



# Practical case studies on GSTR 9 and 9C

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By

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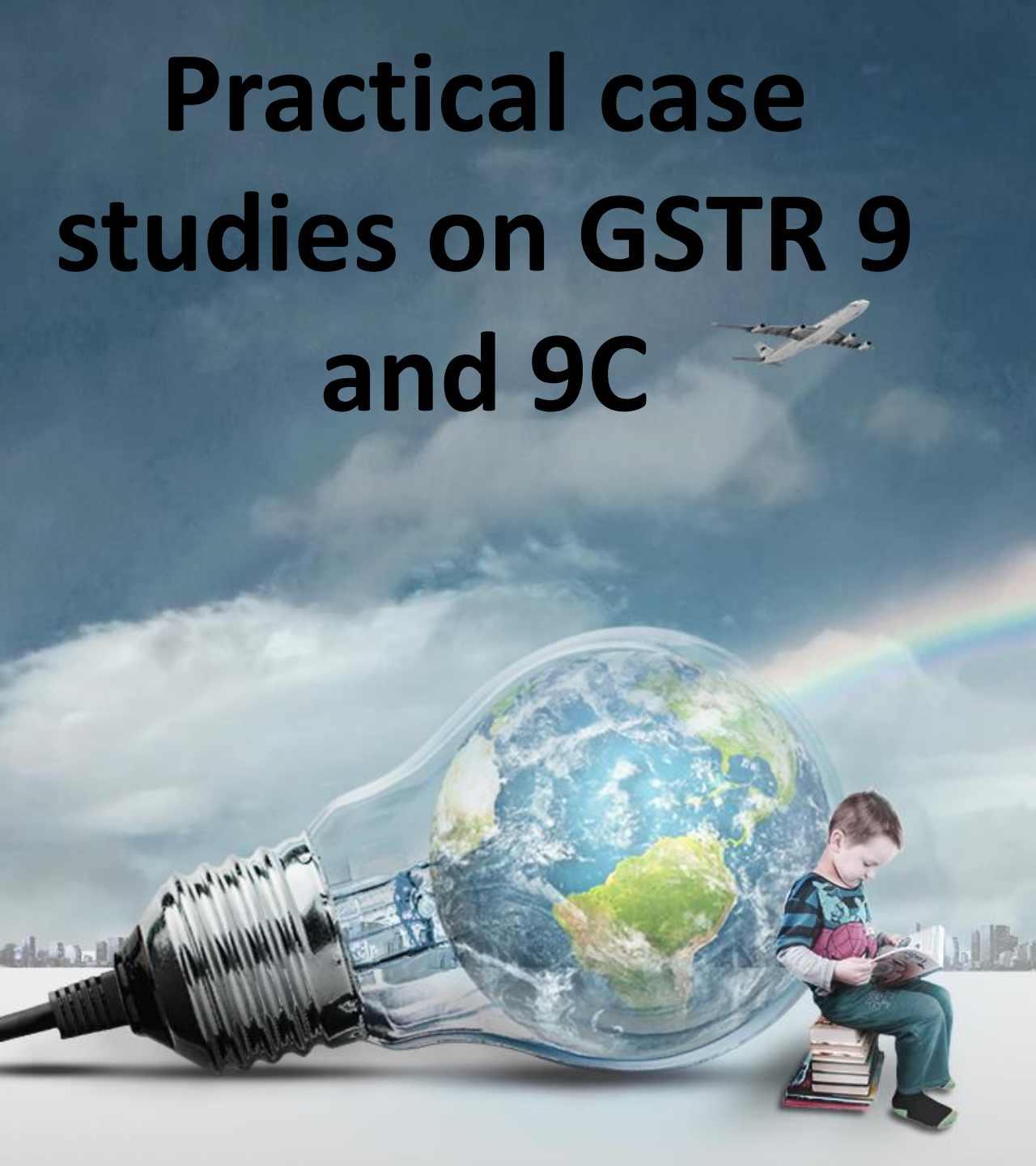
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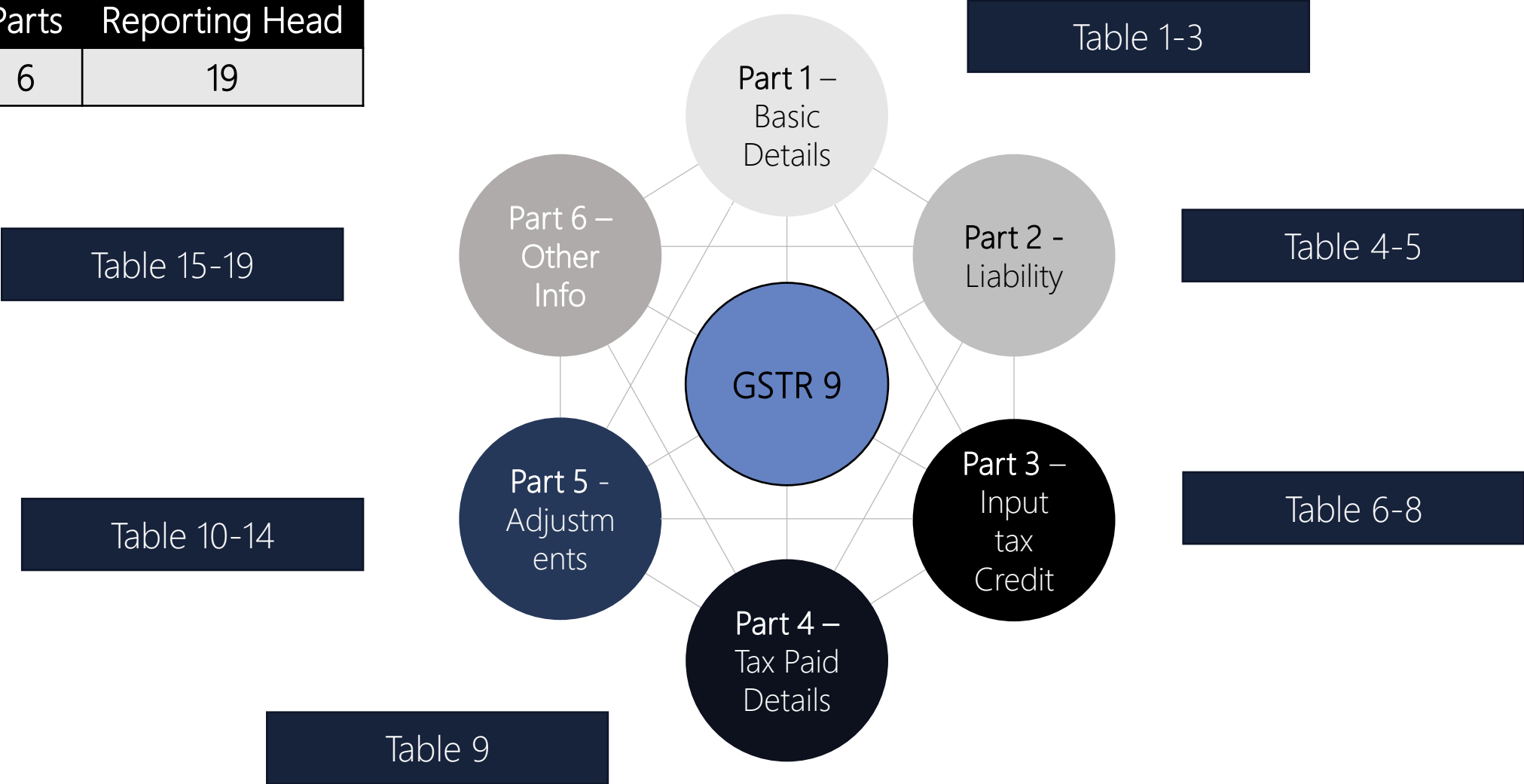
# Practical case studies on GSTR 9 and 9C



- 01 Overview of GSTR 9 and 9C - Outward**
- 02 Case Studies – Outward Supplies**
- 03 Overview of GSTR 9 and 9C - Inward**
- 04 Case studies – Inward Supplies**

# Overview of GSTR 9

Parts	Reporting Head
6	19

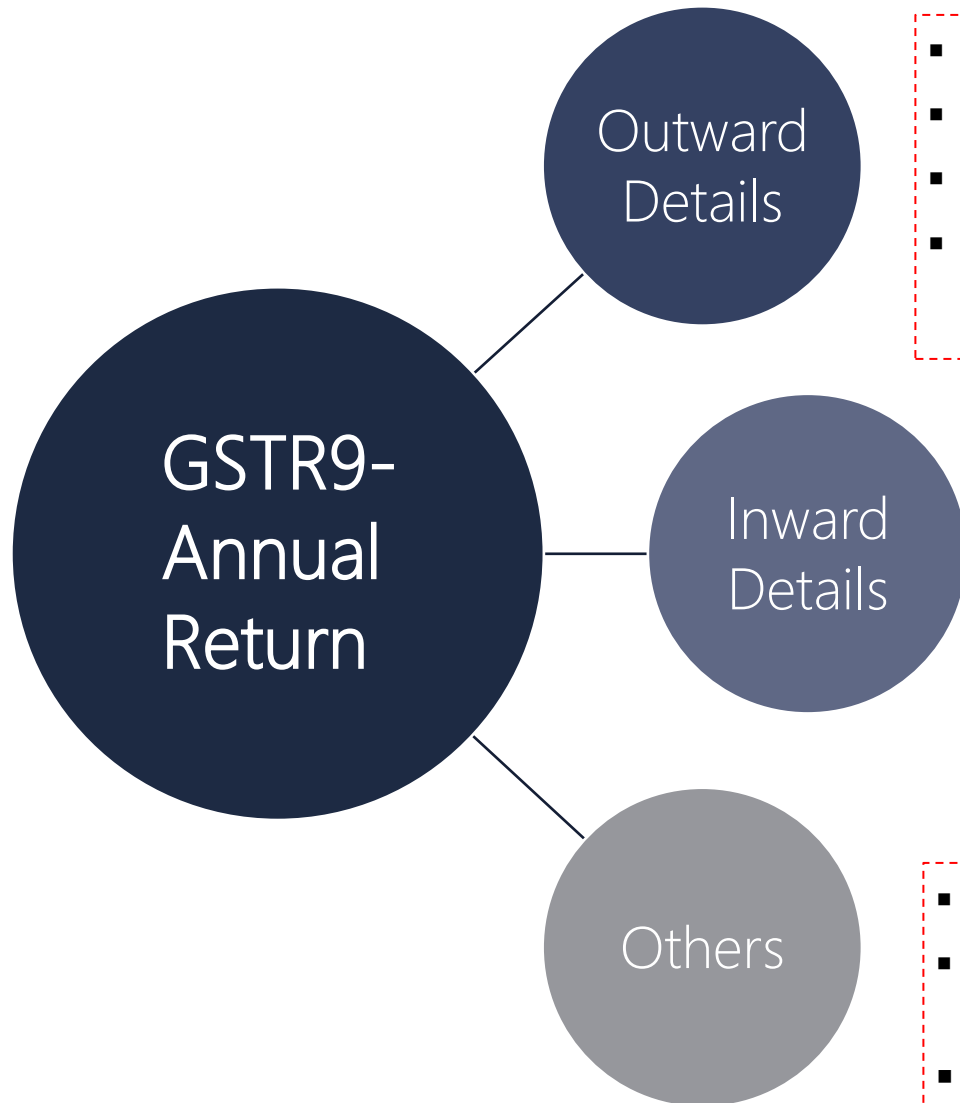






OUTWARD SUPPLY

# Details of GSTR 9

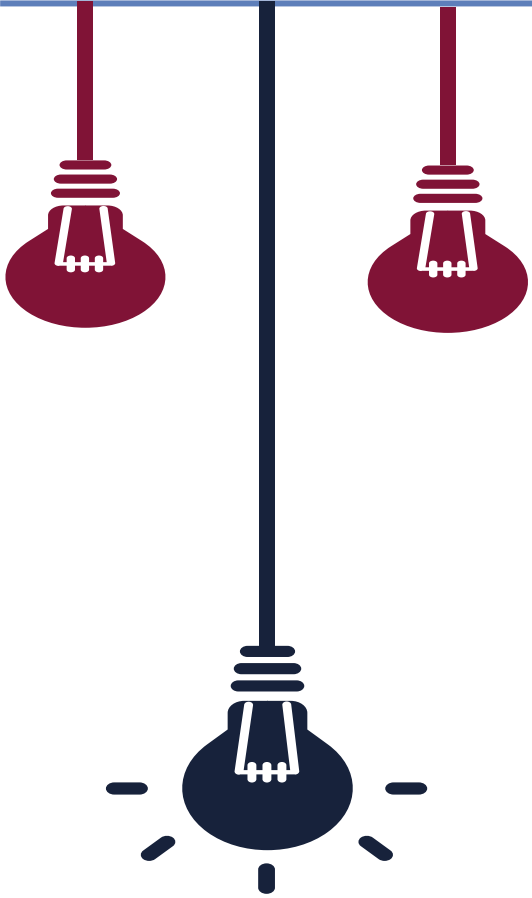


- Table 4: Details of Outward supplies & Inward Supplies on which tax is payable
- Table 5: Details of Outward supplies on which tax is not payable
- Table 10 & 11: Supplies/tax declared/reduced through Amendments
- Note: Reconciliation of GSTR1, GSTR 3B and Books important before filling of information in above tables

- Table 6: Details of ITC Availed
- Table 7: Details of ITC reversed
- Table 8: Reconciliation of ITC availed with GSTR 2A
- Table 12 & 13: Details of ITC availed/reversed through Amendments
- Note: Reconciliation of GSTR2A, GSTR 3B and Books important before filling of information in above tables

- Basic Details, Details of Taxes Paid, Details of Demands and Refunds
- Information on supplies received from composition taxpayers, deemed supply under section 143 and goods sent on approval basis.
- HSN wise summary of outward supplies is mandatory in Table No 17

# Outward Supplies



**GSTR 9**



## Table 4:-

- Details of Outward supplies & Inward Supplies on which tax is payable



## Table 5:-

- Details of Outward supplies on which tax is not payable



## Table 10&11:-

- Supplies/tax declared/reduced through Amendments

Note: Reconciliation of GSTR1, GSTR 3B and books is important before filling of information in above tables.



# Walkthrough of GSTR9 outward supplies

- ❖ GSTR 9 requires verification by the taxpayers. But **no requirement** to obtain **certification from auditors**.
- ❖ Additional tax can be paid along with this form through Form DRC-03.
- ❖ Information of Apr,22 to Mar,23 to be reported in this form, except Part V where details of Apr,23 to Oct,23 are submitted.

FORM GSTR-9 (See rule 80) Annual Return						
Pt. I		Basic Details				
1	Financial Year					
2	GSTIN					
3A	Legal Name					
3B	Trade Name (if any)					
Pt. II		Details of Outward and inward supplies <b>made during the financial year*</b>				
		(Amount in ₹ in all tables)				
Nature of Supplies		Taxable Value	CGST	SGST	IGST	Cess
1		2	3	4	5	6
4	Details of advances, inward and outward supplies <b>made during the financial year*</b> on which tax is payable financial year					



## FORM GSTR 9 : Part II

S. No.	HEADING	COMMENTS	Mandatory/Optional
A	Supplies made to un-registered persons (B2C)	<ul style="list-style-type: none"> <li>▪ <b>Net</b> of Debit / credit note to be reported</li> <li>▪ Will include details of supply made through e-commerce operators</li> </ul>	<b>Mandatory</b>
B	Supplies made to registered persons (B2B)	<ul style="list-style-type: none"> <li>▪ Registered person to report Debit / credit note separately</li> <li>▪ Will include details of supply made through e-commerce operators</li> </ul>	<b>Mandatory</b>
C	Zero rated supply (Export) on payment of tax (except supplies to SEZs)	<ul style="list-style-type: none"> <li>▪ Export under LUT is not to be reported here.</li> <li>▪ Registered person to report Debit / credit note separately</li> </ul>	<b>Mandatory</b>
D	Supply to SEZs on payment of tax	<ul style="list-style-type: none"> <li>▪ Registered person to report Debit / credit note separately</li> </ul>	<b>Mandatory</b>
E	Deemed Exports	<ul style="list-style-type: none"> <li>▪ Registered person to report Debit / credit note separately</li> </ul>	<b>Mandatory</b>
F	Advances on which tax has been paid but invoice has not been issued (not covered under (A) to (E) above)	<ul style="list-style-type: none"> <li>▪ Here, case of advance received but invoice not issued</li> <li>▪ Advance on goods was taxable upto 15.11.17 (NN 66/2017 CT)</li> </ul>	<b>Mandatory</b>

# Walkthrough of GSTR9 outward supplies

## FORM GSTR 9 : Part II

S. No.	HEADING	COMMENT	Mandatory/ Optional
G	Inward supplies on which tax is to be paid on reverse charge basis	<ul style="list-style-type: none"> <li>As Recipient - Cases where Sec 9(3), 9(4) is applicable to be reported.(It doesn't include Import of Goods).</li> <li>Including Advances,</li> <li>Net of Debit / credit note to be reported</li> </ul>	<b>Mandatory</b>
H	Sub-total (A to G above)		
I	Credit Notes issued in respect of transactions specified in (B) to (E) above (-)	<ul style="list-style-type: none"> <li>Credit notes pertaining to Table 4B to Table 4E</li> </ul>	<b>Mandatory</b>
J	Debit Notes issued in respect of transactions specified in (B) to (E) above (+)	<ul style="list-style-type: none"> <li>Debit Notes pertaining to Table 4B to Table 4E</li> </ul>	<b>Mandatory</b>
K	Supplies / tax declared through Amendments (+)	<ul style="list-style-type: none"> <li>Details of amendment made to above Para 4B, Para 4C, Para 4D, Para 4E, Para 4I, Para 4J to be reported here.</li> </ul>	<b>Mandatory</b>
L	Supplies / tax reduced through Amendments (-)	<ul style="list-style-type: none"> <li>Details of amendment made to above Para 4B, Para 4C, Para 4D, Para 4E, Para 4I, Para 4J to be reported here.</li> </ul>	<b>Mandatory</b>

# Walkthrough of GSTR9 outward supplies

S. No.	HEADING
M	Sub-total (I to L above)
N	Supplies and advances on which tax is to be paid (H + M) above

*Will be transferred in GSTR 9C to match with Financial Turnover*

5	Details of Outward supplies on which tax is not payable	COMMENT	Mandatory/ Optional
A	Zero rated supply (Export) without payment of tax	<ul style="list-style-type: none"> <li>Export under LUT is to be reported here.</li> </ul>	<b>Mandatory</b>
B	Supply to SEZs without payment of tax	<ul style="list-style-type: none"> <li>Supplies under LUT is to be reported here.</li> </ul>	<b>Mandatory</b>
C	Supplies on which tax is to be paid by the recipient on reverse charge basis	<ul style="list-style-type: none"> <li>As Supplier - Cases where Sec 9(3), 9(4) is applicable to be reported.</li> <li>Registered person can either report Debit / credit note separately or can net off the outward supply.</li> </ul>	<b>Mandatory</b>
D	Exempted	<ul style="list-style-type: none"> <li>The registered person shall have an option to either separately report his supplies as exempted, nil rated or report consolidated information for all these two heads in the exempted row only</li> </ul>	<b>Mandatory</b>
E	Nil Rated		<b>Optional</b>
F	Non-GST supply ( <b>Includes "No Supply"</b> )*	<ul style="list-style-type: none"> <li>"No Supply" category is also be covered here.</li> </ul>	<b>Mandatory</b>



# Walkthrough of GSTR9 outward supplies

S. No.	HEADING	COMMENT	Mandatory/ Optional
G	Sub-total (A to F above)		
H	Credit Notes issued in respect of transactions specified in A to F above (-)	<ul style="list-style-type: none"> <li>The registered person shall have an option to fill Table 5A to 5F net of credit/debit notes</li> </ul>	Optional
I	Debit Notes issued in respect of transactions specified in A to F above (+)		
J	Supplies declared through Amendments (+)	<ul style="list-style-type: none"> <li>The registered person shall have an option to fill Table 5A to Table 5F net of amendments</li> </ul>	Optional
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)	<ul style="list-style-type: none"> <li>This will include advances on which tax is paid but invoice is not issued during the year (Unadjusted Advances).</li> </ul>	

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
	1	2	3	4	5	6	7
	Integrated Tax	-	-	-	-	-	-
	Central Tax	-	-	-	-	-	-
	State/UT Tax	-	-	-	-	-	-
	Cess/Interest/Late fee/Penalty/Other		-				-

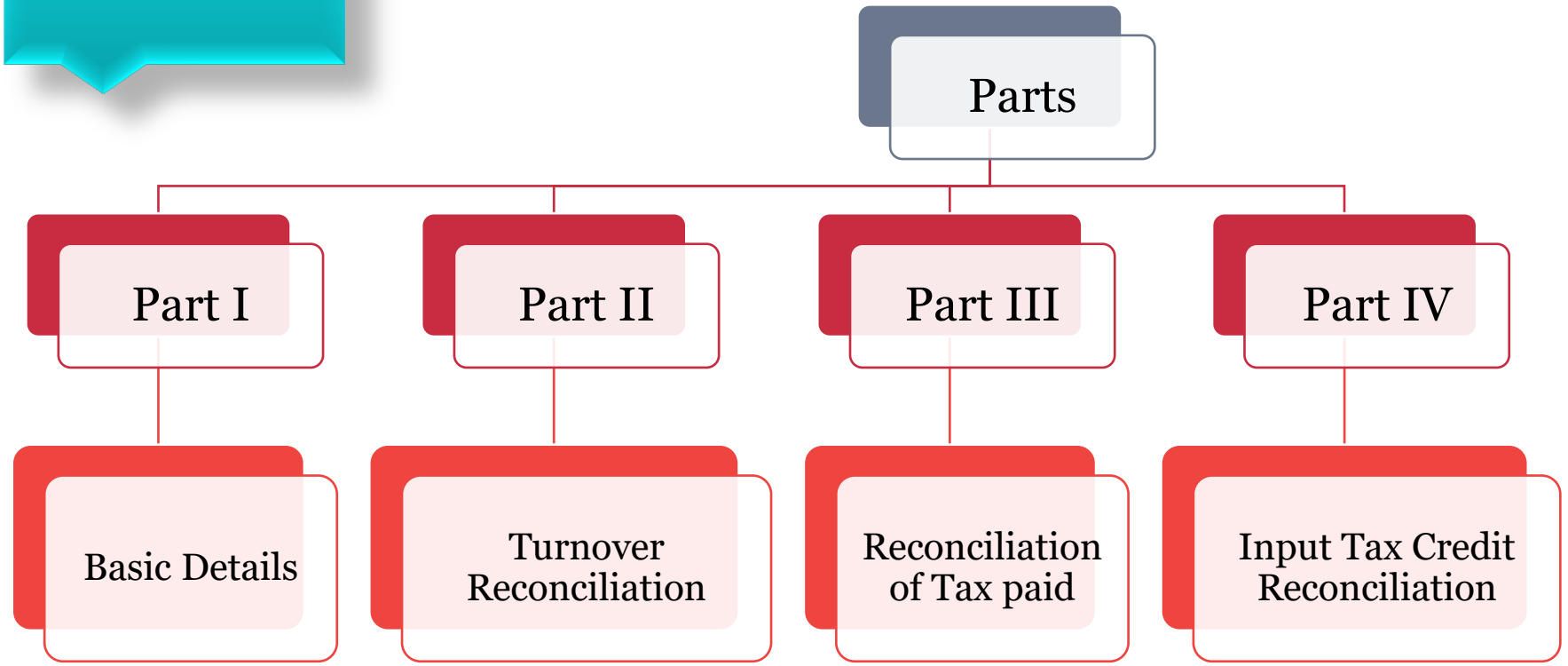
# Walkthrough of GSTR9 outward supplies

Part V	Particulars of the transactions for the FY 22-23 declared in returns between April 2023 till October 2023 filed upto Nov,2023		
S. No.	HEADING	COMMENT	Mandatory/ Optional
10	Supplies / tax declared through Amendments (+) (net of debit notes)	Amendment done in April 2023 to Oct 23 GSTR 1 should be reported here.	<b>Mandatory</b>
11	Supplies / tax reduced through Amendments (-) (net of credit notes)		

14	Differential tax paid on account of declaration in 10 & 11 above		
	Description	Payable	Paid
	1	2	3
	Integrated Tax	-	
	Central Tax	-	
	State/UT Tax	-	
	Cess		
	Interest		

# Reconciliation statement – GSTR 9C

Total 5 Parts



Total 16 Reporting heads



## FORM GSTR 9C : Table 5 : Reconciliation of Turnover

S.No.	HEADING	COMMENT	Mandatory/ Optional
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)	<ul style="list-style-type: none"> <li>In case of multiple GST registration, entities will have to internally derive their GSTIN wise turnover and declare the same here.</li> <li>This shall include export turnover, if any</li> </ul>	<b>Mandatory</b>
B	Unbilled revenue at the beginning of Financial Year (+)	<ul style="list-style-type: none"> <li>When GST is payable during the FY on such revenue (which was recognized earlier), the value of such revenue shall be declared here.</li> <li>The registered person shall have an option to not fill this table. If there are any adjustments required to be reported then the same may be reported in Table 5O.</li> </ul>	<b>Optional</b>
C	Unadjusted advances at the end of the Financial Year (+)	<ul style="list-style-type: none"> <li>Value of all advances for which GST has been paid but the same has not been recognized as revenue in the audited Annual Financial Statement shall be declared here</li> </ul>	<b>Mandatory</b>
D	Deemed Supply under Schedule I (+)	<ul style="list-style-type: none"> <li>Any deemed supply which is already part of the turnover in the audited Annual Financial Statement is not required to be included here</li> </ul>	<b>Mandatory</b>

## FORM GSTR 9C : Table 5 : Reconciliation of Turnover

S.No.	HEADING	COMMENT	Mandatory/ Optional
E	Credit Notes issued after the end of the financial year but reflected in the annual return (-)	<ul style="list-style-type: none"> <li>Credit notes which were issued after 31st of March for any supply accounted in the current financial year but such credit notes were reflected in the annual return (GSTR-9) shall be declared here.</li> </ul>	<b>Mandatory</b>
F	Trade Discounts accounted for in the audited Annual Financial Statement but are not permissible under GST (+)	<ul style="list-style-type: none"> <li>Trade Discount on which GST was leviable (being not permissible) shall be declared here.</li> </ul>	<b>Mandatory</b>
G	Turnover from April 2017 to June 2017 (-)		<b>NA</b>
H	Unbilled revenue at the end of Financial Year (-)	<ul style="list-style-type: none"> <li>Unbilled revenue which was recorded in the books of accounts on the basis of accrual system of accounting during the FY but GST was not payable on such revenue in the same financial year shall be declared here.</li> </ul>	<b>Mandatory</b>
I	Unadjusted Advances at the beginning of the Financial Year (-)	<ul style="list-style-type: none"> <li>Value of all advances for which GST has not been paid but the same has been recognized as revenue in the audited Annual Financial Statement shall be declared here.</li> </ul>	<b>Mandatory</b>

## FORM GSTR 9C : Table 5 : Reconciliation of Turnover

S.No.	HEADING	COMMENT	Mandatory/ Optional
J	Credit Notes issued after the end of the financial year but reflected in the annual return (+)	<ul style="list-style-type: none"> <li>Credit notes which were issued after 31st of March for any supply accounted in the current financial year but such credit notes were reflected in the annual return (GSTR-9) shall be declared here.</li> </ul>	<b>Mandatory</b>
K	Adjustments on account of supply of goods by SEZ units to DTA Units (-)	<ul style="list-style-type: none"> <li>Supply for which the DTA units have filed BOE shall be declared here</li> </ul>	<b>Mandatory</b>
L	Turnover for the period under composition scheme (-)	<ul style="list-style-type: none"> <li>For suppliers who opted out of composition scheme during the current FY</li> </ul>	<b>Mandatory</b>
M	Adjustments in turnover under section 15 and rules thereunder (+/-)	<ul style="list-style-type: none"> <li>Any difference between the turnover reported in the Annual Return (GSTR 9) and turnover reported in the audited Annual Financial Statement due to difference in valuation of supplies shall be declared here.</li> </ul>	<b>Mandatory</b>
N	Adjustments in turnover due to foreign exchange fluctuations.(+/-)		<b>Mandatory</b>



## FORM GSTR 9C : Table 5 : Reconciliation of Turnover

S.No.	HEADING	COMMENT	Mandatory/ Optional
O	Adjustments in turnover due to reasons not listed above (+/-)	<ul style="list-style-type: none"> <li>Consolidated details of Table 5B to 5N can be reported in Table 5O as well.</li> </ul>	<b>Mandatory</b>
P	Annual turnover after adjustments as above	<ul style="list-style-type: none"> <li>This field shall be auto-populated</li> </ul>	
Q	Turnover as declared in Annual Return (GSTR 9)		<b>Mandatory</b>
R	Un-Reconciled turnover (Q - P)		

# Other Illustrations where dispute may arise

Instance	Books	Return
<p>Transactions appearing in Both but any other difference arises like</p> <ul style="list-style-type: none"> <li>- Rate of outward liability Taken 5% instead of 18%</li> <li>- Valuation issue</li> </ul>	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>
Ind AS Adjustment	✓ <input type="checkbox"/>	✗ <input type="checkbox"/>
Stock transfer between branches	✗ <input type="checkbox"/>	✓ <input type="checkbox"/>
Deemed supply transactions	✗ <input type="checkbox"/>	✓ <input type="checkbox"/>
Supplies between related parties	✗ <input type="checkbox"/>	✗ <input type="checkbox"/>

## FORM GSTR 9C : Table 7: Reconciliation of Taxable Turnover

S.No.	HEADING	COMMENT	Mandatory/ Optional
A	Annual turnover after adjustments (from 5P above)	<ul style="list-style-type: none"> <li>Auto Populated</li> </ul>	
B	Value of Exempted, Nil Rated, Non-GST supplies, No-Supply turnover	<ul style="list-style-type: none"> <li>Net of credit notes, debit notes and amendments, if any</li> </ul>	<b>Mandatory</b>
C	Zero rated supplies without payment of tax	<ul style="list-style-type: none"> <li>Net of credit notes, debit notes and amendments, if any</li> </ul>	<b>Mandatory</b>
D	Supplies on which tax is to be paid by the recipient on reverse charge basis	<ul style="list-style-type: none"> <li>Net of credit notes, debit notes and amendments, if any</li> </ul>	<b>Mandatory</b>
E	Taxable turnover as per adjustments above (A-B-C-D)	<ul style="list-style-type: none"> <li>Auto Populated</li> </ul>	
F	Taxable turnover as per liability declared in Annual Return (GSTR9)		<b>Mandatory</b>
G	Unreconciled taxable turnover (F-E)		



## FORM GSTR 9C : Table 9: Reconciliation of Tax Paid

Pt. III	Reconciliation of tax paid					
9	Reconciliation of rate wise liability and amount payable thereon					
			Tax payable			
	Description	Taxable Value	Central tax	State tax / UT tax	Integrated Tax	Cess, if applicable
	1	2	3	4	5	6
A	5%					
B	5% (RC)					
C	12%					
D	12% (RC)					
E	18%				-	
F	18% (RC)					
G	28%					
H	28% (RC)					
I	3%					
J	0.25%					
K	0.10%					
L	Interest					
M	Late Fee					
N	Penalty					
O	Others					
P	Total amount to be paid as per tables above		-	-	-	-
Q	Total amount paid as declared in Annual Return (GSTR 9)		-	-	-	-
R	Un-reconciled payment of amount					-



# Case Studies – Outward Supply

# Case Study 1

Case study 1

## Turnover in F.Y 22-23

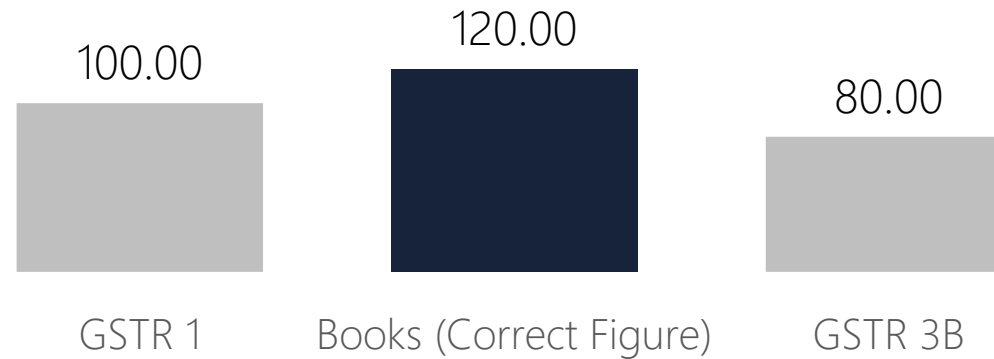


Table 9 (Rs. 80)

Table 4  
(Rs. 120)

Impact on GSTR 9

**How to resolve this  
difference of  
Rs.40?**

## Case study 1

## Impact on GSTR 9

Pt. II Details of Outward and inward supplies made during the financial year						
Nature of Supplies	(Amount in ₹ in all tables)					
	Taxable Value	Central Tax	State Tax / UT Tax	Integrated Tax	Cess	
1	2	3	4	5	6	
<b>4 Details of advances, inward and outward supplies made during the financial year on which tax is payable</b>						
A Supplies made to un-registered persons (B2C)	120	10.80	10.80	-	-	
B Supplies made to registered persons (B2B)	-	-	-	-	-	

Pt. IV Details of tax paid as declared in returns filed during the financial year							
Description	Tax Payable	Paid through cash	Paid through ITC				
			Central Tax	State Tax/UT Tax	Integrated Tax	Cess	
1	2	3	4	5	6	7	
Integrated Tax	0	0	-	-	-	-	
Central Tax	10.80	7.20	-	-	-	-	
State/UT Tax	10.80	7.20	-	-	-	-	



# Case Study 2

Case study 2

## Turnover in F.Y 22-23

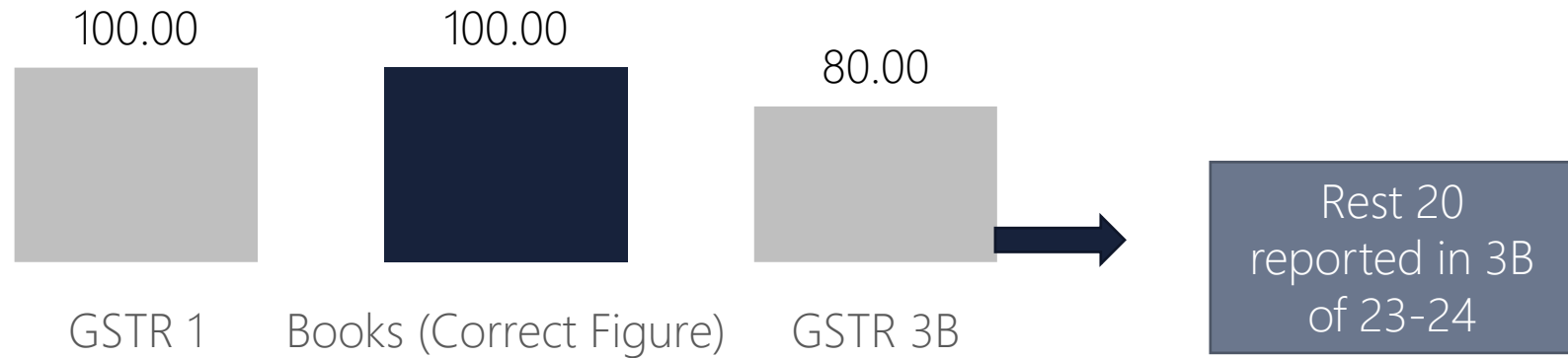


Table 9 (Rs. 80)

Table 4 (Rs. 80)

Impact on GSTR 9

**How to resolve this difference of Rs. 20**

# Case Study 2

Case study 2

## Impact on GSTR 9

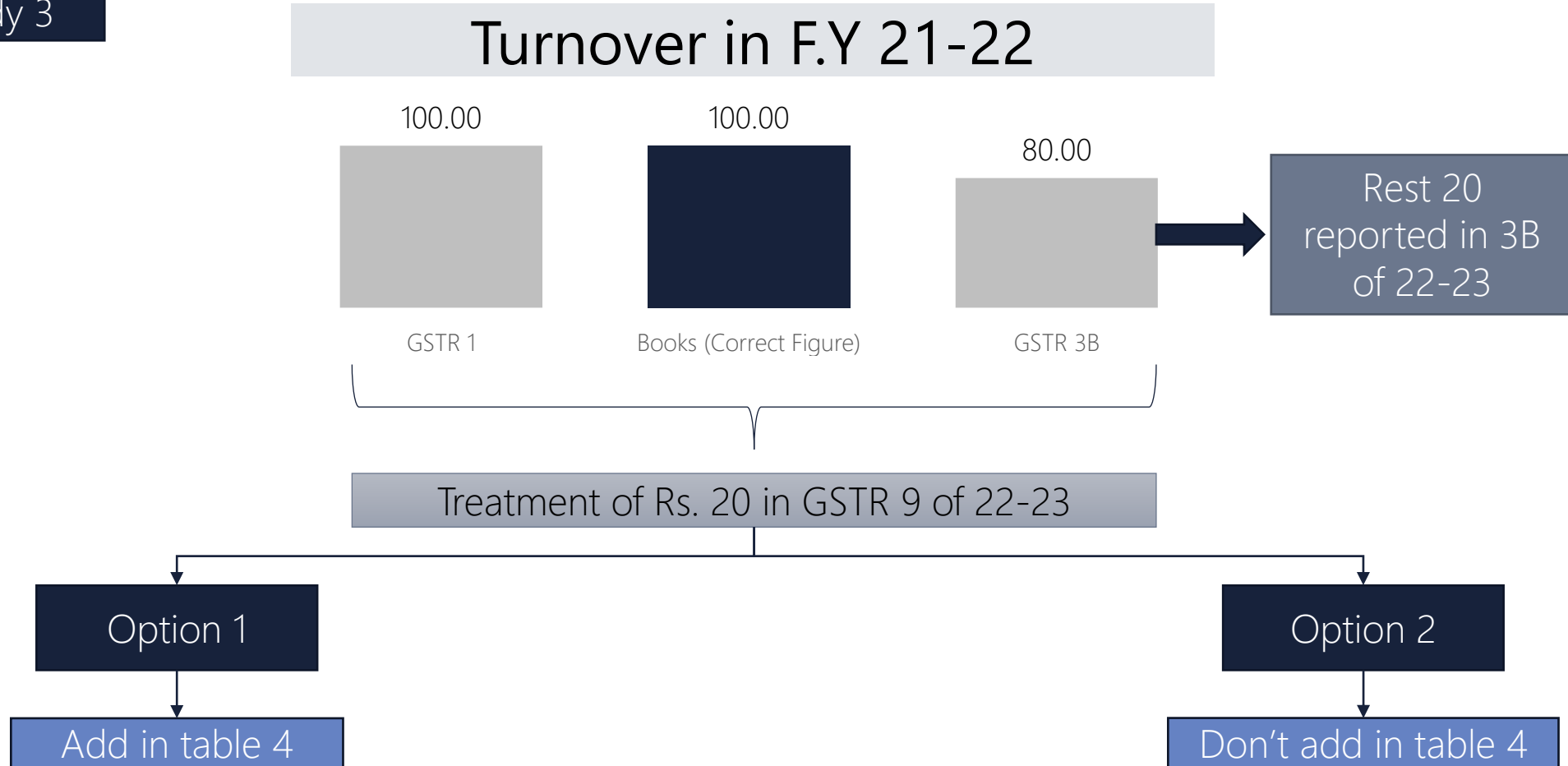
Pt. II Details of Outward and inward supplies made during the financial year						
Nature of Supplies	(Amount in ₹ in all tables)					
	Taxable Value	Central Tax	State Tax / UT Tax	Integrated Tax	Cess	
1	2	3	4	5	6	
<b>4 Details of advances, inward and outward supplies made during the financial year on which tax is payable</b>						
A Supplies made to un-registered persons (B2C)	80	7.20	7.20	-	-	
B Supplies made to registered persons (B2B)	-	-	-	-	-	

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
1	2	3	4	5	6	7
Central Tax	7.20	7.20	-	-	-	-
State/UT Tax	7.20	7.20	-	-	-	-

Pt. V Particulars of the transactions for the FY 2021-22 declared in returns between April 2022 till October 2022						
Description	Taxable Value	Central Tax	State Tax/UT Tax	Integrated Tax	Cess	
	2	3	4	5	6	
<b>10</b> Supplies / tax declared through Amendments (+) (net of debit notes)	20	1.80	1.80			

# Case Study3

## Case study 3

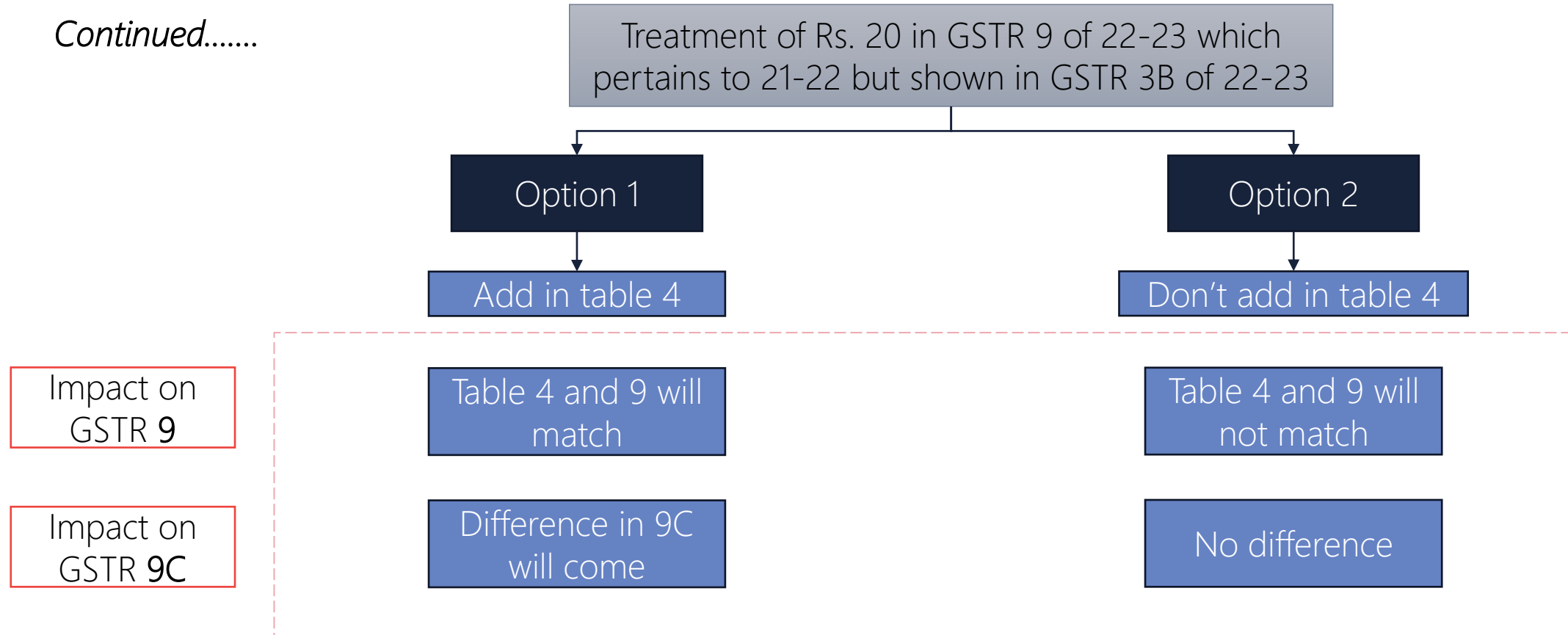


Continued.....

# Case Study 3

## Case study 3

*Continued.....*



# Impact of F.Y. 21-22 transaction in F.Y. 22-23

## Option 1

Pt. II Details of Outward and inward supplies made during the financial year						
Nature of Supplies	(Amount in ₹ in all tables)					
	Taxable Value	Central Tax	State Tax / UT Tax	Integrated Tax	Cess	
1	2	3	4	5	6	
<b>4 Details of advances, inward and outward supplies made during the financial year on which tax is payable</b>						
A Supplies made to un-registered persons (B2C)	20	1.80	1.80	-	-	
B Supplies made to registered persons (B2B)	-	-	-	-	-	

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	
1	2	3	4	5	6	7	
Central Tax	1.80	1.80	-	-	-	-	
State/UT Tax	1.80	1.80	-	-	-	-	



# Impact of F.Y. 21-22 transaction in F.Y. 22-23

## Option 2

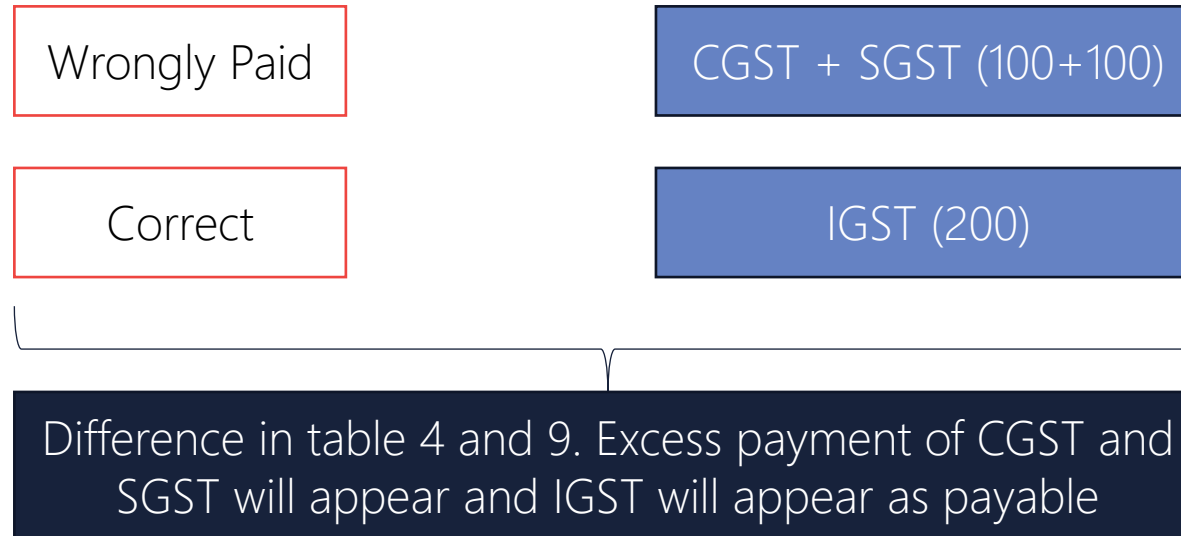
Pt. II Details of Outward and inward supplies made during the financial year						
Nature of Supplies	(Amount in ₹ in all tables)					
	Taxable Value	Central Tax	State Tax / UT Tax	Integrated Tax	Cess	
1	2	3	4	5	6	
<b>4 Details of advances, inward and outward supplies made during the financial year on which tax is payable</b>						
A Supplies made to un-registered persons (B2C)	0	0	0	-	-	
B Supplies made to registered persons (B2B)	-	-	-	-	-	

Pt. IV Details of tax paid as declared in returns filed during the financial year						
Description	Tax Payable	Paid through cash	Paid through ITC			
			Central Tax	State Tax/UT Tax	Integrated Tax	Cess
1	2	3	4	5	6	7
Central Tax	0	1.80	-	-	-	-
State/UT Tax	0	1.80	-	-	-	-

# Case Study 4

## Case study 4

Issue: Assessee paid CGST and SGST during the year 22-23 and later on during the audit it was found that IGST was payable



Impact on  
GSTR 9

Pay IGST amount through  
DRC-03 and claim refund of  
CGST and SGST

# Case Study 4

Case study 4

## Impact on GSTR 9

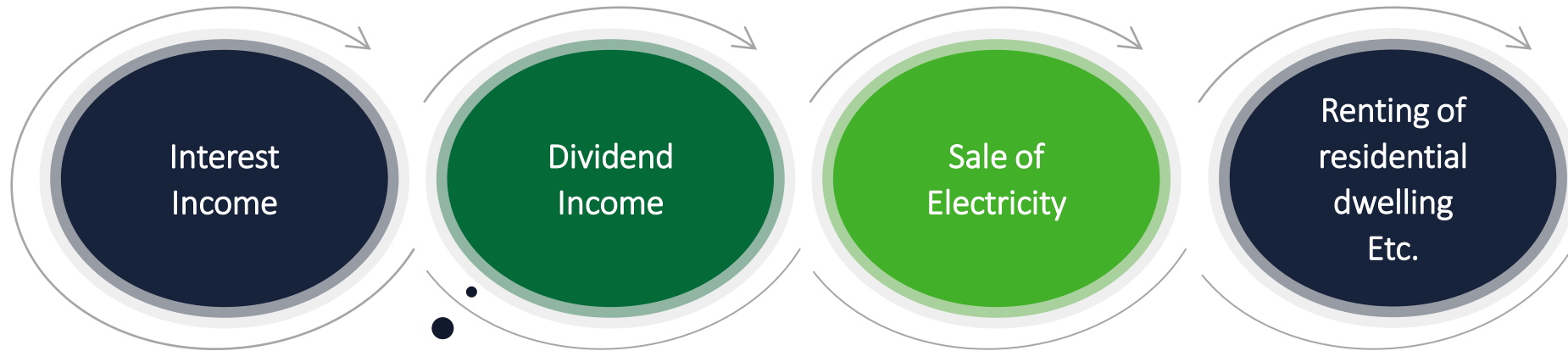
Pt. II Details of Outward and inward supplies made during the financial year						
Nature of Supplies	(Amount in ₹ in all tables)					
	Taxable Value	Central Tax	State Tax / UT Tax	Integrated Tax	Cess	
1	2	3	4	5	6	
<b>4 Details of advances, inward and outward supplies made during the financial year on which tax is payable</b>						
A	Supplies made to un-registered persons (B2C)		0	0	200	-
B	Supplies made to registered persons (B2B)	-	-	-	-	-

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
	1	2	3	4	5	6	7
	Integrated Tax	200	0				
	Central Tax	0	100	-		-	-
	State/UT Tax	0	100	-	-	-	-

## Case study 5

## Impact of Exempt supplies on ITC

Exempt supplies



Rule 42/43 requires reversal of common credit attributable to exempt supplies

Whether presence of exempt supplies in financials and not declared in monthly returns can impact GSTR 9?

1

## Reversal of ITC Availed under GST

- ❑ Exempt supply includes Sale of Land; and Sale of building (after completion certificate or First occupancy).
- ❑ Reversal is to be done on the basis of *carpet Area*.
- ❑ For calculating proportionate common credit on exempt portion  $\{C2 \times (E \div F)\}$ -
  - E = Carpet Area of :
    - a. Apartments the construction of which is exempt.
    - b. Apartments remaining unsold on the date of completion certificate
  - F = Aggregate Carpet area of the project
- ❑ Reversal is to be calculated finally, from commencement or 1<sup>st</sup> July 2017, till the date of completion certificate.

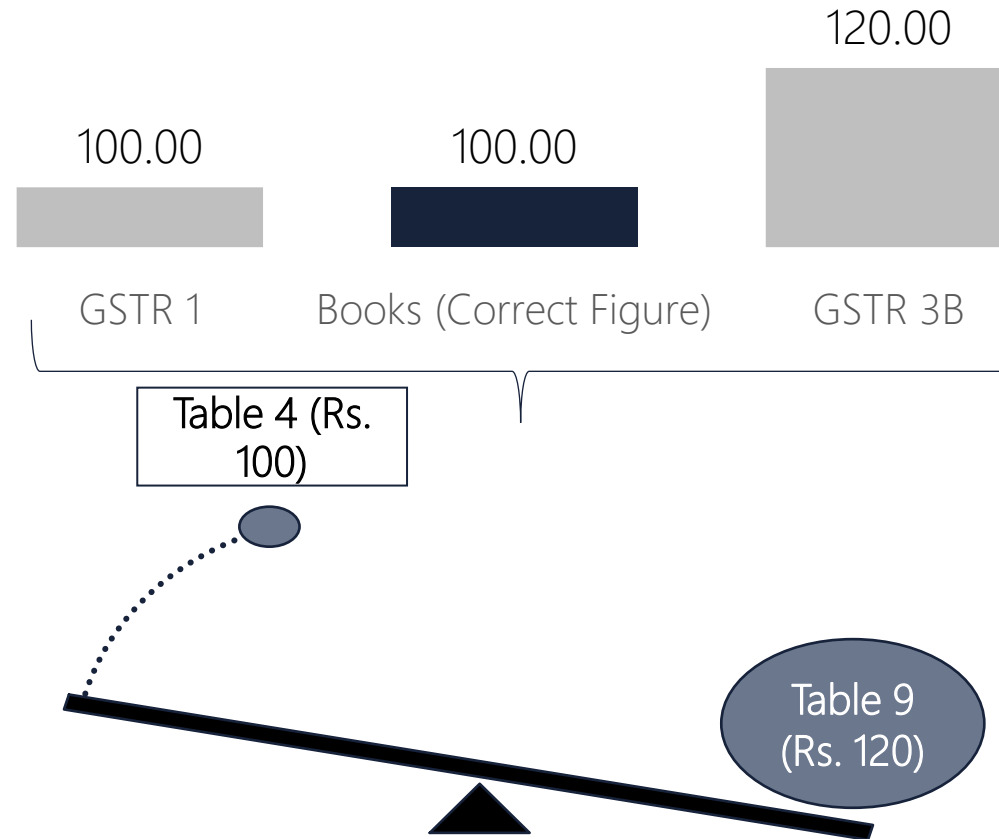
Calculation- Project wise  
or GSTIN wise ?



# Case Study 6

Case study 6

Turnover in F.Y 22-23



Impact on GSTR 9

**Refund of taxes on Rs. 20?**

# Case Study 6

Case study 6

## Impact on GSTR 9

Pt. II Details of Outward and inward supplies made during the financial year						
Nature of Supplies	(Amount in ₹ in all tables)					
	Taxable Value	Central Tax	State Tax / UT Tax	Integrated Tax	Cess	
1	2	3	4	5	6	
<b>4 Details of advances, inward and outward supplies made during the financial year on which tax is payable</b>						
A Supplies made to un-registered persons (B2C)	100	9	9	-	-	
B Supplies made to registered persons (B2B)	-	-	-	-	-	

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
1	2	3	4	5	6	7
Integrated Tax	0	0				
Central Tax	9	10.80	-		-	-
State/UT Tax	9	10.80	-	-	-	-



## Case study 7

In the F.Y 21-22  
B2B supply of Rs. 100 wrongly  
disclosed in monthly returns as B2C

In the F.Y. 22-23 - Corrected from  
B2B to B2C

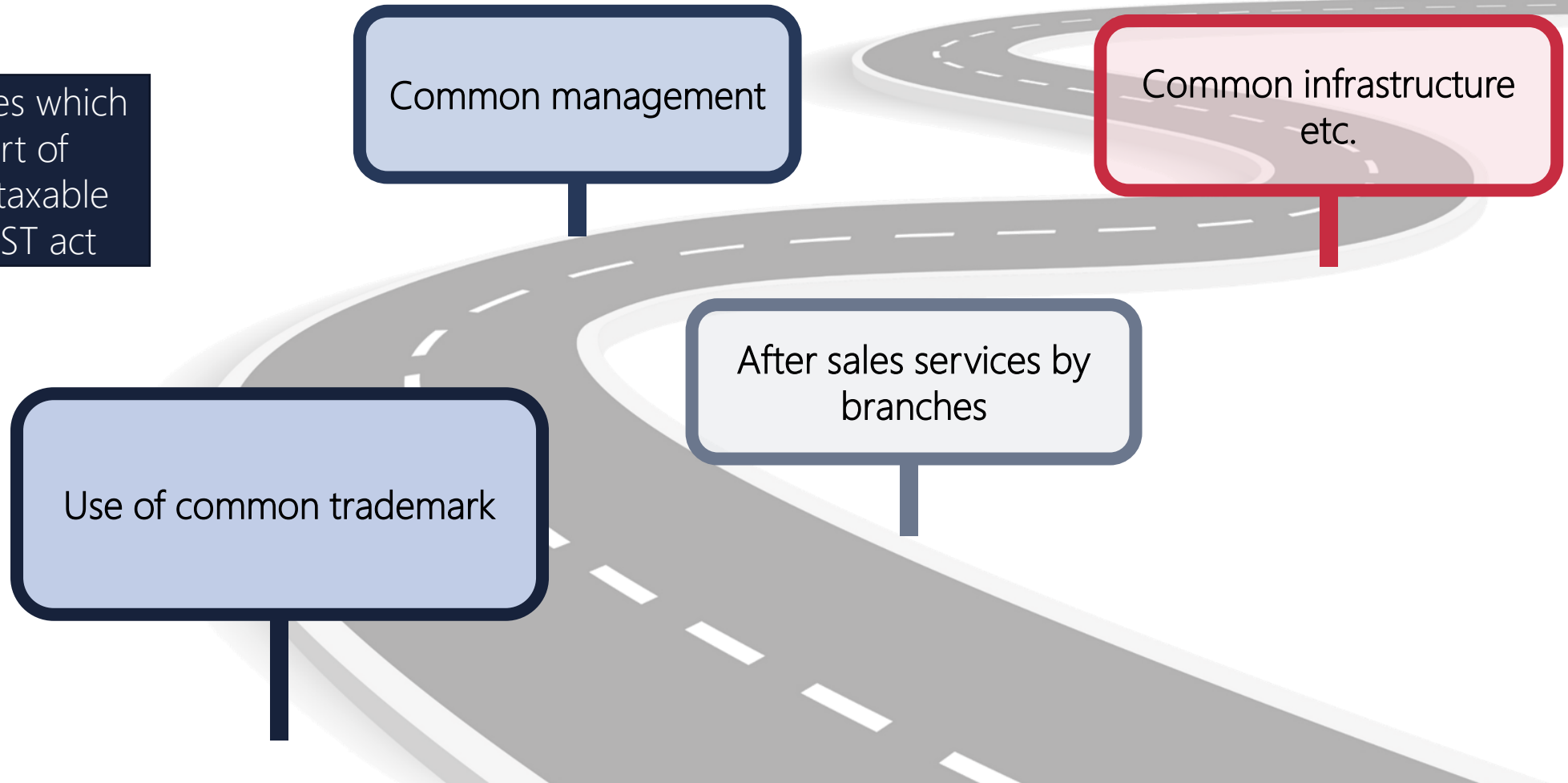
Impact on GSTR9 or GSTR 9C?

# Case Study 8

## Case study 8

### Impact of Supplies not forming part of Financials on GSTR 9/9C

Examples of supplies which do not form part of financials but are taxable supplies as per GST act



# Case Study 9

Case study 9

Amendment in FY 2022-23

22-23

Particulars	Amount
Original amount	100
Revised Amount	120
Impact of Amendment	+20



Impact on  
GSTR 9

22-23

Table GSTR-9	Amount
4B	100
4K	20



# Case Study 10

Case study 8

Amendment in FY 2022-23

22-23

Particulars	Amount
Original amount	100
Revised Amount	<b>80</b>
Impact of Amendment	<b>-20</b>



Impact on  
GSTR 9



22-23

Table GSTR-9	Amount
4B	100
<b>4L</b>	<b>-20</b>

# Case Study 11

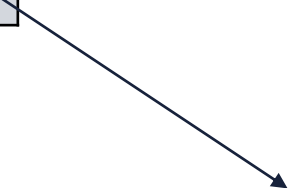
Case study 9

Amendment in FY 2022-23

22-23

Particulars	Amount
Advance received in FY 2022-23	100
Amount adjusted in FY 2022-23	<b>120</b>
Net Advance during the FY 2022-23	<b>-20</b>

Impact on  
GSTR 9



**Reported in Table 4F of  
GSTR-9 of the FY 2022-23  
as negative figure**



# INWARD SUPPLY

# Walkthrough of GSTR9 inward supplies

## FORM GSTR 9 : FY 22-23: Part III

- ✓ In Part III, only tax amount is required to be mentioned. Value of supplies is not required to be mentioned.
- ✓ In this part, at some para's, bifurcation of information is required to be given
  - Between Inputs, Capital Goods and Input Services at Sr. No. 6B to 6D (For F.Y 22-23, instead of showing bifurcation of Input and input services, consolidated details can be shown in inputs row only) and
  - Between Inputs and Capital Goods at Sr. No. 6E

Pt. III	Details of ITC as declared <b>for the financial year*</b>					
	Description	Type	CGST	SGST	IGST	Cess
	1	2	3	4	5	6
<b>6</b>	<b>Details of ITC availed <b>during the financial year*</b></b>					
A	Total amount of input tax credit availed through FORM GSTR-3B (sum total of Table 4A of FORM GSTR-3B)	<Auto>	<Auto>	<Auto>	<Auto>	
B	Inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs)	Inputs	<ul style="list-style-type: none"> <li>▪ Capital goods credit to be shown. Remaining ITC can be shown under the head inputs, instead of bifurcating the same.</li> <li>▪ Credit availed, but reversed and then re-claimed shall not be reported here. It is to be reported in below Para 6(H)</li> </ul>			
		Capital Goods				
		Input Services				



# Walkthrough of GSTR9 inward supplies

## FORM GSTR 9 : FY 22-23: Part III

S. No.	HEADING	COMMENT	Mandatory/ Optional
C	Inward supplies received from unregistered persons liable to reverse charge (other than B above) on which tax is paid & ITC availed	<ul style="list-style-type: none"><li>▪ Credit of tax paid as per Sec 9(4) is to be considered here</li><li>▪ It doesn't include import of service</li><li>▪ Consolidated details of Table 6C and 6D can be shown in Table 6D.</li></ul>	<b>Optional</b>
D	Inward supplies received from registered persons liable to reverse charge (other than B above) on which tax is paid and ITC availed	<ul style="list-style-type: none"><li>▪ Credit of tax paid as per Sec 9(3) is to be considered here</li></ul>	<b>Mandatory</b>
E	Import of goods (including supplies from SEZs)	<ul style="list-style-type: none"><li>▪ Consolidated details can be shown in inputs row only</li></ul>	<b>Mandatory</b>
F	Import of services (excluding inward supplies from SEZs)		<b>Mandatory</b>
G	Input Tax credit received from ISD		<b>Mandatory</b>

# Walkthrough of GSTR9 inward supplies

## FORM GSTR 9 : FY 22-23: Part III

S. No.	HEADING	COMMENT	Mandatory/ Optional
H	Amount of ITC reclaimed (other than B above) under the provisions of the Act	<ul style="list-style-type: none"> <li>Amount of ITC claimed, reversed and reclaimed is to be reported here</li> </ul>	<b>Mandatory</b>
I	Sub-total (B to H above)		
J	Difference (I - A above)	<ul style="list-style-type: none"> <li>Ideally, this amount should be Zero. Figures as per para 6B to 6H are just detailed versions of amount mentioned in Para 6A above</li> </ul>	
K	Transition Credit through TRAN-I (including revisions if any)	<ul style="list-style-type: none"> <li>Includes amount revised in Trans 1</li> </ul>	<b>Mandatory</b>
L	Transition Credit through TRAN-II		<b>Mandatory</b>
M	Any other ITC availed but not specified above	<ul style="list-style-type: none"> <li>For example : Details of ITC availed through ITC 01, ITC 02 to be reported here</li> </ul>	<b>Mandatory</b>
N	Sub-total (K to M above)		
O	Total ITC availed (I + N above)		
<b>7</b>	<b>Details of ITC Reversed and Ineligible ITC for the financial year*</b>		
A	As per Rule 37	<ul style="list-style-type: none"> <li>Case of payment not made within 180 days</li> </ul>	<b>Optional</b>

# Walkthrough of GSTR9 inward supplies

S. No.	HEADING	COMMENT	Mandatory/ Optional
B	As per Rule 39	<ul style="list-style-type: none"> <li>Reversal of excess ITC distributed credit by ISD as per Rule 39(1)(j), 39(2)</li> </ul>	Optional
C	As per Rule 42	<ul style="list-style-type: none"> <li>Reversal of ITC of Input/Input Services, if used for exempted supply</li> </ul>	Optional
D	As per Rule 43	<ul style="list-style-type: none"> <li>Reversal of ITC of Capital Goods, if used for exempted supply</li> </ul>	Optional
E	<b>As per section 17(5)</b>	<ul style="list-style-type: none"> <li>If value of Table 4D was not included in 4A, then no entry to be made.</li> </ul>	Optional
F	Reversal of TRAN-I credit		Mandatory
G	Reversal of TRAN-II credit		Mandatory
H	Other reversals (pl. specify)	<ul style="list-style-type: none"> <li>ITC reversed through ITC 03, Sale of CG, Reversal due to closure of business or any other reversal may be reported here</li> <li>Registered person shall have an option to either fill information on reversal separately in Table 7A to 7E or report the entire amount of reversal under Table 7H only.</li> </ul>	Mandatory
I	Total ITC Reversed (A to H above)		
J	Net ITC Available for Utilization (60 - 7I)		

*Will be transferred in GSTR 9C to match with ITC availed in books of accounts (Table 12)*



# Walkthrough of GSTR9 inward supplies

S. no	HEADING	COMMENT	Mandatory/ Optional
8	<b>Other ITC related information</b>		
A	ITC as per GSTR-2A (Table 3 & 5 thereof)	<ul style="list-style-type: none"> <li>This will be auto populated by system from GSTR 2A.</li> <li>Registered person shall have an option to upload details for the entries in Table 8A to 8D duly signed in PDF Format in Form GSTR 9C</li> </ul>	Optional
B	ITC as per sum total of 6(B) and 6(H) above	<ul style="list-style-type: none"> <li>It will be auto populated. (In form notified by govt, auto comment is mentioned only for CGST, and not for other. It might be typing mistake).</li> </ul>	
C	ITC on inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs) received during 2022-23- but availed during April to October, 2023	<ul style="list-style-type: none"> <li>Credit pertaining to April 22 to Mar 23, but availed in GSTR 3B of April 23 to Oct 23, shall be declared here.</li> </ul>	
D	<b>Difference [A-(B+C)]</b>	<ul style="list-style-type: none"> <li>The value in row 8D can be negative.</li> </ul>	
E	ITC available but not availed (out of D)	<ul style="list-style-type: none"> <li>Amount of Para 8E + 8F = 8D</li> </ul>	
F	ITC available but ineligible (out of D)		
G	IGST <b>paid</b> on import of goods (including supplies from SEZ)		

# Walkthrough of GSTR9 inward supplies

S. No.	HEADING	COMMENT	Mandatory/ Optional
H	IGST credit <b>availed</b> on import of goods (as per 6(E) above)	<ul style="list-style-type: none"> <li>This will be auto populated by system from Table 6E above</li> </ul>	
I	Difference (G-H)		
J	ITC available but not availed on import of goods (Equal to I)	<ul style="list-style-type: none"> <li>This should be equal to Para 8I above. This is credit not availed and ineligible credit. Unnecessary this extra row is there.</li> </ul>	<b>Mandatory</b>
K	Total ITC to be lapsed in current financial year (E + F + J)	<ul style="list-style-type: none"> <li>This is lapsed credit</li> </ul>	

Pt V	Particulars of the transactions for the FY 2022-23 declared in returns between April 2023 till October 2023		
S.N	HEADING	COMMENT	Mandatory/ Optional
12	Reversal of ITC availed during previous financial year	<ul style="list-style-type: none"> <li>ITC availed in April 2022 to March 2023 but reversed in returns filed for the months of April 2023 to October 2023 shall be declared here.</li> </ul>	<b>Optional</b>
13	ITC availed for the previous financial year	<ul style="list-style-type: none"> <li>Goods or services received between April 2022 to March 2023 but ITC for the same was availed in returns of April 2023 to October 2023</li> </ul>	<b>Optional</b>

# Walkthrough of GSTR9C inward supplies

## FORM GSTR 9C : FY 22-23: Table 12: Reconciliation of Net ITC

S. No.	HEADING	COMMENT	Mandatory/ Optional
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)	<ul style="list-style-type: none"> <li>In case of multiple GST registration, entities will have to internally derive their GSTIN wise ITC and declare the same here.</li> </ul>	<b>Mandatory</b>
B	ITC booked in earlier Financial Years claimed in current Financial Year (+)	<ul style="list-style-type: none"> <li>ITC booked in financial statements in earlier years but claimed in FY 22-13 shall be declared here</li> <li>This shall include transitional credit as well.</li> </ul>	<b>Optional</b>
C	ITC booked in current Financial Year to be claimed in subsequent Financial Years (-)	<ul style="list-style-type: none"> <li>ITC booked in financial statements in 22-13 but the same has not been credited to the ITC ledger for the said FY</li> </ul>	<b>Optional</b>
D	ITC availed as per audited financial statements or books of account	<ul style="list-style-type: none"> <li>Auto Populated</li> </ul>	
E	ITC claimed in Annual Return (GSTR9)		<b>Mandatory</b>
F	Un-reconciled ITC		

# Case Study 1

Case study 1

F.Y. 22-23

Particulars	Amount	Correct or not
ITC taken in monthly returns	100	✗ <input type="checkbox"/>
Correct ITC in Books	90	✓ <input type="checkbox"/>

Impact on GSTR 9

Table 6B – Rs. 90

Table 6A –Rs.100

Difference of Rs.10?

# Case Study 1

Case study 1

## Impact on GSTR 9

6		Details of ITC availed during the financial year				
		CGST	SGST	IGST	Cess	
A	Total amount of input tax credit availed through FORM GSTR-3B (sum total of Table 4A of FORM GSTR-3B)	-	-	100	-	
B	Inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs)	Inputs	-	-	90	-
		Capital Goods	-	-	-	-
		Input Services	-	-	-	-
J	Difference			-10		

**Pay through DRC 03**

# Case Study 2

Case study 2

ITC Figures of 21-22 reported in returns of 22-23

21-22

22-23

Particulars	Amount
ITC books	100
ITC returns (3B)	0

ITC of Rs. 100 taken in 3B of 22-23

Impact on  
GSTR9

S. No.	HEADING	Amount
13	ITC availed for the previous financial year	100

6A (Auto populate) 100 +

6B 100 +

8A (Auto populate) -

8B 100 +

Difference  
100?

## Case study 2

## Impact on GSTR 9

### Option 1 – Show in 6B

6		Details of ITC availed during the financial year				
		CGST	SGST	IGST	Cess	
A	Total amount of input tax credit availed through FORM GSTR-3B (sum total of Table 4A of FORM GSTR-3B)	-	-	100	-	
B	Inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs)	Inputs	-	-	100	-
		Capital Goods	-	-	-	-
		Input Services	-	-	-	-
J	Difference	-	-	-	-	

8		Other ITC related information				
		CGST	SGST	IGST	Cess	
A	ITC as per GSTR-2A (Table 3 & 5 thereof)	0	0	0	0	
B	ITC as per sum total of 6(B) and 6(H) above	-	-	100	-	
D	Difference	-	-	-100	0	



# Case Study 2

Case study 2

## Impact on GSTR 9

Option 2 – Don't Show in 6B

6		Details of ITC availed during the financial year				
		CGST	SGST	IGST	Cess	
A	Total amount of input tax credit availed through FORM GSTR-3B (sum total of Table 4A of FORM GSTR-3B)	-	-	100	-	
B	Inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs)	Inputs	-	-	0	-
		Capital Goods	-	-	-	-
		Input Services	-	-	-	-
J	Difference	-	-	-100	-	

8		Other ITC related information			
		CGST	SGST	IGST	Cess
A	ITC as per GSTR-2A (Table 3 & 5 thereof)	0	0	0	0
B	ITC as per sum total of 6(B) and 6(H) above	-	-	0	-
D	Difference	-	-	0	0

Option 2 is Correct option

Case study 3

## Differences in Table 8A, GSTR 2A/2B and Excel of 8A

Reasons for differences in	GSTR2A	Excel Table 8A	Form 9 Table 8A
Invoice where POS is different than registered place of recipient	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	✗ <input type="checkbox"/>
RCM invoices where registered supplier declares those invoices in GSTR 1	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	✗ <input type="checkbox"/>
Credit received from ISD	✓ <input type="checkbox"/>	✗ <input type="checkbox"/>	✗ <input type="checkbox"/>
GSTR1 submitted by supplier but not filed	✓ <input type="checkbox"/>	✗ <input type="checkbox"/>	✗ <input type="checkbox"/>
Return submitted after Oct'2023	✓ <input type="checkbox"/>	✗ <input type="checkbox"/>	✗ <input type="checkbox"/>
Credit note related to invoice of 22-23 issued in 23-24	✓ <input type="checkbox"/>	✗ <input type="checkbox"/>	✗ <input type="checkbox"/>

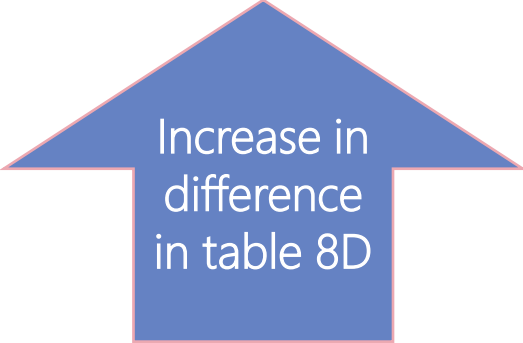
*Continued.....*

Case study

Differences in Table 8A, GSTR 2A and Excel of 8A

Continued.....

Impact on  
GSTR 9



Increase in  
difference  
in table 8D

Challenges in reconciliation of ITC figures in GSTR 9

8A and 2A difference

8A and Excel of 8A  
difference

8A and 6B  
difference

Impact of credit  
of 21-22 taken  
in 22-23.  
Reflected in  
8A?

8A figures  
backup?

# Case Study 4

Case study 5

RCM liability of 21-22 paid in 22-23

21-22

22-23

Particulars	Amount
RCM liability (books)	100
Liability in returns	0
ITC in returns	0

ITC and liability of Rs. 100 taken in 3B of 22-23

Impact on  
GSTR 9

22-23

Credit is 100

Return  
Liability  
(Rs. 100)

# Case Study 5 – Input tax credit

Issue	Reporting in GSTR-3B	Impact in GSTR-9
1	Input Tax credit not appearing in books but appearing in GSTR-2B reported in GSTR-3B in <b>“All other ITC”</b> and The same has been reported as <b>deferred ITC</b> in <b>Table (4) (B) (2)</b> of GSTR-3B	<b>Deferred ITC has been reported in Table 6M of GSTR-9 and deferred reversal for the same has been reported in table 7H as other reversal.</b>
2	Ineligible Input Tax credit not appearing in books but appearing in GSTR-2B reported in GSTR-3B in All other ITC and The same has been reported as deferred ITC in Table (4) (B) (1) of GSTR-3B	<b>Deferred ITC has been reported in Table 6M of GSTR-9 and deferred reversal for the same has been reported in table 7E as reversal “as per section 17(5)”.</b>
3	Input pertains to FY 2022-23 but not appearing in books, however the same has been appearing in GSTR-2B and reported in GSTR-3B of FY 2023-24 in “All other ITC” and reversal as deferred ITC in Table (4) (B) (2) of GSTR-3B	<b>Not required to reported in Both Table no 12 and 13 of FY 2022-23. Instead, when ITC of FY 2022-23 reclaimed in GSTR-3B of FY 2023-21 , has been reported in table 13 of FY 2022-23</b>

# Case Study 6

Issue	Reporting in GSTR-3B	Impact in GSTR-9
1	Only credit notes as ITC reversal reported in GSTR-3B as " All other ITC "	<b>No Negative figure reported in Table 6 of GSTR-9 , in such case difference should shown under table 6 and the same has been reported in Table 7 of GSTR-9</b>
2	If ITC reversal is more than the Input available then the reversal amount has to be paid in cash	<b>Difference has to be appearing in Table 9 of GSTR-9 and a note regarding this difference has been given in GSTR-9C for clarification.</b>
3	GST reversal under section 4 (B) (2) wrongly shown as 4 ( B ) (1) as permanent reversal or reversal under section 17 (5)	<b>The same has been correctly reported while filing the GSTR-9 of FY 2022-23</b>
4	Reclaim of 42/43 reversal has not been required to be reported in Table 6H of GSTR-9 because Table 8B of GSTR-9 is sum of table 6B and 6H which is not in line with Table 8A	<b>The 42/43 reclaim has to be reported in Table 6M of GSTR-9.</b>

## What if timeline prescribed under Section 16(4) for availing credit has been expired ?

### **Scenario 1: When credit has been availed under CGST + SGST head instead of IGST**

- This situation is revenue neutral
- The department does not lose or gain anything due to the availment of credit under wrong tax head
- However, this view is highly prone to disputes by department and relief is expected at higher judicial authorities only.





# Revenue neutrality not possible

## **Scenario 2: When credit has been availed under IGST head instead of CGST SGST**

- Loss of revenue to the state as credit has been taken from that State. Hence, this is not revenue neutral
- IGST credit cannot be availed due to expiry of timeline
- CGST and SGST credit has to be reversed alongwith interest



Case study 4

## Negative outward supplies due to excess credit notes

Treatment in monthly returns

Adjusted with outward supply of next months

Increased ITC

Impact on GSTR 9

No Impact – Correct treatment

Excess ITC will appear table 6B

Treatment

If there was no outward supplies in subsequent months then take refund of excess credit notes

Reduce the ITC manually

Pay the amount of utilized ITC through DRC -03

# Case Study 8

Case study 4

## Impact on GSTR 9 – In case ITC was increased

6		Details of ITC availed during the financial year				
		CGST	SGST	IGST	Cess	
A	Total amount of input tax credit availed through FORM GSTR-3B (sum total of Table 4A of FORM GSTR-3B)	-	-	20	-	
B	Inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs)	Inputs	-	-	0	-
		Capital Goods	-	-	-	-
		Input Services	-	-	-	-
J	Difference	-	-	-20	-	

●

Don't show in 6B and pay difference through DRC-03

# **Legality of Power of Audit Officers to Issue SCN**



## Commissioner



**Proper  
Officer**

**An officer assigned by  
the Commissioner in  
Board**

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Section 2(91) - “proper officer” in relation to any function to be performed under this Act, means the **Commissioner or the officer of the central tax who is assigned that function by the Commissioner in the Board**

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**Section 3 of CGST Act Notif. 2/2017-CT deals with appointment of officers qua specified territorial jurisdiction.**

- Section 3 empowers appointment of officers for CGST Act by way of a notification.
- Vide **Notification No. 2/2017-Central Tax dated 19.06.2017**, Government has appointed, *inter alia*, officers of following designations & central tax officers subordinate to them as central tax officers and vested with them all the powers under the Acts/Rules:
  - Principal Chief Commissioner/ Chief Commissioner/ Principal Commissioner/ Commissioner/ Additional Commissioner/ Joint Commissioner/ Deputy Commissioner/ Assistant Commissioner of Central Tax; and
  - Commissioner of Central Tax (Audit)
- **Thus, Section 3 of CGST Act Notif. 2/2017-CT deals with appointment of officers qua specified territorial jurisdiction.**

- **Section 5** of CGST Act provides for conferment of power on the officers of Central Tax by the Board.
- An officer of Central Tax may exercise the powers and discharge the duties conferred upon him any other officer of Central Tax who is subordinate to him, subject to conditions and limitation as imposed by the Board.
- Vide **Circular No. 3/3/2017-GST dated 05.07.2017**, the Board assigned the officers mentioned therein, the functions as the proper officers in relation to various sections of the CGST Act or the rules made thereunder.
- As per said circular, **the officers of specific designation** mentioned in Column-2 of the table therein **have been empowered to exercise functions under sections specified in corresponding entries** in Column-3 of the table.

***Mere appointment as a central tax officer does not empower an officer to undertake all functions under CGST Act.***



**Commissioner of Central Tax (Audit) and officers subordinate to them, is not a proper officer, for issuing SCN u/s 73 or 74 of the GST Act.**

- Commissioner of Central Tax (Audit) and its sub-ordinate officers **have not been empowered** under the Circular No. 3/3/2017-GST.
- Thus, while the Commissioner of Central Tax (Audit) and its subordinate officers are central tax officers in terms of *Notification No. 2/2017-Central Tax dated 19.06.2017*, but they have **not been assigned any functions to be exercised as a proper officer** for purposes of Section 5 of the CGST Act.
- In other words, the Commissioner of Central Tax (Audit) and officers subordinate to them, is not a proper officer, for conducting audit u/s 65 and issuance of SCN u/s 73 or 74 of the GST Act, since these proceedings can be undertaken only by a proper officer.

- Notification No. **14/2017-Central Tax dated 01.07.2017** appoints the officers in the
  - Directorate General of Goods and Services Tax Intelligence,
  - Directorate General of Goods and Services Tax, and
  - Directorate General of Auditas Central Tax officers, and
- invested them with all the powers under the CGST Act and IGST Act, throughout the territory of India, as are exercisable by the central tax officers of the corresponding rank.

***There is no notification empowering officers of the Audit Commissionerate to exercise functions of proper officers under the specified sections.***

# Proper Officer – Issuing & Adjudicating SCN Cannot be Different

Section 74(1) states that SCN is to be issued by 'the' proper officer.

Section 74(9) states that 'the' proper officer shall issue an order after considering the submissions.

**Usage of article 'the' in both Section 74(1) and Section 74(9) indicates that both proper officers have to be the same authority.**

The word 'the' used with the term 'proper officer' at all places in the legal provisions indicates that has to be the same officer or his successor in same authority. [**Canon India Private Limited Vs. Commissioner of Customs, 2021 (376) E.L.T. 3 (S.C.)**]

***In case the powers of proper officer are given to multiple authorities, it cannot be that the show cause notice is issued by one authority and the same is adjudicated by another.***

***If that was permissible, then Section 74(1) and Section 74(9) would have instead mentioned as 'a' proper officer instead of 'the' proper officer.***

# **Legality of Power of DGGI Officers to Issue SCN**



- 
- On a harmonious reading of Section 73(1), Section 74(1), Section 2(91) and Section 168(2) of the CGST Act,
  - only certain specified persons can be treated as proper officers
  - for the purpose of the issuance of show cause notice under Section 73 and Section 74.
- 

**Commissioner in Board**

**Joint Secretary in Board**

**Any other officer of the central tax who has been assigned such function by the Commissioner in Board**

- Superintendent of Central Tax has been assigned the functions of a proper officer i.r.t. various sections including section 73 and section 74 of the CGST Act vide ***Circular No. 3/3/2017 - GST dated 05.07.2017.***
- Additional Commissioner is at a higher position to that of a Superintendent of Central Tax, thus, powers assigned to the latter would automatically be vested to the former.
- Deputy Director, Goods and Services Tax Intelligence has been appointed as the central tax officer and has been invested with the same power as exercised by the Additional Commissioner vide ***Notification No. 14/2017-Central Tax dated 01.07.2017.***

**Thus, Deputy Director has been appointed as a central tax officer, and has been assigned functions including issuance of SCN u/s 73 and 74 of the CGST Act.**

**Circular dated 05.07.2017 is invalid having been issued by Board through Commissioner (GST) in purported exercise of powers under a section which does not confer any such power to the Board.**

- Circular dt. 05.07.2017 has been issued under Section 2(91) of the CGST Act.
- Section 2(91) itself **does not vest the Board with any power** to entrust functions to any central tax officer.
- **It is a definition clause** which only provides meaning to the term “proper officer”.
- Thus, Circular dated 05.07.2017, assigning the functions of proper officer to various central tax officers has been issued invoking such sections of CGST Act under which there is no power to delegate such functions.
- Thus, only the Commissioner posted in Board or the Joint Secretary posted in Board are the proper officer as per Section 2(91) of the CGST Act, who could have issued the show cause notice under Section 73 and Section 74 of the CGST Act.



## **Issue**

***SCN issued under Section 28(4) of the Customs Act, 1962 by the Deputy Director General of Directorate of Revenue Intelligence (DRI) was challenged before the Hon'ble Supreme Court.***

## **Held**

***Deputy Director, DRI is not the proper officer to issue SCN issued u/s 28(4) of the Customs Act***

Notification No. 40/2012- Customs (N.T.) is purported to have been issued in exercise of powers under ***Section 2(34) of the Customs Act which is only a definition clause and does not confer any power on any authority to entrust any functions to officers.***

***Therefore, the entire proceeding initiated by the Deputy Director General of the DRI by issuing show cause notices is invalid and is liable to be set aside.***



# TATTVAM


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# Thank You

