CoralMetrix

Issue 15

Crack the Code

March 2026

An E-Newsletter from CoralMetrix

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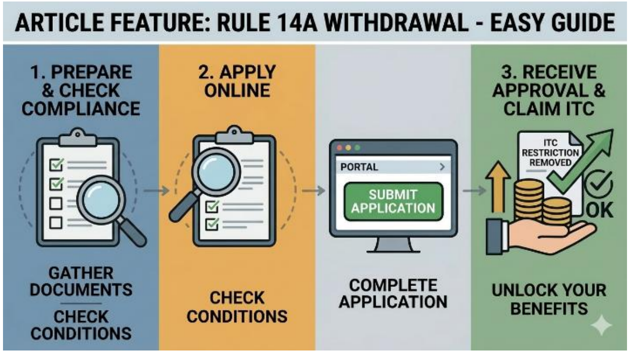
Crack the Code



Facility for Withdrawal from Rule 14A:-.

1. What is the new facility introduced by GSTN?

GSTN has enabled an online facility for eligible taxpayers to withdraw from registration obtained under Rule 14A by filing Form GST REG-32 through the GST portal.

2. Who is eligible to apply for withdrawal?

Only the following taxpayers can apply:

- Active GST registered taxpayers
- Taxpayers registered under Rule 14A
- Those who wish to opt out of the Rule 14A registration mechanism

The option will be available only if the taxpayer is currently registered under this rule.

3. How can taxpayers apply for withdrawal on the GST portal?

Taxpayers can submit the application by navigating as follows:

Login → Services → Registration → Application for Withdrawal from Rule 14A

Key steps:

- The field "Option for registration under Rule 14A" will be pre-selected as "No".
- Taxpayers must provide the reason for withdrawal.
- Aadhaar authentication must be completed for:
  - Primary Authorised Signatory, and
  - One Promoter / Partner (where applicable).

4. What are the pre-conditions before filing Form GST REG-32?

The taxpayer must have filed the required GST returns:

If application is filed before 1 April 2026

- Minimum three months of returns must be filed

If application is filed on or after 1 April 2026

Minimum one tax period return must be filed

In addition:

- All returns from the effective date of registration until the date of application must be filed.

5. Is Aadhaar authentication mandatory?

Yes. Aadhaar authentication is compulsory before ARN generation.

Based on GSTN risk analysis, the authentication may be:

- OTP-based Aadhaar authentication, or
- Biometric Aadhaar authentication

Authentication is required for:

- Primary Authorised Signatory (mandatory)
- At least one Promoter/Partner

The Application Reference Number (ARN) will be generated only after successful authentication.

6. What are the timelines for completing the application process?

Taxpayers must adhere to the following timelines:

- Draft application must be submitted within 15 days of creation.
- Aadhaar/Biometric authentication must be completed within 15 days after submission.
- If authentication is not completed within the prescribed time, ARN will not be generated and the application will lapse.

7. Are there any restrictions while the application is under processing?

Yes. Once Form GST REG-32 is submitted and pending approval, the taxpayer cannot file:

- Core amendment of registration
- Non-core amendment
- Application for GST cancellation

8. What happens after approval of the withdrawal request?

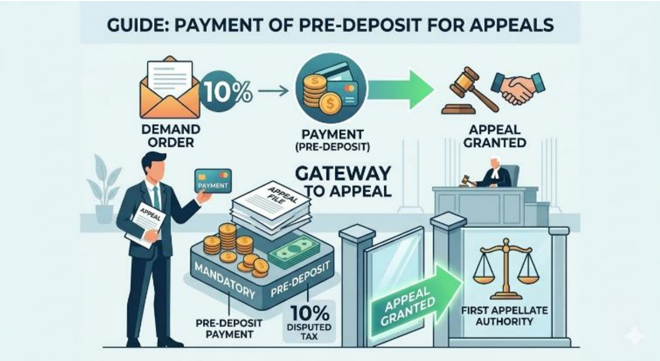
If the proper officer approves the request, an order will be issued in Form GST REG 33.

After approval:

- The taxpayer can furnish details of supplies made to registered persons where the output tax liability exceeds ₹2.5 lakh.
- This reporting will apply from the first day of the month succeeding the month in which the order is issued.

CA SUJATHA G
GST

Advisory on the Payment of pre-deposit while filing of appeal before First Appellate authority:



Taxpayers are advised to take note of the following procedural aspect while filing appeals where voluntary payments were made during investigation.

Key Points

- Taxpayers often make voluntary payments during investigation using Form GST DRC 03. However, while filing an appeal against the demand order, the GST portal may still require payment of the mandatory pre-deposit.
- When a demand order such as Form GST DRC 07 is issued, a Demand ID is created in Part II of the Electronic Liability Register on the GST portal.
- Payments made through the "Payment towards Demand" functionality are automatically adjusted against the relevant Demand ID in the Electronic Liability Register.
- In contrast, payments made through Form GST DRC-03 are not automatically linked to any Demand ID, and therefore do not appear as adjusted against the demand in the liability register.
- While filing an appeal, the GST system automatically calculates the amount payable (admitted liability + statutory pre-deposit) and checks whether any payment has already been made against the Demand ID.
- If the amount already paid against the Demand ID is equal to or more than the required amount, the portal allows filing of the appeal without further payment.
- If the amount paid is less than the required amount, the portal will require the taxpayer to pay the balance pre-deposit before the appeal can be filed.

Important Compliance Step

- To ensure that payments made through Form GST DRC-03 are recognized against a demand order, taxpayers must link such payments with the respective Demand ID by filing Form GST DRC 03A.
- Filing Form GST DRC-03A maps the voluntary payment to the corresponding demand order, and the adjustment will then be reflected in the Electronic Liability Register.

Practical Note

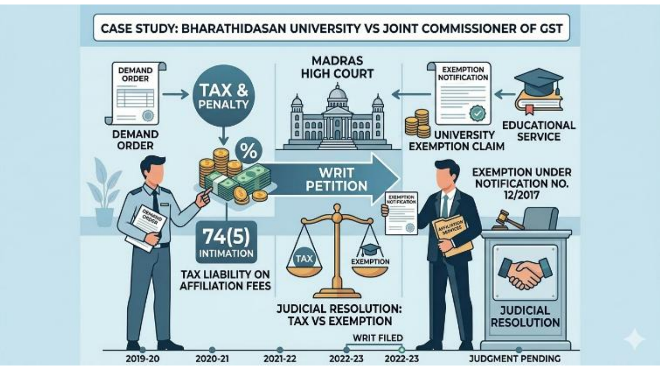
- Taxpayers intending to file an appeal should first file Form GST DRC-03A to link DRC-03 payments with the relevant Demand ID, so that the GST system correctly considers the payment while calculating the mandatory pre-deposit.

CA SUJATHA G
GST

Court Room Series

BHARATHIDASAN UNIVERSITY Versus JOINT COMMISSIONER OF GST (ST-INTELLIGENCE), TIRUCHIRAPPALI W.P

IN THE HIGH COURT OF JUDICATURE AT MADRAS [MADURAI BENCH] `



DR. G. JAYACHANDRAN AND K.K. RAMAKRISHNAN, JJ.

Facts of the Case

- Bharathidasan University, an affiliating university, collected affiliation fees from colleges seeking recognition to run courses under the university.
- The GST authorities conducted an inspection and investigation and issued intimations of tax liability under Section 74(5) of the GST law for the period 2019–20 to 2022–23.
- The department alleged that affiliation fees collected by the university are taxable under GST, along with interest and penalty.
- The university challenged the notices by filing writ petitions before the Madras High Court claiming exemption under Notification No. 12/2017-Central Tax (Rate).
- The key dispute was whether affiliation services provided by universities to colleges qualify for exemption as services relating to admission or conduct of examinations.

Issues:

The principal legal issue before the Court was:

Whether affiliation fees collected by a university from affiliated colleges are exempt from GST as “services relating to admission to or conduct of examination” under Notification No. 12/2017., entry 66, (b)(iv)

Arguments of the Petitioner:

The university advanced the following arguments:

(a) Affiliation is integral to education

- Colleges cannot admit students or conduct examinations without obtaining affiliation from the university. Therefore, affiliation is closely connected to the admission and examination process.

(b) Broad interpretation of exemption

- The exemption under Notification No. 12/2017 for services relating to admission or conduct of examinations should be interpreted purposively and broadly.

(c) Educational ecosystem approach

- Universities and colleges together form the educational framework, and exemption should extend to services facilitating the education system.

(d) Reliance on precedent

- The university relied on earlier judicial views which held that affiliation services are part of educational functions.

Arguments of the Revenue

The department contended:

(a) Affiliation is a separate regulatory activity

- Affiliation is only a regulatory approval mechanism verifying infrastructure, faculty, and compliance standards of colleges.

(b) Not a service to students

- The service is provided to colleges, not to students.

(c) Not related to admission or examination

- Admission of students and conduct of examination happen only after affiliation is granted.
- Therefore, affiliation services are prior to and independent of these activities.

(d) Strict interpretation of exemptions

- Exemption notifications in taxation must be interpreted strictly, and unless explicitly covered, the benefit cannot be extended.

Court's Interpretation

The Division Bench of the Madras High Court examined the issue in detail.

(a) Nature of affiliation services

The Court observed:

- Affiliation is a pre-condition for colleges to operate courses.
- It ensures that colleges meet minimum infrastructure, faculty, and regulatory requirements.

(b) Interpretation of exemption notification

The Court interpreted Notification No. 12/2017 and concluded:

- Exemption applies only to:

  services by educational institutions to students, or

  services relating to admission or conduct of examinations.

- The exemption does not extend to all services provided by educational institutions.

(c) Timing and nature of service

The Court emphasized:

- Affiliation services occur before admission of students.
- Admission and examination processes start only after affiliation is granted.

Hence:

- Affiliation cannot be considered a service relating to admission or examinations.

(d) Strict interpretation of tax exemptions

The Court reiterated the settled principle:

- Exemption notifications must be strictly interpreted.
- Courts cannot expand the scope of exemption beyond the clear language of the notification.

(e) Government clarification

- The Court also noted government clarification stating that affiliation services are taxable, which supported the department's view.

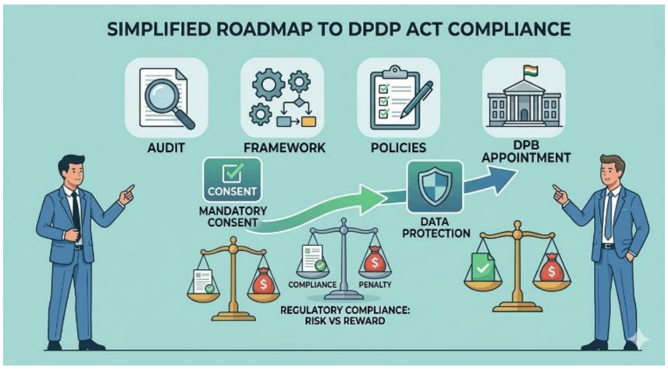
Judgment

The Madras High Court held:

- Affiliation services provided by universities to colleges do not fall within the exemption under Notification No. 12/2017.
- Such services are independent of admission of students or conduct of examinations. Therefore, affiliation fees collected by universities are liable to GST.

CA SUJATHA G
GST

Legal Series:
Road Map to Implementation of DPDP Act 2023



To better understand any topic of discussion, all the 5 questions must be asked, answered and understood – What, Why, When, Where, How.

Over the last two sections/segments, we had briefly discussed about

- What DPDP Act, 2020 is about
- Why it is necessary and has come into place
- When it is enforced

Where is it going to be enforced?

As the name of the act suggests, it is applicable to all sectors where personal data is involved, processed and stored: From Banking to e-Commerce; from Travel websites/applications to Social Networking websites, from Registered Societies, NGO to any department of Central and State Government (including their statutory bodies)

Where there is a need for personal data to be processed digitally, DPDP act comes into place by default. However, it must be kept in mind that the data be processed for only lawful purposes (Sec 4):

1. For which the Data Principal has given consent, for example, consent to use the address for purpose of delivery in e-Commerce website
2. For certain legitimate purposes, for example, the banks, by means of statutory consent to share the data with the IT department

Who needs to be prepared for the applicability of the act?

All the five key Role players must be prepared to fulfil their responsibilities that the act has laid down.

- **Data Principal**
- **Data Fiduciary**
- **Consent Manager**
- **Data Processor**
- **Data Protection Board**

However, in any scenario, a person/individual can play only one role. It is not possible to play more than one role simultaneously in each specific situation.

So, how is the act going to be implemented at one's end?

The first step towards the implementation of DPDP Act is to "Identify our role"

Step 1: Identify our role

Suppose an individual A1 works in organization O1, who handles the KYC processing of the customers. Here, A1 verifies and processes to store the personal data of the customers on behalf of O1, who indeed stores the data. In this scenario, the role of O1 is only Data Fiduciary and A1 is only a Data Processor. [In any case, A1's KYC data cannot be handled by himself]. Hence two simultaneous roles are not possible to be played at any situation.

After the identification of the role, the responsibilities that come along with the role must be fulfilled. Some of the key responsibilities of each role Player are listed below.

Data Principal (Section 15)

- Must comply with all the applicable laws and its provisions, while exercising the given rights
- Must ensure not to impersonate another person to provide personal data
- Must ensure not to suppress/withhold any material information and provide only authentic information while providing the personal data
- Ensure no false or frivolous grievance/complaint are registered with the Data Fiduciary or Board

Data Fiduciary (Section 4-9)

- **May process the personal data of Data Principal**
  only for which the consent is provided
  for legitimate purposes such as sharing with **the State and its instrumentalities to provide subsidy, benefit, service, certificate, etc.**
- Must obtain consent in a free, specific, informed, unconditional and unambiguous manner
- Must process the withdrawal of consent process in the same manner

- Must take reasonable measures to prevent data breach.
- Must erase personal data once the consent is withdrawn and/or retention period is over
- Must obtain consent from the parent/lawful guardian before the personal data of child or person with disability is processed
- Must address Grievances appropriately

Consent Manager (Rules, First Schedule, Part B)

Enable Data Principal to use its platform directly to give consent to the processing of data directly to the **Data Fiduciary or through another Data Fiduciary**

- Must maintain the records of consents given, denied, withdrawn in their platform
- Must maintain the records for atleast seven years or for longer period as agreed upon by Data Principal and Fiduciary
- Must not sub-contract or assign the performance of its duties
- Must take reasonable security safeguards to prevent data breach
- Must have in place effective audit mechanisms

Data Processor (Section 2(k), 6(6))

Only process personal data on behalf of and under the instructions of the Data Fiduciary

Data Protection Board (Section 27)

- Must direct urgent, remedial or mitigation measure on receipt of an intimation of Personal Data breach
- Must act to the complaint made by Data Principal over a data breach by Data Fiduciary or Consent Manager
- Must conduct enquiry and impose penalty in case of personal data breach

The next step is **Data Mapping**

Step 2: Data Mapping: Segregation and Organization of Data at Fiduciary's end

Data is useful. However, not all data is always useful. And all data is not required in current time; some data would be obsolete. Hence it becomes a pivotal to segregate the data and categorize them as per the requirements/prerequisites

For instance,

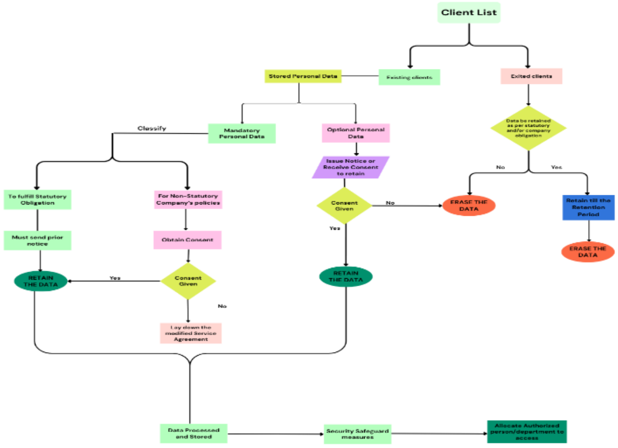
- Clients can be categorized as Existing and Exited

Personal data are categorized into Mandatory and Optional

- Not all Mandatory Personal data collected by us may or may not serve Statutory Obligation
- With respect to the consent provided, the service type gets modified according to the Service requirements of the Company

Hence the segregation of the data and their organization become an integral step in the implementation of the Act.

Please refer to the figure below to have a better understanding of simple process of Data Mapping



At the end of the day, one must remember every personal data handled and processed must pass Three-fold test:

1. Necessity
2. Proportionality
3. Legitimate aim

If all the above three criteria are met, then it means sufficient efforts are taken on our part to ensure our accountability and operational measures, which is the primary aim of DPDP Act, 2020

Adv.Meenakshi G

Financial Year-End Guide: Key Things to Consider While Closing Books of Accounts

Closing the books of accounts at the end of the financial year is a critical process for every business. It ensures that financial records accurately reflect the company's performance and financial position. Proper closing of books not only helps in preparing reliable financial statements but also ensures compliance with tax laws and regulatory requirements.

Whether you are a small business owner, startup founder, or finance professional, following a structured approach while closing the books can prevent costly errors and ensure smooth audits and tax filings.

Below are the key aspects businesses should consider while closing their books of accounts.

Bank Reconciliation

One of the most important steps during year-end closing is reconciling bank accounts.

Businesses must compare the bank balance in their accounting records with the bank statement. Any differences should be identified and corrected. These differences may arise due to:

- Pending cheques
- Bank charges
- Interest credits
- Direct deposits
- Errors in recording transactions

Bank reconciliation ensures that cash balances reported in financial statements are accurate.

Verification of Accounts Receivable

Businesses must review all outstanding receivables from customers.

Key points to check include:

- Long outstanding receivables
- Disputed invoices
- Uncollectible amounts

If there are doubtful receivables, companies should create a provision for doubtful debts to reflect the realistic value of receivables.

Regular review of receivables also improves cash flow management.

Review of Accounts Payable

All liabilities and vendor payments related to the financial year must be properly recorded.

Businesses should verify:

- Unrecorded vendor invoices
- Pending payments
- Advance payments made to suppliers

Recording all payables ensures that expenses are matched correctly with the financial year in which they occurred.

Recording Accruals and Outstanding Expenses

Some expenses may relate to the current financial year but may not have been paid yet.

Examples include:

- Salaries payable
- Rent payable
- Professional fees
- Electricity and utility expenses
- Interest payable

Such expenses must be recorded as accrued liabilities to maintain accurate financial reporting.

Depreciation on Fixed Assets

Depreciation should be calculated for all fixed assets such as:

- Machinery
- Computers
- Furniture
- Vehicles
- Office equipment

Depreciation should be recorded as per the applicable accounting standards and tax regulations.

Proper depreciation accounting ensures that asset values and expenses are correctly reflected in financial statements.

Inventory Verification

Inventory plays a crucial role in determining the cost of goods sold and business profitability.

At the year end, businesses should conduct a physical stock verification and reconcile it with the inventory recorded in books.

Adjustments may be required for:

- Damaged goods
- Obsolete stock
- Shortages or excess stock
- Valuation differences

Accurate inventory valuation is essential for preparing correct financial statements.

GST and Tax Reconciliation

Businesses registered under GST must reconcile their books with GST returns.

Important checks include:

- Matching sales with GSTR-1
- Matching input tax credit with GSTR-2B
- Ensuring GST payable matches the books
- Identifying ineligible input tax credits

Failure to reconcile GST records can lead to tax notices or penalties.

Loan and Interest Reconciliation

All loan balances should be verified with lender statements.

Businesses should ensure:

- Interest expenses are correctly recorded
- Loan balances match lender confirmations
- EMI payments are properly split between principal and interest

This step ensures correct reporting of liabilities and finance costs.

Provision for Expenses

Certain expenses relating to the financial year may not yet be billed but still need to be recognized.

Common provisions include:

- Audit fees
- Employee bonuses
- Income tax payable
- Legal expenses
- Warranty obligations

Recognizing such provisions ensures that financial statements reflect true obligations.

Review of Financial Statements

Before finalizing the books, businesses should review key financial reports including:

- Trial Balance
- Profit & Loss Account
- Balance Sheet
- Cash Flow Statement

This review helps identify unusual transactions, errors, or missing entries.

Final Thoughts

Closing the books of accounts is not just an accounting routine—it is a critical process that supports financial transparency, regulatory compliance, and strategic decision-making.

Businesses that follow proper year-end closing procedures can:

- Avoid tax penalties
- Simplify audits
- Improve financial accuracy
- Make better business decisions

Maintaining organized records and performing regular reconciliations throughout the year makes the closing process far smoother.

CA Chaitanya Kumar
Direct Tax

Beyond Automation: How AI-Driven Analytics and Dashboards Are Redefining Business and Financial Visibility

Over the last decade, businesses have steadily moved toward automation. Routine processes such as invoice generation, expense tracking, and reconciliation are increasingly handled by software rather than manual spreadsheets.

However, automation alone is no longer the end goal.

The real shift happening today is the move from automation to intelligence—where systems not only execute tasks but also generate insights that help management make better decisions.

This is where AI-driven analytics and real-time dashboards are transforming how organizations view and manage their operations.

The Visibility Challenge in Modern Businesses Many organizations still operate with fragmented information spread across multiple systems and spreadsheets.

Finance teams often face challenges such as:

- Delayed financial reporting
- Limited visibility into operational metrics
- Difficulty identifying revenue or cost trends
- Time-consuming manual data consolidation

As a result, management decisions are frequently made based on historical reports rather than real-time insights.

In a fast-moving business environment, this lack of visibility can slow down decision-making and reduce operational efficiency

Moving Beyond Basic Automation

Traditional automation focuses on reducing manual effort. For example:

- Automating invoice processing
- Generating accounting entries automatically
- Scheduling recurring financial reports

While these improvements are valuable, they still leave one critical gap — insight generation.

AI-driven systems take automation a step further by enabling:

- Pattern detection in financial data
- Forecasting revenue and expense trends
- Identifying anomalies or unusual transactions
- Generating predictive insights

Instead of simply processing transactions, modern systems can now analyse and interpret business data.

Financial Visibility: A Strategic Advantage

One of the most important outcomes of AI-driven analytics is improved financial visibility.

For founders, CFOs, and finance teams, understanding the financial health of the organization in real time is critical.

AI-enabled financial dashboards can help organizations:

- Track profitability across business units
- Monitor cash flow patterns
- Identify cost inefficiencies
- Improve financial forecasting
- Detect potential financial risks early

With better financial visibility, organizations can allocate resources more effectively and respond faster to changing business conditions.

Integrating AI, Automation, and Analytics

The real power emerges when automation, analytics, and dashboards work together as a unified system.

Automation ensures that operational and financial data flows seamlessly across the organization.

Analytics interprets that data and extracts meaningful patterns.

Dashboards present these insights in a format that management can immediately understand and act upon.

This integrated approach allows organizations to transform their systems from simple record-keeping tools into strategic decision-support platforms`

The Role of Technology in Finance Transformation

Modern cloud platforms and ERP systems are enabling businesses to adopt these capabilities more easily than ever before.

Through well-designed workflows, AI-enabled analytics, and customized dashboards, organizations can significantly improve**:**

- Operational transparency
- Financial control
- Decision-making speed
- Management reporting

For many growing companies, investing in these technologies is becoming essential to maintaining operational clarity and competitiveness.

Looking Ahead

As businesses continue to scale and operate in increasingly complex environments, the ability to access accurate and real-time insights will become even more important.

AI-driven analytics, automation, and intelligent dashboards are not just technological upgrades—they represent a shift toward data-driven business management.

Organizations that adopt these systems early will be better positioned to maintain control, and make informed strategic decisions.

Dipali Kumari

Financial year 2025 - 2026 Compliance Calendar

Disclaimer: Dates are subject to change as per notification from government authorities

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CoralMetrix

APR	MAY	JUNE	JULY	AUG	SEPT
07TH MONTHLY TDS PAYMENT	07TH MONTHLY TDS PAYMENT	07TH MONTHLY TDS PAYMENT	07TH MONTHLY TDS PAYMENT	07TH MONTHLY TDS PAYMENT	07TH MONTHLY TDS PAYMENT
07TH GOVT. DEDUCT	10TH GSTR 7	10TH GSTR 7	09TH ECB 2 RETURN	10TH GSTR 7	09TH ECB 2 RETURN
09TH ECB 2 RETURN	11TH GSTR 1	10TH ECB 2 RETURN	10TH GSTR 7	11TH ECB 2 RETURN	10TH GSTR 7
10TH GSTR 7	12TH ECB 2 RETURN	11TH GSTR 1	11TH GSTR 1	11TH GSTR 1	11TH GSTR 1
13TH GSTR 1 (QRMP/IFF)	13TH GSTR 1 (QRMP/IFF)	13TH GSTR 1(QRMP/IFF)	13TH GSTR 1(QRMP/IFF)	13TH GSTR 1(QRMP/IFF)	13TH GSTR 1 (QRMP/IFF)
18TH CMP - 08	20TH GSTR 3B	15TH Q4 TDS CERTIFICATE	15TH FLA RETURN	15TH Q1 TDS CERTIFICATE	15TH Q2 ADVANCE TAX 45%
20TH GSTR 3B	29TH PAS 6	15TH Q1 ADVANCE TAX 15%	18TH CMP 08	20TH GSTR 3B	20TH GSTR 3B
22ND QRMP	30TH LLP ANNUAL RETURN	20TH GSTR 3B	20TH GSTR 3B (QRMP)		30TH TAX AUDIT
25TH PMT 06	31ST TDS Q4 FILING (24-25)	30TH DPT 3	22ND QRMP		30TH DIRECTOR KYC
30TH GSTR 4	31ST FORM 61A		31ST TDS Q1 FILING (25 - 26)		
30TH MSME 1			31ST INDIVIDUAL ITR FILING		
30TH GOVT. NON DEDUCT					

OCT	NOV	DEC	JAN	FEB	MAR
07TH MONTHLY TDS PAYMENT	07TH MONTHLY TDS PAYMENT	07TH MONTHLY TDS PAYMENT	07TH MONTHLY TDS PAYMENT	07TH MONTHLY TDS PAYMENT	07TH MONTHLY TDS PAYMENT
10TH ECB - 2 RETURN	10TH GSTR 7	09TH ECB 2 RETURN	09TH ECB 2 RETURN	10TH GSTR 7	10TH GSTR 7
10TH GSTR 7	11TH ECB 2 RETURN	10TH GSTR 7	10TH GSTR 7	11TH ECB 2 RETURN	11TH ECB 2 RETURN
11TH GSTR 1	11TH GSTR 1	11TH GSTR 1	11TH GSTR 1	11TH GSTR 1	11TH GSTR 1
13TH GSTR 1 (QRMP/IFF)	13TH GSTR 1 (QRMP/IFF)	13TH GSTR 1(QRMP/IFF)	13TH GSTR 1 (QRMP/IFF)	13TH GSTR 1 (QRMP/IFF)	13TH GSTR 1 (QRMP/IFF)
18TH CMP - 08	15TH Q2 TDS CERTFICATE	15TH Q3 ADVANCE TAX 75%	18TH CMP 08	15TH Q3 TDS CERTIFICATE	15TH Q4 ADVANCE TAX 100%
20TH GSTR 3B	20TH GSTR 3B	20TH GSTR 3B	20TH GSTR 3B	20TH GSTR 3B	20TH GSTR 3B
22ND QRMP	28TH MGT-7/MGT - 7A	31ST BELATED/REVISED ITR	22ND GSTR 3B (QRMP)	25TH PMT 06	25TH PMT 06
29TH AOC 4	29TH PAS -6	31ST GSTR - 9/9A/9C	25TH PMT 06		31ST FORM CSR - 2
30TH LLP FORM 8	30TH FINAL ITC	31ST TDS Q3 FILINGC (25 - 26)	31ST Q3 TDS FILING (25 - 26)		31ST ITR U (FY 2022 - 23)
31ST MSME 1		31ST APR RETURN			
31ST COMPANY ITR					
31ST TDS Q2 FILING (25 - 26)					

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