

MOSTLY ASKED TRICKY ADJUSTMENTS BY ICAI in GST (CA Inter)

S. No.	Adjustments	Treatment
1	Intra-State supply of taxable goods including Rs. 1,00,000 received as advance in January, the invoice for the entire sale value of 4,00,000 is issued on 15th February	Full amount of 4,00,000 will be considered in February Reason: TOS in case of goods is Invoice date, therefore no adjustment of advance in case of goods.
2	Inputs to be received in 4 lots, out of which 2 nd lot was received during the month	ITC will be availed on receipt of last lot Reason: In case of goods received in lots, ITC can be taken only upon receipt of the last lot
3	Discount for prompt/timely payment (recorded in the invoice)	Since discount is known at the time of supply, it is deductible from the value in terms of section 15 of the CGST Act, 2017.
4	Third party inspection charges [Such charges were payable by supplier. but the same have been directly paid by recipient to the inspection agency. These charges were not recorded in the invoice issued by supplier]	Will be added in the value of supply Reason: Any amount that the supplier is liable to pay in relation to the supply but has been incurred by the recipient and not included in the price actually paid or payable for the goods, is includible in the value of supply
5	Supplier did not upload his GSTR-1 within the prescribed time resulting in the GST amount not being reflected in GSTR-2B of Recipient.	No ITC Reason: The supplier did not upload the details of invoice in his GSTR-1 and said details are not being reflected in GSTR-2B of the recipient.
6	Supplier has supplied a machinery, Supplier has received subsidy worth 5,000 from NGO, linked to price. Price of machine is 80,000 after considering such subsidy.	Add: Price-linked subsidy received from a NGO 5,000 Reason: Price of machine is 80,000 after considering such subsidy, means

		80,000 is net of such subsidy, means Price is after taking into account such monetary benefit given by NGO
7	Inputs used in trial runs	ITC allowed Reason: Inputs are used in the course or furtherance of business
8	Cement used for making foundation and structural support to plant and machinery	ITC allowed Reason: ITC allowed on construction of plant and machinery
9	Processing of sugarcane into jaggery	Not exempt
10	Milling of paddy into rice	Not exempt
11	Intra-state transfer of goods to its branch office in the state of West Bengal. Both places are under the same GSTIN	Not a supply. No treatment Reason: Two entities under same PAN is DDP, But two entities under same GSTIN is not DDP. It is just a stock transfer.
12	Advance received for Future supply of management consultancy service to Mr. Shubam (Intra-state supply)	In case of supply of service, tax is payable at the time of receipt of advance amount.
13	Availed Works Contract service for repair of office building. Amount of repair was debited in the profit & loss account.	ITC availed Reason: ITC is available since the repair amount is debited in the profit & loss account and not capitalized in the books of account.
14	Out of 30 inward supply invoices, 6 invoices (₹1,50,000 taxable value) were issued without IRN. But, since suppliers filed GSTR-1, all invoices appeared in GSTR-2B (Jan 2025)	ITC cannot be claimed on the e-invoices without IRN since an e-invoice without IRN is not treated as valid document for claiming ITC.]
15	Recipient paid late fees, later waived & refunded in same month supplier	Not includible in value of supply. Reason: Late fees waived off is not included in value of supply.
16	List Price of the goods is net of the subsidy received.	Add, if received from private entity and linked to price

	OR List Price of the goods is after considering the adjustment of subsidy	Reason: Price is net of subsidy means, price is after taking into account such monetary benefit given by private entity
17	Purchased goods worth 10,00,000 (GST 1,80,000). Did not received the goods worth 1,00,000 (GST 18,000) till the end of month	ITC availed 1,62,000 (1,80,000 – 18,000) Reason: Avail ITC only when received
18	The company pledged its 5% equity shares to the merchant banker for the purpose of proposed initial public offer.	No treatment Reason: Securities are neither goods, nor services.
19	Late fee paid by the recipient of supply for delayed payment of consideration (Recipient has agreed to pay Rs. 6,000 in lump sum and no additional amount is payable by him over and above such amount)	Here, Rs. 6,000 is considered inclusive of GST. Do reverse calculation on 6,000 for calculating GST. Reason: No additional amount is payable by him over and above such amount.
20	Availed Information Technology services for their business from Partner's friend Mr Colin Hayes from Melbourne, Australia. Mr. Hayes refused to take any consideration. Open Market value of said service was Rs. 1,25,000. (Inter-State transactions)	No treatment Reason: Partner's friend is not a related person; therefore schedule-1 does not apply here.
21	Recovery agent service to Car dealer	Taxable under FCM Reason: RCM triggers when Recovery agent service is given to Banks.
22	Purchased raw material to manufacture finished goods, such finished goods will be sold at Buy one Get one scheme	Avail ITC Reason: Buy one Get one is supply of two goods at the price of one, that is composite or mixed supply.

23	<p>Goods ₹5,00,000 bought on 15.03.2023.</p> <p>Debit note on 15.01.2024 for post-delivery service (as per sales terms). Can ITC be availed on Debit notes? As last date to avail ITC on tax invoice expired</p>	<p>Avail ITC on debit note.</p> <p>Reason: ITC on debit notes issued in a financial year can be availed any time till 30th November of the succeeding financial year or the date of filing of the relevant annual return, whichever is earlier, irrespective of the date of original invoice/ supply</p>
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