

DISCUSSION ON INTRICATE ISSUES IN FILING OF GSTR-9 AND GSTR-9C

Date: 16th November, 2022



1

- CA Archit Agarwal

CASE STUDY 1

M/s ABC Ltd. has undertaken following transactions for FY 2021-22

- Supply of taxable goods worth **Rs. 1 Crore from Maharashtra (MH)**
- Supply of taxable goods worth **Rs. 50 lakhs from Gujarat**
- Supply of taxable goods worth **Rs. 1 Crore from Rajasthan as “casual taxable person” for an exhibition**
- Issued tax invoice for Purchase return transactions i.e. considered as “outward supplies” worth **Rs. 60 Lakhs (MH)**
- Interest of Bank FD worth **Rs. 10 Lakhs (MH)**
- Profit from Sale of Securities worth **Rs. 1 Crore (MH)**
- Sale of land worth **Rs. 1 Crore (MH)**
- The company had 2 residential flats which were occupied by their directors which are vacant now. So, company sold them as well for **Rs. 2 Crores (MH)**

The company wants to know the computation of aggregate turnover to determine the applicability of Form GSTR-9 and Form GSTR-9C for the FY 2021-22. Also, the company wants to know whether all the 3 states have to file GSTR 9/9C (if applicable)?

RELEVANT PROVISIONS

○ Section 2 – Relevant Definitions

(6) *“aggregate turnover” means the aggregate value of all taxable supplies (excluding the value of inward supplies on which tax is payable by a person on reverse charge basis), exempt supplies, exports of goods or services or both and inter-State supplies of persons having the same Permanent Account Number, to be computed on all India basis but excludes central tax, State tax, Union territory tax, integrated tax and cess;*

(52) *“goods” means every kind of movable property other than money and securities but includes actionable claim, growing crops, grass and things attached to or forming part of the land which are agreed to be severed before supply or under a contract of supply;*

(101) *“securities” shall have the same meaning as assigned to it in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956);*

(102) *“services” means anything other than goods, money and securities but includes activities relating to the use of money or its conversion by cash or by any other mode, from one form, currency or denomination, to another form, currency or denomination for which a separate consideration is charged.*

- **Relevant Extract of Schedule III**

5. Sale of land and, subject to clause (b) of paragraph 5 of Schedule II , sale of building.

- **Section 44 of CGST Act**

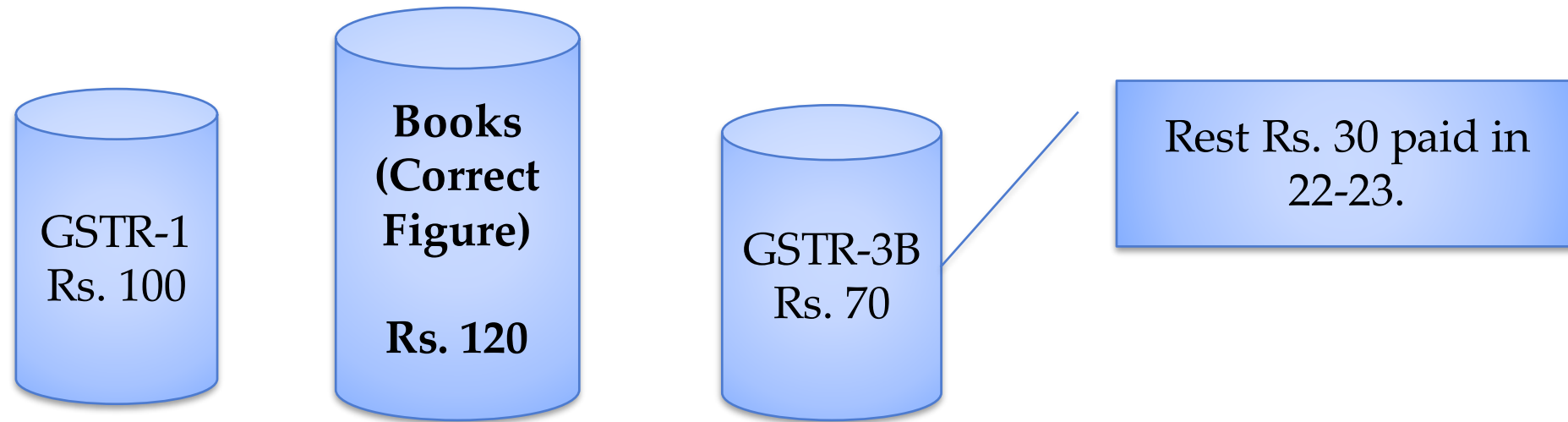
Section 44. – Annual Return

Every registered person, other than an Input Service Distributor, a person paying tax under section 51 or section 52 , a casual taxable person and a non-resident taxable person shall furnish an annual return which may include a self-certified reconciliation statement, reconciling the value of supplies declared in the return furnished for the financial year, with the audited annual financial statement for every financial year electronically, within such time and in such form and in such manner as may be prescribed :

(20) "casual taxable person" means a person who occasionally undertakes transactions involving supply of goods or services or both in the course or furtherance of business, whether as principal, agent or in any other capacity, in a State or a Union territory where he has no fixed place of business;

CASE STUDY 2

M/s DEF Ltd. has reported following Tax figures in GST returns of FY 21-22.



The company wants to know how to disclose the same in GSTR-9/9C.

- What will form basis to declare values in Table 4 (details of outward supplies)?
- How to deal with Tax of Rs. 30 paid in next FY in July-2023?
- Will it make a change if Tax is paid in Dec-2023?
- Total turnover computed in Table 5N will be compared with turnover of books in Table 5 of GSTR-9C. How to deal with un-reconciled figure, if any?

RELEVANT EXTRACTS OF FORM GSTR-9 AND GSTR-9C

○ Table 4 of GSTR-9

Pt. II	Details of Outward and inward supplies made during the financial year					
		(Amount in Rs. in all tables)				
	Nature of Supplies	Taxable Value	Central Tax	State Tax / UT Tax	Integrated Tax	Cess
	1	2	3	4	5	6
4	Details of advances, inward and outward supplies made during the financial year on which tax is payable					
A	Supplies made to un-registered persons (B2C)					
B	Supplies made to registered persons (B2B)					
C	Zero rated supply (Export) on payment of tax (except supplies to SEZs)					
D	Supply to SEZs on payment of tax					

○ Table 4 of GSTR-9

E	Deemed Exports					
F	Advances on which tax has been paid but invoice has not been issued (not covered under (A) to (E) above)					
G	Inward supplies on which tax is to be paid on reverse charge basis					
H	Sub-total (A to G above)					
I	Credit Notes issued in respect of transactions specified in (B) to (E) above (-)					
J	Debit Notes issued in respect of transactions specified in (B) to (E) above (+)					
K	Supplies / tax declared through Amendments (+)					
L	Supplies / tax reduced through Amendments (-)					
M	Sub-total (I to L above)					
N	Supplies and advances on which tax is to be paid (H + M) above					

○ Table 5 of GSTR-9

5	Details of Outward supplies made during the financial year on which tax is not payable					
A	Zero rated supply (Export) without payment of tax					
B	Supply to SEZs without payment of tax					
C	Supplies on which tax is to be paid by the recipient on reverse charge basis					
D	Exempted					
E	Nil Rated					
F	Non-GST supply (includes 'no supply')					
G	Sub-total (A to F above)					

o Table 5 of GSTR-9

H	Credit Notes issued in respect of transactions specified in A to F above (-)					
I	Debit Notes issued in respect of transactions specified in A to F above (+)					
J	Supplies declared through Amendments (+)					
K	Supplies reduced through Amendments (-)					
L	Sub-Total (H to K above)					
M	Turnover on which tax is not to be paid (G + L above)					
N	Total Turnover (including advances) (4N + 5M - 4G above)					

o Table 9 of GSTR-9

Pt. IV	Details of tax paid as declared in returns filed during the financial year						
9	Description	Tax Payable	Paid through cash	Paid through ITC			Cess
				Central Tax	State Tax / UT Tax	Integrated Tax	
	1	2	3	4	5	6	7
	Integrated Tax						
	Central Tax						
	State/UT Tax						
	Cess						
	Interest						
	Late fee						
	Penalty						
	Other						

○ Table 10 of GSTR-9

Pt. V	54 [Particulars of the transactions for the financial year declared in returns of the next financial year till the specified period.]					
	Description	Taxable Value	Central Tax	State Tax / UT Tax	Integrated Tax	Cess
	1	2	3	4	5	6
10	Supplies / tax declared through Amendments (+) (net of debit notes)					

○ Table 5 of GSTR-9C

Pt. II	Reconciliation of turnover declared in audited Annual Financial Statement with turnover declared in Annual Return (GSTR9)			
5	Reconciliation of Gross Turnover			
A	Turnover (including exports) as per audited financial statements for the State / UT (For multi-GSTIN units under same PAN the turnover shall be derived from the audited Annual Financial Statement)			
B	Unbilled revenue at the beginning of Financial Year	(+)		
C	Unadjusted advances at the end of the Financial Year	(+)		
D	Deemed Supply under Schedule I	(+)		
E	Credit Notes issued after the end of the financial year but reflected in the annual return	(-)		
F	Trade Discounts accounted for in the audited Annual Financial Statement but are not permissible under GST	(+)		

o Table 5 of GSTR-9C

H	Unbilled revenue at the end of Financial Year	(-)		
I	Unadjusted Advances at the beginning of the Financial Year	(-)		
J	Credit notes accounted for in the audited Annual Financial Statement but are not permissible under GST	(+)		
K	Adjustments on account of supply of goods by SEZ units to DTA Units	(-)		
L	Turnover for the period under composition scheme	(-)		
M	Adjustments in turnover under section 15 and rules thereunder	(+/-)		
N	Adjustments in turnover due to foreign exchange fluctuations	(+/-)		
O	Adjustments in turnover due to reasons not listed above	(+/-)		
P	Annual turnover after adjustments as above			
Q	Turnover as declared in Annual Return (GSTR9)			
R	Un-Reconciled turnover (Q - P)			AT1

CASE STUDY 3

M/s PQR Ltd. has made following wrong disclosures in their monthly returns of FY 21-22,

- B2B supplies of Rs. 10,000 wrongly reported as B2C and amended the in FY 22-23 monthly returns.
- SEZ supplies with payment of tax wrongly reported in taxable outward supplies in GSTR-3B.
- ITC of Rs. 20,000 not claimed in GSTR-3B at all.

What will be the Impact of above transactions on GSTR-9 or GSTR-9C?

RELEVANT EXTRACTS OF FORM GSTR-9 AND GSTR-9C

○ Table 4 of GSTR-9

Pt. II	Details of Outward and inward supplies made during the financial year					
		(Amount in Rs. in all tables)				
	Nature of Supplies	Taxable Value	Central Tax	State Tax / UT Tax	Integrated Tax	Cess
	1	2	3	4	5	6
4	Details of advances, inward and outward supplies made during the financial year on which tax is payable					
A	Supplies made to un-registered persons (B2C)					
B	Supplies made to registered persons (B2B)					
C	Zero rated supply (Export) on payment of tax (except supplies to SEZs)					
D	Supply to SEZs on payment of tax					

○ **Table 4 of GSTR-9**

E	Deemed Exports					
F	Advances on which tax has been paid but invoice has not been issued (not covered under (A) to (E) above)					
G	Inward supplies on which tax is to be paid on reverse charge basis					
H	Sub-total (A to G above)					
I	Credit Notes issued in respect of transactions specified in (B) to (E) above (-)					
J	Debit Notes issued in respect of transactions specified in (B) to (E) above (+)					
K	Supplies / tax declared through Amendments (+)					
L	Supplies / tax reduced through Amendments (-)					
M	Sub-total (I to L above)					
N	Supplies and advances on which tax is to be paid (H + M) above					

o Table 9 of GSTR-9

Pt. IV	Details of tax paid as declared in returns filed during the financial year						
9	Description	Tax Payable	Paid through cash	Paid through ITC			Cess
				Central Tax	State Tax / UT Tax	Integrated Tax	
	1	2	3	4	5	6	7
	Integrated Tax						
	Central Tax						
	State/UT Tax						
	Cess						
	Interest						
	Late fee						
	Penalty						
	Other						

○ Table 10 of GSTR-9

Pt. V	54 [Particulars of the transactions for the financial year declared in returns of the next financial year till the specified period.]					
	Description	Taxable Value	Central Tax	State Tax / UT Tax	Integrated Tax	Cess
	1	2	3	4	5	6
10	Supplies / tax declared through Amendments (+) (net of debit notes)					

o Table 6 of GSTR-9

6	Details of ITC availed during the financial year				
A	Total amount of input tax credit availed through FORM GSTR-3B (sum total of Table 4A of FORM GSTR-3B)				
B	Inward supplies (other than imports and inward supplies liable to reverse charge but	Inputs			
		Capital Goods			
	includes services received from SEZs)	Input Services			
C	Inward supplies received from unregistered persons liable to reverse charge (other than B above) on which tax is paid & ITC availed	Inputs			
		Capital Goods			
		Input Services			

o Table 6 of GSTR-9

D	Inward supplies received from registered persons liable to reverse charge (other than B above) on which tax is paid and ITC availed	Inputs				
		Capital Goods				
		Input Services				
E	Import of goods (including supplies from SEZs)	Inputs				
		Capital Goods				
F	Import of services (excluding inward supplies from SEZs)					
G	Input Tax credit received from ISD					
H	Amount of ITC reclaimed (other than B above) under the provisions of the Act					
I	Sub-total (B to H above)					
J	Difference (I - A above)					

○ **Table 6 of GSTR-9**

K	Transition Credit through TRAN-I (including revisions if any)				
L	Transition Credit through TRAN-II				
M	Any other ITC availed but not specified above				
N	Sub-total (K to M above)				
O	Total ITC availed (I + N above)				

○ Table 12 of GSTR-9C

Pt. IV	Reconciliation of Input Tax Credit (ITC)		
12	Reconciliation of Net Input Tax Credit (ITC)		
A	ITC availed as per audited Annual Financial Statement for the State/ UT (For multi-GSTIN units under same PAN this should be derived from books of accounts)		
B	ITC booked in earlier Financial Years claimed in current Financial Year	(+)	
C	ITC booked in current Financial Year to be claimed in subsequent Financial Years	(-)	
D	ITC availed as per audited financial statements or books of account		
E	ITC claimed in Annual Return (GSTR9)		
F	Un-reconciled ITC		ITC 1

CASE STUDY 4

The following are the details of ITC of M/s RST for the year 2018-19

- ITC appearing in GSTR 2A – Rs. 60,000
- ITC availed in GSTR-3B – Rs. 70,000 (Rs. 15,000 is of PY availed in CY)
- ITC of CY availed in next FY – Rs. 10,000

Table 8 of GSTR 9 for the year 2018-19 of M/s RST is as follows:

8	Other ITC related information	IGST
8A	ITC as per GSTR-2A (Table 3 & 5 thereof)	Rs. 60,000
8B	ITC as per sum total of 6(B) and 6(H) above	Rs. 70,000
8C	ITC on inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs) received during the financial year but availed in the next financial year up to specified period	Rs. 10,000
8D	Difference [A-(B+C)]	Rs. -20,000

- 1) M/s RST Ltd. has received system generated SCN from department for the year 2018-19 disallowing the ITC of Rs. 20,000 as appearing in Table 8D. Whether the department is correct?

- 2) In the above example, suppose the E-way bill inward data of the company shows only Rs. 20,000 GST. The department has issued system generated SCN disallowing ITC of Rs. 40,000. Whether the stand of department is correct ?

RELEVANT PROVISIONS

Section 16. Eligibility and conditions for taking input tax credit.-

(1) Every registered person shall, subject to such conditions and restrictions as may be prescribed and in the manner specified in section 49 , be entitled to take credit of input tax charged on any supply of goods or services or both to him which are used or intended to be used in the course or furtherance of his business and the said amount shall be credited to the electronic credit ledger of such person.

(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,-

(a) he is in possession of a tax invoice or debit note issued by a supplier registered under this Act, or such other tax paying documents as may be prescribed ;

(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 ;

[inserted vide Finance Act, 2021 notified w.e.f. 01-01-2022]

- **Rule 36(4) as inserted w.e.f. 09-10-2019 vide Notification No. 49/2019 dt. 09-10-2019**

Rule 36. Documentary requirements and conditions for claiming input tax credit.-

(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 uploaded by the suppliers under sub-section (1) of section 37, shall not exceed 20 per cent. 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.

- **Internal Circular dated 25-02-2022 issued by Commissioner of Maharashtra State Tax (for period 2017-18 and 2018-19)**

- **Press release dated 03-07-2019**

*c) **Premise of Table 8D of Annual Return:** There appears to be some confusion regarding declaration of input tax credit in Table 8 of the annual return. The input tax credit which is declared / computed in Table 8D is basically credit that was available to a taxpayer in his FORM GSTR-2A but was not availed by him between July 2017 to March 2019. The deadline has already passed and the taxpayer cannot avail such credit now. There is no question of lapsing of any such credit, since this credit never entered the electronic credit ledger of any taxpayer. Therefore, taxpayers need not be concerned about the values reflected in this table. This is merely an information that the Government needs for settlement purposes. Figures in Table 8A of FORM GSTR-9 are auto-populated only for those FORM GSTR-1 which were furnished by the corresponding suppliers by the due date. Thus, ITC on supplies made during the financial year 2017-18, if reported beyond the said date by the corresponding supplier, will not get auto-populated in said Table 8A. It may also be noted that FORM GSTR-2A continues to be auto-populated on the basis of the corresponding FORM GSTR-1 furnished by suppliers even after the due date. In such cases there would be a mis-match between the updated FORM GSTR-2A and the auto-populated information in Table 8A. It is important to note that Table 8A of the annual returns is auto populated from FORM GSTR-2A as on 1st May, 2019.*

- Possible reasons for mismatch of ITC

- B2B supplies **wrongly shown as B2C supplies** by vendors
- Supplier has uploaded invoice under **Wrong GSTIN**
- Supplier has uploaded invoice with **Wrong POS**
- Supplier has filed their **GSTR-1 after due date**
- **GSTR-2A is dynamic** and is updated constantly
- Supplier has uploaded invoice with **IGST** whereas the recipient availed ITC as **CGST & SGST**.
- **Date formatting mismatch** may result into change in Financial year. (e.g. 01/04/2022 changes to 04/01/2022)
- **Registered supplier of RCM** supplies will show the invoice in GSTR 1 and will appear in GSTR 2A of recipient

- Possible reasons for mismatch of E-Way bill

- Not applicable on **services**
- Not applicable if movement of goods is below **threshold limit**
- **Non-compliance** by supplier

CASE STUDY 5

M/s MNO Ltd. has inadvertently not disclosed taxable outward supply of Rs. 1 crores in FY 18-19 monthly returns on which tax of Rs. 18 lacs is payable. Now, at the time of filing annual return, the company wants to pay the same. The company has sufficient balance in ITC ledger to pay the same, but while filing DRC-03, the system is asking the company to pay tax only through Electronic Cash Ledger. The company wants to know whether the said restriction is correct? How to deal with this?

RELEVANT INSTRUCTION IN FORM GSTR-9

Instructions: –

9. Towards the end of the return, taxpayers shall be given an option to pay any additional liability declared in this form, through **FORM DRC-03**. Taxpayers shall select “Annual Return” in the drop down provided in **FORM DRC-03**. It may be noted that such liability can be paid through electronic cash ledger only.

RELEVANT PROVISIONS

- **Section 49. Payment of tax, interest, penalty and other amounts.-**

(4) The amount available in the electronic credit ledger may be used for making any payment towards output tax under this Act or under the Integrated Goods and Services Tax Act in such manner and subject to such conditions and restrictions within such time as may be prescribed.

- **OASIS Realty 2022 (10) TMI 42 - BOMBAY HIGH COURT**

The Hon'ble Bombay High Court has held that any payment towards output tax, whether self-assessed in the return or payable as a consequence of any proceeding instituted under the MGST Act can be made by utilisation of the amount available in the Electronic Credit Ledger. Hence, a party can pay 10% of the disputed Tax either using the amount available in the Electronic Cash Ledger or the amount available in the Electronic Credit Ledger. [para 9 & 10]

CASE STUDY 6

M/s JKL Ltd. has inadvertently paid CGST and SGST during the year 20-21. While filing annual return, it was found that the transaction is leviable to IGST.

Now the company wants to know how to give the effect of the same in GSTR 9 and GSTR 9C. Also, what whether tax needs to be paid again? If yes, whether interest is payable for the delay and what about refund of the tax already paid?

RELEVANT PROVISIONS

- *Section 77. Tax wrongfully collected and paid to Central Government or State Government.-*

(1) A registered person who has paid the Central tax and State tax or, as the case may be , the Central tax and the Union territory tax on a transaction considered by him to be an intra-State supply, but which is subsequently held to be an inter-State supply, shall be refunded the amount of taxes so paid in such manner and subject to such conditions as may be prescribed.

(2) A registered person who has paid integrated tax on a transaction considered by him to be an inter-State supply, but which is subsequently held to be an intra-State supply, shall not be required to pay any interest on the amount of central tax and State tax or, as the case may be , the Central tax and the Union territory tax payable.

- ***Circular No. 91/10/2019-GST dated 18-02-2019***

4. Supply of warehoused goods while deposited in custom bonded warehouses had the character of inter-State supply as per the provisions of Integrated Goods and Services tax Act, 2017. But, due to non-availability of the facility on the common portal, suppliers have reported such supplies as intra-State supplies and discharged central tax and state tax on such supplies instead of integrated tax. In view of revenue neutral position of such tax payment and that facility to correctly report the nature of transaction in FORM GSTR-1 furnished on the common portal was not available during the period July, 2017 to March, 2018, it has been decided that, as a one-time exception, suppliers who have paid central tax and state tax on such supplies, during the said period, would be deemed to have complied with the provisions of law as far as payment of tax on such supplies is concerned as long as the amount of tax paid as central tax and state tax is equal to the due amount of integrated tax on such supplies.

- *GST FAQ dated 15-12-2018 [3rd Edition]*

Q 87. A registered person pays IGST for a supply which is subsequently held to be intra-state. What is the relevant date, within which he has to file a claim for refund of IGST wrongly paid?

Ans. Section 77 of CGST Act, 2017, read with Section 19 of IGST Act, are the enabling provisions for grant of refund in such cases. These provisions use the words “.....shall be granted refund of the amount of Central/integrated tax so paid in such manner and subject to such conditions as may be prescribed....” Thus, refunds will have to be mandatorily granted. The stipulation in Section 54(1) that claims will have to be filed within 2 years from the relevant date, will not apply for a claim under this category.

○ ***Shree Nanak Ferro Alloy Pvt. Ltd. 2020 (1) TMI 833 - JHARKHAND HIGH COURT***

16. We are not entering into the question whether the amount deposited by the petitioner wrongly under the CGST head could be adjusted under the IGST head, as learned counsel for the petitioner has very fairly conceded that the petitioner can deposit the amount of tax within a week and shall either claim the refund of the amount wrongly deposited under the CGST head, or the same may be adjusted against their future liabilities under the CGST head.

17. In that view of the matter, we direct the petitioner Company to deposit the amount of ₹ 41,98,642/-, under the IGST head within a period of 10 days from today, towards the liability of September, 2017. The petitioner shall not be liable to pay any interest on the said amount. The petitioner shall also be entitled to get the refund of the amount of ₹ 41,98,644/- deposited by them under the CGST head, or they may get the amount adjusted against their future liabilities, in accordance with law, as they may choose.

CASE STUDY 7

M/s A Ltd. is having following inward supplies liable to RCM,

- Legal services received from Advocates – Rs. 5,00,000
- GTA services received – Rs. 2,00,000
- Sponsorship services received – Rs. 1,00,000

The company has recorded the above expenses in P&L. The vendors providing such services may be registered or unregistered, but the company has not recorded such details. The company has issued self-invoice and paid tax under RCM and availed ITC in GSTR-3B. The company wants to know the following,

- a) Whether to bifurcate the registered and unregistered RCM and disclose it in Table 6C and 6D separately? Or a consolidated figure can be shown in Table 6D?
- b) Further, Table 8 compares ITC in 2A vs ITC in 3B (i.e. Table 6B + 6H of GSTR-9). So, what will be the impact of ITC availed on RCM supplies from Registered vendors in Table 8?

RELEVANT EXTRACTS OF FORM GSTR-9 AND GSTR-9C

o Table 6 of GSTR-9

6	Details of ITC availed during the financial year				
A	Total amount of input tax credit availed through FORM GSTR-3B (sum total of Table 4A of FORM GSTR-3B)				
B	Inward supplies (other than imports and inward supplies liable to reverse charge but	Inputs			
		Capital Goods			
	includes services received from SEZs)	Input Services			
C	Inward supplies received from unregistered persons liable to reverse charge (other than B above) on which tax is paid & ITC availed	Inputs			
		Capital Goods			
		Input Services			

○ Table 6 of GSTR-9

D	Inward supplies received from registered persons liable to reverse charge (other than B above) on which tax is paid and ITC availed	Inputs				
		Capital Goods				
		Input Services				
E	Import of goods (including supplies from SEZs)	Inputs				
		Capital Goods				
F	Import of services (excluding inward supplies from SEZs)					
G	Input Tax credit received from ISD					
H	Amount of ITC reclaimed (other than B above) under the provisions of the Act					
I	Sub-total (B to H above)					
J	Difference (I - A above)					

RELEVANT INSTRUCTION IN FORM GSTR-9

- Table 6C of GSTR 9 – Instruction

6C	<p>Aggregate value of input tax credit availed on all inward supplies received from unregistered persons (other than import of services) on which tax is payable on reverse charge basis shall be declared here. It may be noted that the total ITC availed is to be classified as ITC on inputs, capital goods and input services. Table 4(A)(3) of FORM GSTR-3B may be used for filling up these details.</p> <p>²⁹[For FY 2017-18 and 2018-19, the registered person shall have an option to either report the breakup of input tax credit as inputs, capital goods and input services or report the entire input tax credit under the “inputs” row only. ⁵⁹⁸⁹[FY 2019-20, 2020-21 and 2021-22], the registered person shall report the breakup of input tax credit as capital goods and have an option to either report the breakup of the remaining amount as inputs and input services or report the entire remaining amount under the “inputs” row only.]</p> <p>For ⁶⁰[FY 2017-18, 2018-19 ⁷⁶[, 2019-20 and 2020-21]], the registered person shall have an option to either report Table 6C and Table 6D separately or report the consolidated details of Table 6C and 6D in Table 6D only.]</p>
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○ Table 6D of GSTR 9 – Instruction

6D	<p>Aggregate value of input tax credit availed on all inward supplies received from registered persons on which tax is payable on reverse charge basis shall be declared here. It may be noted that the total ITC availed is to be classified as ITC on inputs, capital goods and input services. Table 4(A)(3) of FORM GSTR-3B may be used for filling up these details.</p> <p>²⁹[For FY 2017-18 and 2018-19, the registered person shall have an option to either report the breakup of input tax credit as inputs, capital goods and input services or report the entire input tax credit under the “inputs” row only. ⁵⁹⁸⁹[FY 2019-20, 2020-21 and 2021-22], the registered person shall report the breakup of input tax credit as capital goods and have an option to either report the breakup of the remaining amount as inputs and input services or report the entire remaining amount under the “inputs” row only.]</p> <p>For ⁶⁰[FY 2017-18, 2018-19 and ⁷⁶[, 2019-20 and 2020-21]], the registered person shall have an option to either report Table 6C and Table 6D separately or report the consolidated details of Table 6C and 6D in Table 6D only.]</p>
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o Table 8 of GSTR-9

8	Other ITC related information					
A	ITC as per GSTR-2A (Table 3 & 5 thereof)					
B	ITC as per sum total of 6(B) and 6(H) above					
C	⁵³ [ITC on inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs) received during the financial year but availed in the next financial year up to specified period]					
D	Difference [A-(B+C)]					
E	ITC available but not availed					
F	ITC available but ineligible					
G	IGST paid on import of goods (including supplies from SEZ)					
H	IGST credit availed on import of goods (as per 6(E) above)					
I	Difference (G-H)					

CASE STUDY 8

M/s X Ltd. is in the business of plotted development. The company has entered into separate agreement for sale of land and for development of internal roads, landscaping areas/parks etc. The turnover & ITC details of the company is as follows,

Sr. No.	Particulars	Amount
	Turnover	
1	Sale of Land	6,00,00,000
2	Developmental activities	60,00,000
3	Interest Income	5,00,000
4	Sale of Securities (Rs. 2 Crores) – 1% value considered	2,00,000
	Total Turnover	6,67,00,000
	ITC on services availed	
1	Brokerage on purchase of land	3,00,000
2	Brokerage on sale of securities	10,000
3	HO ITC (office rent, security etc.)	5,00,000
4	WCT services from contractor for developmental activities	15,00,000
	Total	23,10,000

On the basis of GSTR 9 filed by the company, the department has raised system generated show cause notice demanding reversal as follows,

Sr. No.	Particulars	Amount
1	Common ITC [Table 6 of GSTR-9]	23,10,000
2	Total Supplies [Table 5N]	6,67,00,000
3	Taxable Supplies [Table 4}	60,00,000
4	Exempt Supplies [Table 5D]	6,07,00,000
4	Proportion of Common ITC to be reversed $[6,07,00,000 / 6,67,00,000]$	0.91
5	ITC to be reversed $[23,10,000 \times 0.91]$	21,02,204

Whether the department is correct in demanding the above ITC reversal?

RELEVANT PROVISIONS

○ Section 17. Apportionment of credit and blocked credits.-

(1) Where the goods or services or both are used by the registered person partly for the purpose of any business and partly for other purposes, the amount of credit shall be restricted to so much of the input tax as is attributable to the purposes of his business.

(2) Where the goods or services or both are used by the registered person partly for effecting taxable supplies including zero-rated supplies under this Act or under the Integrated Goods and Services Tax Act and partly for effecting exempt supplies under the said Acts, the amount of credit shall be restricted to so much of the input tax as is attributable to the said taxable supplies including zero-rated supplies.

(3) The value of exempt supply under sub-section (2) shall be such as may be prescribed, and shall include supplies on which the recipient is liable to pay tax on reverse charge basis, transactions in securities, sale of land and, subject to clause (b) of paragraph 5 of Schedule II , sale of building.

Explanation .- For the purposes of this sub-section, the expression "value of exempt supply" shall not include the value of activities or transactions specified in Schedule III , except those specified in paragraph 5 of the said Schedule;]

Rule 42 (1) of CGST Rules (Relevant portion)

- *(c) the amount of input tax, out of "T", attributable to inputs and input services intended to be used exclusively for effecting exempt supplies, be denoted as 'T2*
- *(f) the amount of input tax credit attributable to inputs and input services intended to be used exclusively for effecting supplies other than exempted but including zero rated supplies, be denoted as 'T4*

○ Rule 43 of CGST Rules

Explanation 1:-For the purposes of rule 42 and this rule, it is hereby clarified that the aggregate value of exempt supplies shall exclude:-

(a)

(b) the value of services by way of accepting deposits, extending loans or advances in so far as the consideration is represented by way of interest or discount, except in case of a banking company or a financial institution including a non-banking financial company, engaged in supplying services by way of accepting deposits, extending loans or advances; and

CASE STUDY 9

M/s XYZ Ltd. is having following incomes in their P&L for FY 21-22,

- Bad debts recovery
- Expenses written off
- GST not paid by vendor recovered

Whether the above recoveries are taxable under GST? How to show the same in GSTR-9/9C?

○ **Table 5 of GSTR-9**

5	Details of Outward supplies made during the financial year on which tax is not payable					
A	Zero rated supply (Export) without payment of tax					
B	Supply to SEZs without payment of tax					
C	Supplies on which tax is to be paid by the recipient on reverse charge basis					
D	Exempted					
E	Nil Rated					
F	Non-GST supply (includes 'no supply')					
G	Sub-total (A to F above)					

○ Table 5 of GSTR-9C

M	Adjustments in turnover under section 15 and rules thereunder	(+/-)	
N	Adjustments in turnover due to foreign exchange fluctuations	(+/-)	
O	Adjustments in turnover due to reasons not listed above	(+/-)	
P	Annual turnover after adjustments as above		
Q	Turnover as declared in Annual Return (GSTR9)		
R	Un-Reconciled turnover (Q - P)		AT1

CASE STUDY 10

Suppose, M/s XYZ Ltd. files GSTR-9 & 9C on 30-01-2023 i.e. after the due date of 31-12-2022, what will be the consequences?

In the above example, suppose GSTR 9 is filed on 30-01-2023, but GTSR 9C is filed on 28-02-2023, what will be the consequences?

RELEVANT PROVISIONS

○ Section 44. Annual Return –

Every registered person, other than an Input Service Distributor, a person paying tax under section 51 or section 52, a casual taxable person and a non-resident taxable person shall furnish an annual return which may include a self-certified reconciliation statement, reconciling the value of supplies declared in the return furnished for the financial year, with the audited annual financial statement for every financial year electronically, within such time and in such form and in such manner as may be prescribed :

○ Section 47. Levy of late fee. –

(2) Any registered person who fails to furnish the return required under section 44 by the due date shall be liable to pay a late fee of one hundred rupees for every day during which such failure continues subject to a maximum of an amount calculated at a quarter per cent. of his turnover in the State or Union territory.

○ Section 125. General penalty. –

Any person, who contravenes any of the provisions of this Act or any rules made thereunder for which no penalty is separately provided for in this Act, shall be liable to a penalty which may extend to twenty-five thousand rupees.

CASE STUDY 11

On scrutinising the Financials of M/s LMN Ltd., it has been noticed that the company has following incomes which are exempted from GST,

- Interest Income
- Dividend Income
- Sale of Land

The company has also reversed ITC u/r 42 on account of Income from sale of land. The company has neither reported the above exempt supplies in GSTR-1 nor in GSTR-3B.

Whether it is mandatory to show it in GSTR-9? If yes, how to disclose the same? Whether to include such supplies in HSN Outward summary?

Further, M/s LMN Ltd. is having Total Turnover of Rs. 4 Crores by selling multiple products having different HSN. HSN details are neither available in system nor reported in GSTR-1 by the company. What are the consequences of not filling information in Table 17 of GSTR 9?

○ **Table 5 of GSTR-9**

5	Details of Outward supplies made during the financial year on which tax is not payable					
A	Zero rated supply (Export) without payment of tax					
B	Supply to SEZs without payment of tax					
C	Supplies on which tax is to be paid by the recipient on reverse charge basis					
D	Exempted					
E	Nil Rated					
F	Non-GST supply (includes 'no supply')					
G	Sub-total (A to F above)					

○ Table 7 of GSTR-9C

7	Reconciliation of Taxable Turnover	
A	Annual turnover after adjustments (from 5P above)	
B	Value of Exempted, Nil Rated, Non-GST supplies, No-Supply turnover	
C	Zero rated supplies without payment of tax	
D	Supplies on which tax is to be paid by the recipient on reverse charge basis	
E		
F	Taxable turnover as per adjustments above (A-B-C-D)	
	Taxable turnover as per liability declared in Annual Return (GSTR9)	
G	Unreconciled taxable turnover (F-E)	AT 2

○ Table 17 of GSTR-9

17	HSN Wise Summary of outward supplies							
HSN Code	UQC	Total Quantity	Taxable Value	Rate of Tax	Central Tax	State Tax / UT Tax	Integrated Tax	Cess
1	2	3	4	5	6	7	8	9

○ Instructions of Table 17 of GSTR-9

17 & 18	<p>Summary of supplies effected and received against a particular HSN code to be reported only in this table. It will be optional for taxpayers having annual turnover upto ₹ 1.50 Cr. It will be mandatory to report HSN code at two digits level for taxpayers having annual turnover in the preceding year above ₹ 1.50 Cr but upto ₹ 5.00 Cr and at four digits level for taxpayers having annual turnover above ₹ 5.00 Cr. ⁹⁹[From FY 2021-22 onwards, it shall be mandatory to report HSN code at six digits level for taxpayers having annual turnover in the preceding year above ₹ 5.00 Cr and at four digits level for all B2B supplies for taxpayers having annual turnover in the preceding year upto ₹ 5.00 Cr.] UQC details to be furnished only for supply of goods. Quantity is to be reported net of returns. Table 12 of FORM GSTR-1 may be used for filling up details in Table 17. It may be noted that this summary details are required to be declared only for those inward supplies which in value independently account for 10 % or more of the total value of inward supplies. ⁵²[For ⁷¹[FY 2017-18, ⁸⁵[2018-19, 2019-20 and 2020-21]], the registered person shall have an option to not fill this table.]</p> <p>¹⁰⁰[For FY 2021-22, the registered person shall have an option to not fill Table 18.]</p>
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○ **Exemption Entry for Interest Income [Notification No. 12/2017-CT (Rate) dated 28-06-2017]**

Sl. No.	Chapter, Section, Heading, Group or Service Code (Tariff)	Description of Services	Rate (per cent.)	Condition
(1)	(2)	(3)	(4)	(5)
27	Heading 9971	Services by way of— (a) extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount (other than interest involved in credit card services); (b) <i>inter se</i> sale or purchase of foreign currency amongst banks or authorised dealers of foreign exchange or amongst banks and such dealers.	Nil	Nil

THANK YOU

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