

**Form GSTR 9 – Annual Returns**  
**Do's/Don'ts; Important Reconciliations;**  
**Clause wise analysis; Advanced issues & solutions**

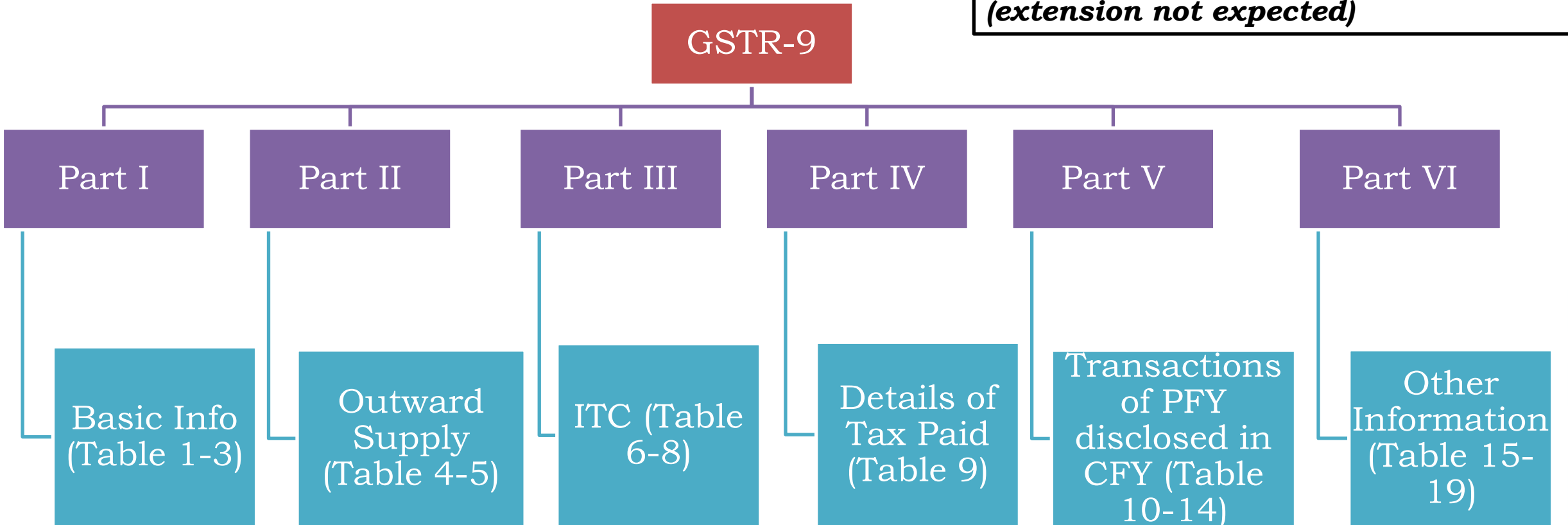
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**November 2022**



# Anatomy-GSTR 9

FY 2021-22: 31<sup>st</sup> December 2022  
*(extension not expected)*



**Note:** Many place it has been mentioned ‘April – September’, although this must now be read as ‘April-November’ considering the recent extension of timelines vide NN 18/2022-CT.

# Statutory function & Mgmt report

- ❖ Taxpayers need not file annual return in FORM GSTR-9/9A for FY 2021-22 if their aggregate annual turnover is up to Rs. 2 crores. (If 9 not filed, 9C not required). GSTR 9C optional upto Rs. 5 cr.
- ❖ From FY 2020-21 GSTR 9C need not have CA/CMA attestation, i.e. it is similar to a management report.
- ❖ Requirement of Management Representation Letter now to safeguard the CA/CMA is not required although in case of large entities can be obtained as a best practice.
- ❖ Part B – Qualifications also are no more part of the Form GSTR 9C
- ❖ Management report may consist of the following:
  - ❖ Reconciliations – Outward, Inward & RCM – birds eye view
  - ❖ Reasons for variance
  - ❖ Where additional liability was noticed – summary details + payment documentation
  - ❖ Suggestions on internal accounting/processes going forward

# Important Reconciliations

1. Turnover - Audited Financial Statements (AFS/Books) vs Table 5A (consider all GSTINs)
2. Table 5N Vs Table 17 – As table 17 is now mandated, this reconciliation could be an internal check mechanism.
3. Outward taxes – Liability as per Books Vs Liability as per GSTR 3B + DRC-03 (if any) [ensure RCM liability is included]. Have rate wise bifurcation as per books for table 9 GSTR 9C easy disclosure.
4. Outward taxes – Rate wise liability as per workings Vs Rate-wise Liability as per books
5. GSTR 1 Vs GSTR 3B (*This will help update GSTR 9 easily*)
6. Inward taxes – Credit as per books Vs Credit as per GSTR 3B
7. Closing balance [Cash + Credit] – Books Vs GST portal (consider all GSTINs)
8. Verify and provide for Spill over transactions of previous FY and maintain tracker for next FY
9. Identify rectification and modifications done beyond 30<sup>th</sup> November timeline. (Revised from 20<sup>th</sup> September)

**Note:** Reasons for variances must be listed clearly with values.

**DO's**

# Do's while filing GSTR 9 & 9C

- ❖ File GSTR 9 & 9C in time - One of the most basic compliances is filing GSTR 9 & 9C within the due date, which will help the taxpayer to avoid interest, late fees, and notices from the department.
- ❖ Maintain 9 & 9C workings with links to all the relevant data. Avoid keyed-in workings.
- ❖ Fill accurate data - There are a lot of fields to be filled in while filing the GSTR 9 & 9C. The GSTN does not allow for the amendment of the return once it is filed, this causes hardships to taxpayers, caution to be taken at the time of data entry.
- ❖ Perform invoice level reconciliations - A very beneficial exercise to taxpayers, which will help not only in the process of filing the annual return but also to identify the errors and provide info to dept..
- ❖ Maintain ITC register with capital goods bifurcation so that it will be helpful while preparing table 6 of GSTR 9.

# Do's while filing GSTR 9 & 9C

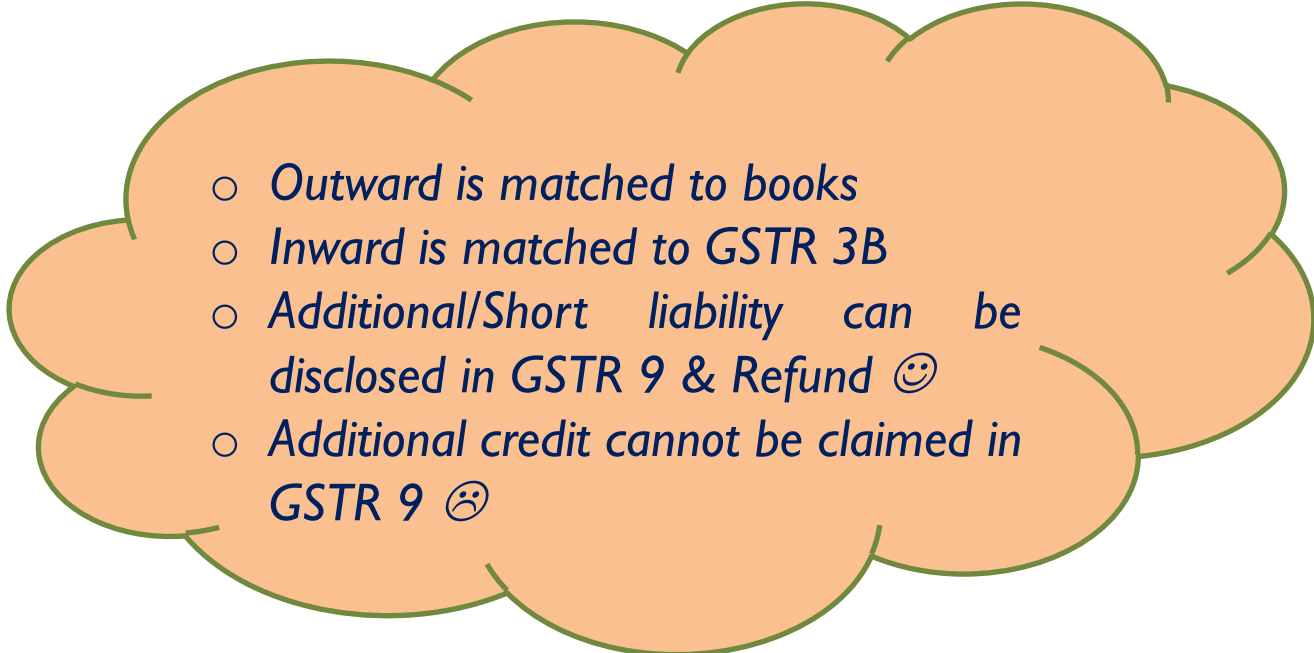
- ❖ Maintain the details of ITC claimed, reversed, and re-claimed if the taxpayer fulfils the conditions mentioned u/s 16.
- ❖ In case of amendments, outward register to be maintained with original values, so that it will be helpful while table 4 & 5 of GSTR 9.
- ❖ Perform reconciliations on monthly basis or at least for every quarter between books and returns.
- ❖ Rule 42 & 43 ITC reversals to be made and annual re-computation ITC reversal u/r 42 to be performed before September month return filing to avoid interest liability or missing out ITC.
- ❖ Invoice level 2B reconciliation is to be performed for Table 8 disclosure in GSTR-9.
- ❖ Maintain advance and advance adjustment workings so that it will be helpful while preparing table 5 of GSTR 9C.

**DONT's**



# Don'ts while filing GSTR 9 & 9C

- ❖ Don't forget to file nil return - This is a very important aspect that taxpayers sometimes tend to ignore. If a business does not have any transactions for the entire financial year, a user should not forget to file a NIL return for that FY.
- ❖ Do not link any of the 9C tables to GSTR-9 tables. (values to be considered, download will be available)
- ❖ Do not file without verification, as the returns cannot be revised.

- 
- *Outward is matched to books*
  - *Inward is matched to GSTR 3B*
  - *Additional/Short liability can be disclosed in GSTR 9 & Refund 😊*
  - *Additional credit cannot be claimed in GSTR 9 😞*

# **Clause wise Analysis GST R 9 Annual Returns**

# Relaxation – FY 2017-2022

1. Amendments, credit notes and debit notes can be shown as net figures in Table 5. **Amendments in Table 4I to 4L to be disclosed FY 21-22 onwards**
2. Exempted, Nil-rated, Non-GST supply can be consolidated in 'Exempted' column. (T5). **Table 5F - Non-GST to be shown separately from FY 21-22 onwards**
3. ITC bifurcation into Inputs/Capital Goods/Input Services not mandatory, total value can be consolidated under 'Inputs'. From FY 2019-20 - under 'Inputs' & 'Capital Goods' (T6).
4. May consolidate ITC under RCM from registered and un-registered persons under registered persons table. (T6D)
5. All ITC reversals may be consolidated under Table 7H, although TRAN reversals to be shown separately.
6. Option to upload Table 8A to 8D as signed PDF with GSTR 9C. (ITC 2A Vs 3B)
7. Reversal/Availment of ITC in previous year may not be filled (T12 & T13)
8. Refund details, Info on inward supplies & deemed supply, HSN inward & outward details – not mandatory (T15, 16, 17, 18). **HSN outward T17 mandated from FY 2021-22 onwards**

## Table 4 – Outward with Tax + RCM

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
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
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 (-)

- ✓ Details of Outward and inward supplies made during the financial year ONLY. (with tax)
- ✓ 4A -B2C net of CN & DN
- ✓ 4I & 4J – CN/DN accounted & disclosed in current year, original invoice of previous year
- ✓ 4I - Do not include financial CN. (DN – taxable)
- ✓ 4K & 4L - B2BA, B2CSA, CDNRA – amendment values only. Use table 9 of GSTR1
- ✓ 4F – Refer receipt vouchers. (check negative debtors)
- ✓ 4G – May take from GSTR 3B (3.1.d)
- ❖ **Any additional liability can be disclosed for the first time in GSTR-9 under table 4.**
- ❖ *4I to 4L – Optional upto FY 20-21 only*

## Table 5 – Outward without Tax

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')
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 (-)

- ✓ Details of Outward made during the financial year ONLY. (without tax)
- ✓ 5C, 5D, 5E, 5F – Supplies which may have ITC reversal impact. (Rule 42 & 43 – table 7)
- ✓ 5F - no supply includes Sch III items such as sale of land/building; etc. – *Mandated to be reported separately from FY 21-22 onwards*
- ✓ Refund on exports & SEZ supply – table 15 (including 4C, 4D & 4E – with payment)
- ❖ **Any turnover not disclosed earlier can be disclosed for the first time in table 5.**
- ❖ *5H to 5K – optional upto FY 2021-22*

## Table 6 – Inward ITC claimed (1/2)

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 includes services received from SEZs)
C	Inward supplies received from unregistered persons liable to reverse charge (other than B above) on which tax is paid & ITC availed
D	Inward supplies received from registered persons liable to reverse charge (other than B above) on which tax is paid and ITC availed
E	Import of goods (including supplies from SEZs)

A	Auto populated (cannot be edited)
B, C, D, E	Bifurcate into Inputs & Capital Goods (as applicable)

- ✓ ITC claimed bifurcation based on GSTR 3B during the financial year ONLY.
- ✓ 6B - Can obtain from GSTR 3B (4.A.5)
- ✓ 6C – Even 9(3) vendors can be U-Rd.
- ✓ 6D – May refer GSTR 2A (RCM-Y) – missed out
- ✓ 6C & 6D – Can obtain from GSTR 3B (4.A.3)
- ✓ 6E - Can obtain from GSTR 3B (4.A.1)
- ✓ 6E - Link to 8G, cross check if claimed.  
ICEGATE/GSTR 2B (July 2020 onwards)
- ❖ **For FY 2017—2019 total values can be consolidated under ‘Inputs’. (optional)**
- ❖ **17-19 RCM - consolidate under 6D (optional)**
- ❖ **From FY 2019-20 onwards under ‘Inputs’ & ‘Capital Goods’ bifurcation required**

## Table 6 – Inward ITC claimed (2/2)

F	Import of services (excluding inward supplies from SEZs)
G	ITC received from ISD
H	Amount of ITC reclaimed (other than B above) under the provisions of the Act
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

- ✓ ITC claimed bifurcation based on GSTR 3B during the financial year ONLY.
- ✓ 6F - Can obtain from GSTR 3B (4.A.2)
- ✓ 6H - Can obtain from GSTR 3B (4.A.4)
- ✓ 6H – Reversal & Reclaim in different years- Rule 37 (bifurcate from 6B)
- ✓ 6K & 6L – Time limit is over other than cases (delete if auto-popl. incorrectly)
- ❖ **Tip: Time limit not applicable to Import of goods** (*disputable*)
- ❖ **Tip: 6M – Include credit booked in PFY and claimed in CFY GSTR 3B. Similar value to be reduced from 6B-to-6H above.** (*helps Table 8 ITC reco.*)

# Table 7 – Inward ITC reversal

A	As per Rule 37
B	As per Rule 39
C	As per Rule 42
D	As per Rule 43
E	As per section 17(5)
F	Reversal of TRAN-I credit
G	Reversal of TRAN-II credit
H	Other reversals (please specify)

- ✓ ITC claimed bifurcation based on GSTR 3B during the financial year ONLY.
- ✓ 7A – 180 days reversal (2<sup>nd</sup> proviso to S16(2))
- ✓ 7B – ISD ITC reversal
- ✓ 7C – Input & Input services only - Link to table 5. Ensure annual reversal too.
- ✓ 7D – Capital goods only – link to table 5. Computation cumbersome.
- ✓ 7E – Provide details if part of eligible credit in GSTR 3B Table 4A (and in 6A above)
- ✓ 7F/7G – Generally based on dept. audit.
- ❖ **For FY 2017-2022 All reversal 7A to 7E – consolidate and disclose in 7H (optional)**



# Table 8 – ITC reconciliations/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	ITC on inward supplies (other than imports and inward supplies under RCM) Particulars of the transactions for the financial year declared in returns of the next financial year till the 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)
J	ITC available but not availed on import of goods (Equal to I)
K	Total ITC to be lapsed in current financial year (E + F + J)

- ✓ This table is indicative only. ITC does not lapse/reduce in credit ldgr based on table 8K.
- ✓ 8A & 8B – auto populated (cannot edit)
- ✓ 8A ≠ GSTR 2A download in portal.
- ✓ 8C – To include part V (t13) and items dated in the FY but accounted and claimed in next FY
- ✓ 8E & 8F = Positive 8D (when 2A is higher)
- ✓ 8G – ICEGATE/GSTR 2B (July 2020 onwards)
- ✓ 6H = 6G – Import credit eligible always.
- ❖ **GSTR 2A vs 3B matching mandatory – Rule 36(4) from October 2019 onwards only.**
- ❖ *R36(4) – validity & legality questionable. Now S16(2)(aa) – applicable w.e.f Jan 2022.*

# Table 9 – Tax Payable vs Paid

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 (₹)			
				Central Tax	State Tax / UT Tax	Integrated Tax	Cess
A	Integrated Tax	0.00	0.00	0.00	0.00	0.00	
B	Central Tax	0.00	0.00	0.00		0.00	
C	State/UT Tax	0.00	0.00		0.00	0.00	
D	Cess	0.00	0.00				0.00
E	Interest	0.00	0.00				
F	Late fee	0.00	0.00				
G	Penalty	0.00	0.00				
H	Other	0.00	0.00				

## Possible Reasons for difference\* –

- Actual additional liability considered (pay through DRC-03)
- Previous year liability disclosed in 3B considered in tax paid
- Excess taxes paid in current year adjusted in next year

- ✓ Tax payable – auto populated (**editable**)
- ✓ Tax paid – auto populated (cannot edit)
- ❖ **Tips: Consider table 5N values (includes additional liability) + additional liability only from Table 7 (ITC reversals)**
- ❖ **Tips: Additional interest to be added to paid interest in payable column.**
- ❖ **Tips: Reasons for difference between Tax Payable and Tax Paid to be maintained\***

# Table 10 – 14 Items considered in next FY

Part V - Particulars of the transactions for the financial year declared in returns of the next financial year till the specified period

10	Supplies / tax declared through Amendments (+) (net of debit notes)
11	Supplies / tax reduced through Amendments (-) (net of credit notes)
12	Reversal of ITC availed during previous financial year
13	ITC availed for the previous financial year
14	Differential tax paid on account of declaration in 10 & 11 above (Payable & Paid)

Include in Part V only when if below satisfied:

- ✓ Whether booked in current FY? – YES
- ✓ Whether considered in GSTR 3B in this FY? – NO
- ✓ Whether considered in GSTR 3B in next FY (within time limit)? – YES
- ✓ Consider positive values only in Table 14. (ITC values need not be considered here)
- ✓ T12 & T13 – optional for FY 2017-2022
- ✓ 8C ≠ 13 – Credit of PFY accounted & claimed in CFY- in 8C; ISD, RCM-ITC & Imports – in T13 only
- ❖ **Tips: Any amendments done only in GSTR 1 having no tax impact – consider in Table 4/5**
- ❖ **Tips: Separate tracking - invoice level to be maintained and verified**

A	Total Refund claimed
B	Total Refund Sanctioned
C	Total Refund Rejected
D	Total Refund pending
E	Total Demand of Taxes
F	Total taxes paid in respect of E above
G	Total demands pending out of E above

A	Supplies received from Composition taxpayers
B	Deemed supply under Section 143
C	Goods sent on approval basis but not returned

- ✓ 15A-D – Refunds claimed **IN** the FY only (not for)
- ✓ 15E-G – Total Demands **IN** the FY only (not for)
- ✓ 16A – Obtain from GSTR 2A (see tax rate)
- ✓ 16B – Job work - Inputs or CG not returned to principal within 1/3 years (extn. 2/5 yrs)
- ✓ 16C – 6 months time limit for return

❖ **For FY 2017-22 details of table 15 & 16 are optional.**

## Table 17 & 18 – HSN – outward & inward

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

- ✓ 4 digit HSN upto Rs. 5 cr (B2B supplies only), 6 digit for > Rs. 5 cr.  
(In GSTR-1 HSN 6 digit for August 2022 onwards)
- ✓ 17 – Outward HSN can be matched to table 5N.
- ✓ 17 – Consolidated GSTR 1 ‘HSN’ may be used
- ✓ 18 ITC – Only those HSN accounting for > 10% of total expenses to be disclosed.
- ❖ **For FY 2017-21 details of table 17 & 18 are optional.**
- ❖ ***For FY 2021-22 details of table 18 only optional***
- ❖ **Rate of tax included in GSTR 1-HSN tab from October 2020.**

- Late fee payable & paid for annual returns to be disclosed (if filed beyond due date-31/12) Rs. 200/day (CGST+SGST) subject to max Rs. 0.5% of turnover of GSTIN for the FY.
- Section 44 includes reconciliation statement so if either one is delayed late fees could be demanded (*only GSTR 9C delay – fee disputable*)
- Late fee for delayed GSTR 1 to be computed and considered in Table 9
- Late fee for delayed GSTR 3B would be auto-computed by the system and paid while filing subsequent GSTR 3B returns and in table 9.

**Declaration by Authorised Signatory** - *I hereby solemnly affirm and declare that the information given herein above is true and correct to the best of my knowledge and belief and nothing has been concealed there from and in case of any reduction in output tax liability the benefit thereof has been/will be passed on to the recipient of supply.*

# Advanced Issues & Solutions

1. Disclosure of spill over transactions
2. Table 8C Vs 13 of GSTR 9
3. Table 8D & 8K analysis
4. Negative ITC in 4C of GSTR 3B
5. Taxable Value – AFS check
6. Additional liabilities
7. Using ITC thru DRC-03 – Annual Returns
8. Important FAQs

# Disclosure of Spill over Transactions (Output)

## I. Booked in current year AFS, Paid in subsequent year GSTR-3B:

Books / AFS	Paid in GSTR 3B	GSTR-9	GSTR-9C	Comments
21-22	22-23	Table 10	NA - table 4/5+10-11 of GSTR 9 considered in 9C	<ol style="list-style-type: none"> <li>Such transactions would have to be disclosed in Table 10/11 of GSTR-9 of FY 21-22 and would be excluded from disclosure in GSTR 9 of FY 22-23.</li> <li>There would be difference in Table 9 where tax payable &gt; tax paid (compensating over 2 yrs)</li> </ol>

## 2. Debit Note Scenarios:

Original Invoice Date	Debit Note Date	Reported & Paid-GSTR 3B	GSTR 9	GSTR 9C	Comments
21-22	21-22	22-23	Table 10	NA	Same as sl I above.
21-22	22-23	22-23	Table 4j/Table 10	Discl. In table 5O or reason for difference	<p>Same as sl. I above, other than GSTR 9C;</p> <p><i>Alternatively - Treat as part of normal supply of FY22-23 &amp; effect would be given in Table 4 of GSTR-9. No impact in GSTR 9C in 22-23.</i></p>



# Disclosure of Spill over Transactions (Credit Notes)

Time limit to raise CN for FY 2021-22 – 31<sup>st</sup> October 2022 (conservative); no time limit for Debit Note though

## 3. Credit Note Scenarios

Original INV Date	Credit Note Date	Reported & Paid-GSTR 3B	GSTR 9	GSTR 9C	Comments
21-22	21-22	22-23	Table 11	NA	<ol style="list-style-type: none"> <li>Such transactions would have been disclosed in Table 11 of GSTR 9 of FY 21-22 &amp; Would be excluded from disclosure in GSTR 9 of FY 22-23.</li> <li>There would be difference in Table 9 where tax payable &gt; tax paid (compensating over 2 yrs)</li> </ol>
21-22	22-23	22-23	Table 4I/Table 11	Discl. In table 5O or reason for difference	<p>Same as sl. 1 above, other than GSTR 9C;</p> <p><i>Alternatively - Treat as part of normal supply of FY22-23 &amp; effect would be given in Table 4 of GSTR-9. No impact in GSTR 9C in 22-23</i></p>

# Disclosure of Spill over Transactions (Advance Received)

## 4. Advance received scenarios

Advance received	Tax Paid in GSTR 3B	Invoice Issued & Paid	Adjusted in GSTR 3B	GSTR 9	GSTR9 C	Comments
21-22	21-22	22-23	22-23	Table 4F	Table 5C	Verify advance ledgers as not part of turnover in AFS.
21-22	21-22	21-22	22-23	Table 4A/4B & Table 11	Table 10	<ol style="list-style-type: none"> <li>Leads to double tax payment in FY 21-22 &amp; would have been disclosed in Table 11 of GSTR 9 of FY 21-22.</li> <li>Tax paid &lt; tax payable in Table 9 of GSTR 9. Reconciliation comments in table 10 of GSTR 9C.</li> </ol>

## 5. Advance received & Refunded back to customer in FY 21-22

Advances received	Refunded	GSTR 9	GSTR 9C	Comments
21-22	21-22	Table 4F & 4L	-	No disclosure also acceptable. It could be reduced from the total advances received figure in 4F or disclosed separately in 4L.

# Disclosure of Spill over Transactions (Input Claimed)

## 6. ITC pertaining to FY 20-21 Claimed in GSTR 3B of FY 21-22:

Option	ITC of Invoices	Claimed in GSTR 3B	GSTR 9	GSTR9C	Comments
I	20-21	21-22	Table 6B	Table 12B & 14	<ol style="list-style-type: none"><li>1. This ITC would have been disclosed in Table 13 and Table 8C of GSTR 9 of FY 20-21.</li><li>2. The disclosure in Table 6B would increase 'Total ITC' in Table 8B &amp; would create a reconciliation difference in Table 8D. <b>It is recommended to disclose in Table 6M.</b></li><li>3. Suggested to reconcile &amp; give appropriate comments in Table 12F of 9C (if any)</li></ol>
II	20-21	21-22	Table 6M	Table 12B & 14	

# Disclosure of Spill over Transactions (Input Reversed)

## 7. Input pertaining to FY 20-21 reversed in GSTR 3B of FY 21-22

ITC Availed	Reversed in Books	Reversed in GSTR-3B	GSTR 9 FY 21-22	GSTR9C FY 21-22	Comments
20-21	20-21	21-22	Table 7H	Table 12B	<p>It would have been a part of Table 12 of FY 20-21 GSTR-9. However, the same was merely a disclosure requirement having no tax impact.</p> <p>It would result in a compensating difference in Table 12 of GSTR 9C for FY 20-21 &amp; 21-22 for which reason to be provided.</p>
20-21	21-22	21-22	Table 7H	Table 12 matches	<p>In FY 21-22 consider impact in 7H, it would not result in a difference between ITC as per table 7J in GSTR 9 and Table 13 of GSTR 9C will match.</p> <p>If it had been a part of Table 12 of GSTR 9 for FY 20-21 which was merely a disclosure requirement having no tax/reconciliation impact.</p>

## Table 8C Vs 13 of GSTR 9

### Table 8C Vs 13 of GSTR 9:

Table 8C need not always match to Table 13 in GSTR 9. The reasons for differences would be:

- Table 13 consists of ITC on imports & inward supplies liable to reverse charge which must not be disclosed in 8C.

8	Other ITC related information						Remarks
A	ITC as per GSTR-2A (Table 3 & 5 thereof)	3,31,37,473	3,31,37,474	1,09,08,078	231	<Auto Populated>	
B	ITC as per sum total of 6(B) and 6(H) above	3,27,00,746	3,27,00,746	1,06,76,809	-		
C	ITC on inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs) received during 2017-18 but availed during April to	35,000	35,000	80,000	-	Previous year input other than RCM and Import	
D	Difference [A-(B+C)]	4,01,727	4,01,728	1,51,269	231	Input Claimed as per 2A/2B	
E	ITC available but not availed	4,01,727	4,01,728	1,51,269	231		
F	ITC available but ineligible						
Pt V	Particulars of the transactions for the previous FY declared in returns of April to September of current FY or upto date of filing of annual return of previous FY						Remarks
	Description	Taxable Value	Central Tax	State Tax/UT	Integrated Tax	Cess	
	1	2	3	4	5	6	
10	Supplies / tax declared through Amendments (+) (net of debit notes)	-	-	-	-		
11	Supplies / tax reduced through Amendments (-) (net of credit notes)	-	-	-	-		
12	Reversal of ITC availed during previous financial year		-	-	-		
13	ITC availed for the previous financial year		50,000	50,000	2,00,000		Previous year input including RCM and Import of Goods

- Table 8C to include Invoice dated in previous FY but accounted and availed during April to September in the subsequent FY, although, as credit relates to subsequent FY table 13 must not disclose such details. (Goods in transit)

# Analysis of 8D & 8K

## Table 8D & 8K analysis:

Table 8D, i.e., ITC as per GSTR-2A/2B does not match with the ITC availed during the FY, or table 8K displaying 'ITC to be lapsed' – are only mathematical disclosures. These would not have a direct impact on the electronic credit ledger. The taxpayer is expected to maintain his reconciliations and can be proved when questioned by departmental officers.

8	Other ITC related information					Remarks
A	ITC as per GSTR-2A (Table 3 & 5 thereof)	3,31,37,473	3,31,37,474	1,09,08,078	231	<Auto Populated>
B	ITC as per sum total of 6(B) and 6(H) above	3,27,00,746	3,27,00,746	1,06,76,809	-	
C	ITC on inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs) received during 2017-18 but availed during April to	35,000	35,000	80,000	-	Previous year input other than RCM and Import
D	Difference [A-(B+C)]	4,01,727	4,01,728	1,51,269	231	Input Claimed as per 2A/2B
E	ITC available but not availed					
F	ITC available but ineligible	4,01,727	4,01,728	1,51,269		Blocked credit U/S 17(5)
G	IGST paid on import of goods (including supplies from SEZ)					
H	IGST credit availed on import of goods (as per 6(E) above)	-				<Auto Populated>
I	Difference (G-H)	-	-	-	-	
J	ITC available but not availed on import of goods (Equal to I)					
K	Total ITC to be lapsed in current financial year (E + F + J)	4,01,727	4,01,728	1,51,269	-	<Auto Populated>

# Negative ITC in 4C of GSTR-3B

## 4. Eligible ITC

Details	Integrated Tax (₹)	Central Tax (₹)	State/UT Tax (₹)	Cess (₹)
<b>A. ITC Available (whether in full or part)</b>				
(1) Import of goods	0.00	0.00	0.00	0.00
(2) Import of services	0.00	0.00	0.00	0.00
(3) Inward supplies liable to reverse charge (other than 1 & 2 above)	170222.48	424095.52	424095.52	0.00
(4) Inward supplies from ISD	0.00	0.00	0.00	0.00
(5) All other ITC	254810.00	2584662.00	2584662.00	0.00
<b>B. ITC Reversed</b>				
(1) As per rules 42 & 43 of CGST Rules	0.00	0.00	0.00	0.00
(2) Others	513723.00	6126.87	6126.87	0.00
<b>C. Net ITC available (A-B)</b>	<b>-88690.52</b>	<b>3002630.65</b>	<b>3002630.65</b>	<b>0.00</b>
<b>D. Ineligible ITC</b>	<b>99.00</b>	<b>29529.00</b>	<b>29529.00</b>	<b>0.00</b>
(1) As per section 17(5)	0.00	0.00	0.00	0.00
(2) Others	99.00	29529.00	29529.00	0.00

Pt IV	Details of tax paid as declared in returns filed during the financial year							Remarks
9	Description	Tax Payable	Paid through cash	Paid through ITC				
				Central Tax	State Tax/UT	Integrated Tax	Cess	
	1	2	3	4	5	6	7	
	Integrated Tax		4,37,38,988	2,51,82,549	2,25,82,127	12,03,79,177		Negative input amount of Rs.88690.52 added
	Central Tax	=129+88690.52	98,473	76,38,208		5,88,904		
	State Tax/UT Tax	83,25,601	98,473		76,38,208	5,88,904		
	Cess							
	Interest		2,82,014					
	Late Fee							
	Penalty							
	Other							

# Negative ITC in 4C of GSTR 3B

## **Negative ITC in 4C of GSTR 3B:**

If ITC was reversed in table 4B of GSTR 3B when such reversal is more than ITC available in 4A, then net ITC available in 4C will be in the negative figure i.e., the negative ITC shall be paid along with the output tax in that month. This has a disclosure impact in table 9 of GSTR 9, where we may add such negative ITC in table 4C (difference) to the payable figure in table 9 of GSTR 9 so that payable matches with the tax paid (cash + credit).

To ensure complete reconciliation - this could also be considered under 'others' in table 9 of GSTR 9C to match the reconciliations if not be provided as a reason for difference in table 10 of GSTR 9C.



# Additional Liabilities

Additional liability could arise mainly due to two reasons:

- Additional liability due to the short discharge of output tax (incl. RCM) - Added to table 4 of GSTR 9 and subsequently, it will get reflected in table 9 (payable) of GSTR 9 & the same will be discharged in DRC-03. (Possibility to utilize credit balance for liabilities other than RCM)
- Additional liability due to excess claim of ITC - Added to table 7 (other reversals) & 9 (payable) of GSTR 9 & the same will be discharged in DRC-03. Possibility to utilize credit balance for excess ITC)
- Interest on delayed filing of returns or delayed payment of taxes vis-à-vis time of supply can be computed on net liability basis.

*Note:*

- In case of additional liability due to an excess claim of ITC, consider it in reasons for the difference in table 10 of GSTR 9C.
- Interest and late fees would also have to be disclosed in the reason for the difference in table 10 of GSTR 9C.

# Using ITC thru DRC-03 – Annual Returns

## ITC can be utilised for payment through Form DRC-03\* (disputable)

- As per Annual return instructions payment through DRC-03 to be in cash only.
- If annual return allows disclosing values for the first time, ITC utilisation liability must be allowed
- Section 73(5) allows voluntary payment prior to issuance of any notice or SOD
- Proof of credit balance as on liability date suggested. Although can be disputed – Sec 49(4) r/w Rule 86(2)
- Form DRC-03 presently allows utilisation of ITC on the portal under ‘Annual return’ option.



# Important FAQs

Questions	Solutions
Outward - My GSTR 3B & GSTR I does not match – how to file GSTR 9?	Take correct values (consider books).
My vendor invoices not reflecting in GSTR 2A till Sept, ITC what can be done? (from Jan 2022 onwards GSTR 2B reco made mandatory thru Sec 16(2)(aa))	<u>Aggressive</u> – Claim ITC is satisfying all other conditions, obtain declaration on indemnity <u>Conservative</u> – Do not claim ITC, recover from vendor <i>Future - Vendor analysis, payment terms modifications</i>
Import related ITC not claimed – time limit applicable?	Dept. view applicable. Author view time limit NA. Sec 16(4) r/w Rule 36(2) – BoE not an ‘invoice’ or ‘DN’
Useful keeping professional involved as mandatory audit removed?	Depends on complexity of transactions, reconciliations, strong internal controls. Chartered Accountants can help identify liabilities payable (O/I/Rm), credits missed in the past, and guide on GST compliance. They would also be able to assist in improving internal controls & overall tax compliance.

# Tips - What Can be done by us the professionals?

- There is sometimes no logic in tax - therefore be vigilant
- Keep updated - complicated cases take expert opinion in writing
- Insist on everything in writing or record the oral transactions (many times data trf on whatsapp)
- Assessee may represent on what aspects seem unfair to them. (individually/thru associations)
- Safeguard client by way of suo-moto declaration as a method of compliance – prior internal verification by knowledgeable professionals (*initial disclosure letter – tax positions & business*)
- In case of being forced to pay in cash - pay under protest if not remedies available
- In case of high handedness - unreasonable behavior Step 1- Escalate in writing. Step 2- Escalate further with cc to the concerned officer 3. Escalate to Comm/Vigilance if money demanded. Step 4. Meet Comm. (maintain all documentation)

# THANK YOU!

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