (Raj)*

CESTAT

- *M/s Alembic Ltd 2018-CESTATAT-AHM-ST and*
- *M/s Shreno Limited Vs C.C.E & ST*
- *Prajapati Developers vs CCT -CESTAT-Hyd*

3 **Reversal of Transitional ITC ?**

Reversal of Cenvat Credit and ITC : OC/CC

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S.No	Description	Amount in crores
1	Total Cost of construction of the project	100
2	Service Tax Cenvat Credit availed in Pre-GST Regime	10
3	ITC (GST) availed from 1.07.2017 to 31.03.2019	3
4	Date of OC	31.3.2019
5	Area unsold on date of OC	33%
Reversals		
6	Cenvat Credit to be reversed	0
7	ITC (GST) to be reversed on receipt of OC	3*33% = 1

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Question 8

Reversal of Credit in case of Impairment of Asset due to COVID-19

?

Goods destroyed during manufacturing process

Goods destroyed

Destroy means ruining the structure, its organic existence or condition

Partially destroyed

Sold as scrap

ITC ?

Fully destroyed

Cannot be sold as scrap

ITC ?

<u>As per Section 17(5)(h) of the CGST Act</u>

If goods are lost, stolen, **destroyed**, written off or disposed of by way of gift or free samples, input tax credit claimed on such goods is required to be reversed.

ITC REVERSAL ON ACCOUNT OF IMPAIRMENT OF ASSETS OWING TO COVID-19..??

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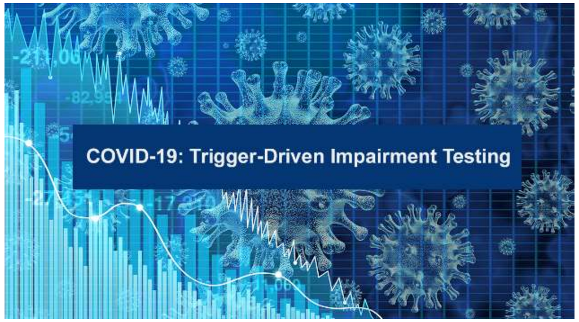

Owing to COVID-19 outbreak, there have been number of indicators for impairing assets triggering testing of the assets for impairment. Thereby, most of the companies shall be required to impair their assets as per the relevant Accounting Standards.

Impact of GST in case of impairment as per the CGST Act,2017

Schedule I – Permanent transfer or disposal of business assets where input tax credit has been availed on such assets will be treated as supply.

Dispose off means to get rid of something

Disposal of assets = Impairment of assets ?

ITC REVERSAL ON ACCOUNT OF IMPAIRMENT OF ASSETS OWING TO COVID-19..??

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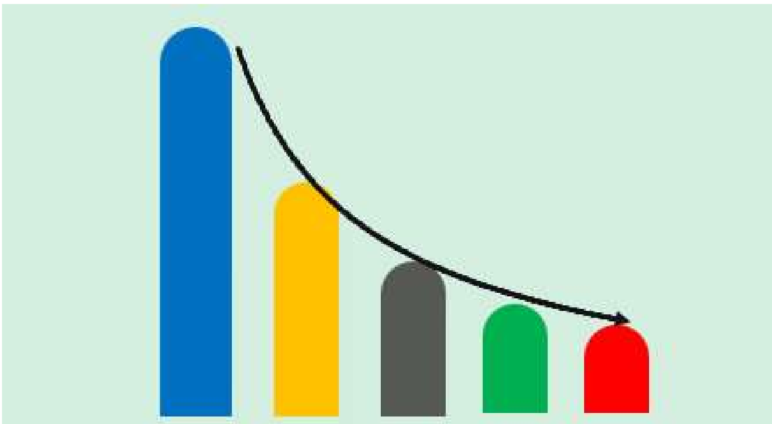
Section 17(5)(h) says if goods are lost, stolen, destroyed, written off or disposed off by way of gift or free samples, input tax credit claimed in respect of such goods is required to be reversed.

Write off means reduction of the recognized value of something

Impairment of assets = Writing off assets ?

GST..???



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Question 9

ISD vs Cross charge

?

Definition

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Section 2 (61) of CGST Act, 2017

ISD

(i) An office of the supplier of goods or services or both.

(ii) The said office receives tax invoices towards the receipt of input services.

(iii) The said office distributes the credit of GST paid on the said services to the supplier having the same PAN as that of the office.

(iv) The said office issues tax invoice or other prescribed document for the purpose of distribution of credit.

Manner of Distribution of Credit by ISD

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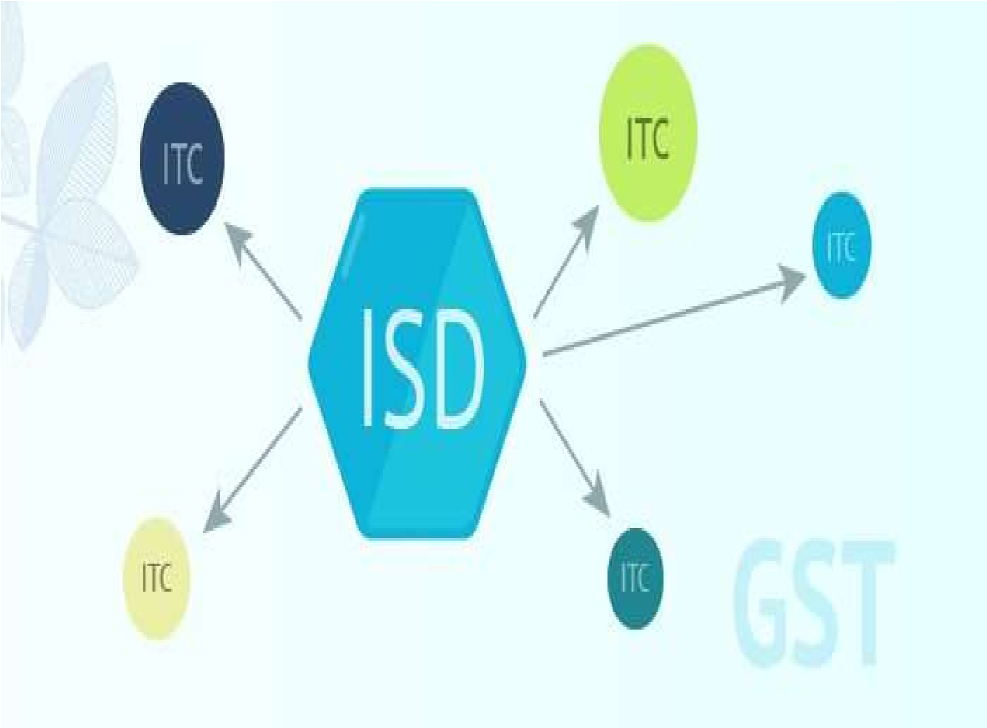
Section 20(1)

The Input Service Distributor shall distribute the credit of central tax as central tax or integrated tax and integrated tax as integrated tax or central tax, by way of issue of a document containing the amount of input tax credit being distributed in such manner as may be prescribed. i.e.

CGST as CGST or IGST

&

IGST as IGST or CGST



Conditions for Distribution of Credit

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Section 20(2) of CGST Act, 2017

The Input Service Distributor may distribute the credit subject to the following conditions, namely:–

(a)The credit can be distributed to the recipients of credit against a document containing such details as may be prescribed;

(b) The amount of the credit distributed shall not exceed the amount of credit available for distribution;

(c) the credit of tax paid on input services attributable to a recipient of credit, shall be distributed only to that recipient;

(d) the credit on input service is attributable to more than one recipient, credit is to be distributed among the recipients on pro rata basis of the turnover of such recipients in their state during the relevant period to the aggregate of the turnover of all such recipients as applicable

(e) the credit on input service is attributable to all recipients, credit is to be distributed among the recipients on pro rata basis of the turnover of such recipients in their state during the relevant period to the aggregate of the turnover of all such recipients as applicable

Cross Charge, Trade Mark, Corporate Guarantee and Business support structure

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As per Section7 of CGST Act, Supply can be of 2 types:

- Without consideration (As per Schedule I)
- With Consideration

Related Party

Section 15 of CGST Act,2017 specifically provides situations where a person shall be deemed to be a related party. Any transactions among them shall be treated as 'Supply' only if it is in the course or furtherance of business. Exception has been given where value of gift by employer to employee doesn't exceed 50000.

Distinct person

As per section 25(4), a person who has obtained or is required to obtain more than one registration, whether in one or more state or Union territory shall, in respect of each such registration, be treated as distinct persons. Thus, branches of an entity registered under GST in more than one state shall be treated as distinct persons.

TRANSACTIONS

- Trademark
- Corporate Guarantee
- Business Support Structure
- Cross Charge

Requirement of cross charging in case of halt in business operations

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Supply of goods or services or both between related persons or between distinct persons as specified in section 25, when made in the course or furtherance of business

Concept of distinct Persons:

Case 1: Supply between 2 different GSTN located in one or more states or union territories.

XYZ, Delhi
GSTN - 1

XYZ, Gujarat
GSTN - 2

XYZ H.O. Delhi

XYZ, Project office in U.P.

Case 2: Supply between Establishments of one person located in two or more states.

Since one registration is to be considered as distinct person from other registration, company shall treat the registration supplying services as normal vendor of the recipient. **In case company is not paying its vendor anything because of force majeure clause, the same shall apply to different registration of company as well and no requirement of cross charge shall arise.**

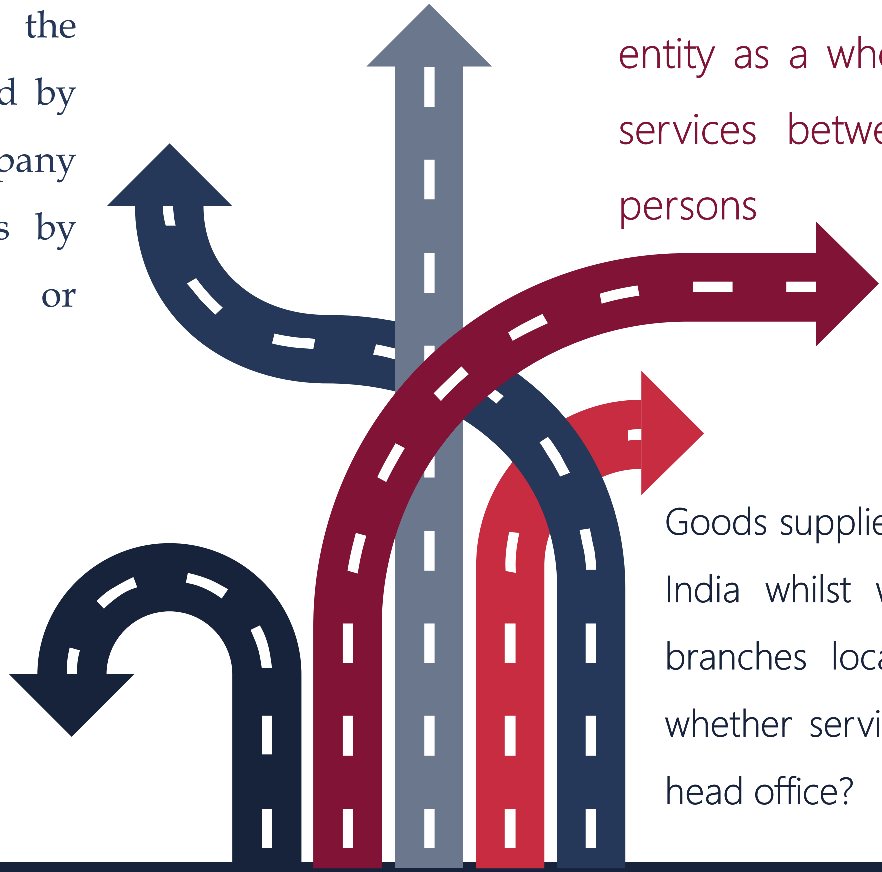
Supplies between Related/Distinct persons

<u>Common Trademark (E.g. TATA, Reliance)</u>

Whether trademark registered in the name of holding company and used by various subsidiary or associate company be regarded as supply of services by holding company to subsidiary or associate company?

<u>Common Infrastructure</u>

It basically includes sharing of infrastructure/resources with the other party. Example: Accounting for all the branches being done at HO etc.



<u>Common Management</u>

Executives and management working for the entity as a whole be considered as provision of services between two related persons/distinct persons

<u>After sale services provided by branches</u>

Goods supplied by the head office to customers across India whilst warranty services are provided by the branches located in respective states. In this case, whether services have been supplied by branches to head office?

Relevant Case Laws

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M/s Columbia Asia Hospitals Pvt. Ltd. (Karnataka AAAR)

2018-VIL-30-AAAR

- The AAAR has ruled that: “The India Management Office (IMO) of the Appellant is providing a service to its other distinct units by way of carrying out activities such as accounting, administrative work, etc. with the use of the services of the employees working in the IMO, the outcome of which benefits all the other units and such activity is to be treated as a taxable supply in terms of the entry 2 of Schedule I read with Section 7 of the CGST Act.”

M/s OLAM AGRO INDIA LTD.

2018-VIL-526-CESTAT-DEL-ST

- The CESTAT, Delhi held that the nature of corporate guarantee as well as of bank guarantee is one and the same for facilitating lending facilities. The commission in respect of Corporate guarantee paid by the applicant to its parent company shall be treated as ‘Business Auxiliary Service’ under the Finance Act, 1994 and therefore, such commission shall be chargeable to Service Tax. Based on above, it is also chargeable to GST under the current GST regime.

M/s KAIL LTD.

2016-VIL-61-SC

- The Supreme Court held that brand name has no relevance when the products are manufactured and sold in bulk by the holding company to its subsidiary company for marketing. However, the brand name assumes significance only when goods are marketed with publicity. Also, the appellant company is a subsidiary and/or a group company of M/s Videocon International Ltd and hence, is also allowed to use the brand name – however, when a product is marketed under the brand name, it is entitled to assume that the sale is by the holder of the brand name or by a person, who is entitled to use the brand name. So in this case, the parent company shall be deemed to the first seller under brand and usage of brand by the subsidiary will invoke supply.

Sterlite Industries India Ltd.

2019-VIL-194-CESTAT-CHE-ST

The CESTAT, Chennai held that corporate guarantee is not same as bank guarantee since corporate guarantee is an in-house guarantee issued to safeguard financial health of associate enterprises. The Corporate guarantee commission paid by the applicant to its parent company doesn’t come within the fold of section 65(12) of the Finance Act, 1994 and therefore, such commission shall be not chargeable to Service Tax under “Banking and other financial services”.

Emerging Issue - Cross Charge vs ISD

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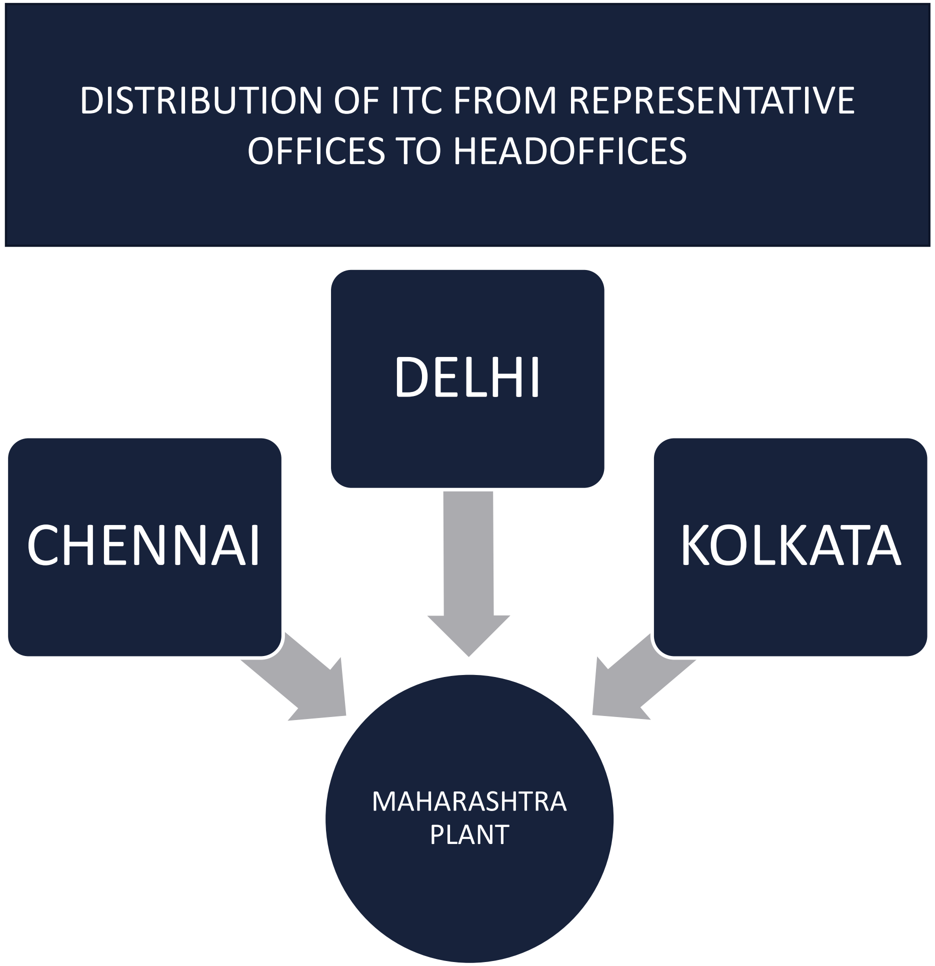
As per Section 7(1)(c) & section 25 of CGST Act, any supply among distinct persons is considered as GST supply if made in course of business. This concept is often denoted by the concept of "Cross Charge".

Example :

- **ABC India has a plant at Maharashtra, and representative offices at Delhi, Chennai and Kolkata which are only engaged in marketing activities. All supplies are being done directly from Plant at Maharashtra to customers across India.**
- **In this case, Input tax credit of CGST & SGST in respect of services obtained at local offices at Delhi, Chennai and Kolkata shall be accumulated in their respective GSTINs leading to blockage of ITC. Thus, by adopting cross charge mechanism, such offices can raise invoices on their plant at Maharashtra in respect of providing business support services and consequently, accumulated ITC at these offices will be rightfully and efficiently utilised.**



THANK YOU

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