

Refund, Annual Return and Reconciliation

A comprehensive guide to GST refund processes, documentation requirements, and compliance strategies for tax professionals

CA Piyush Jain



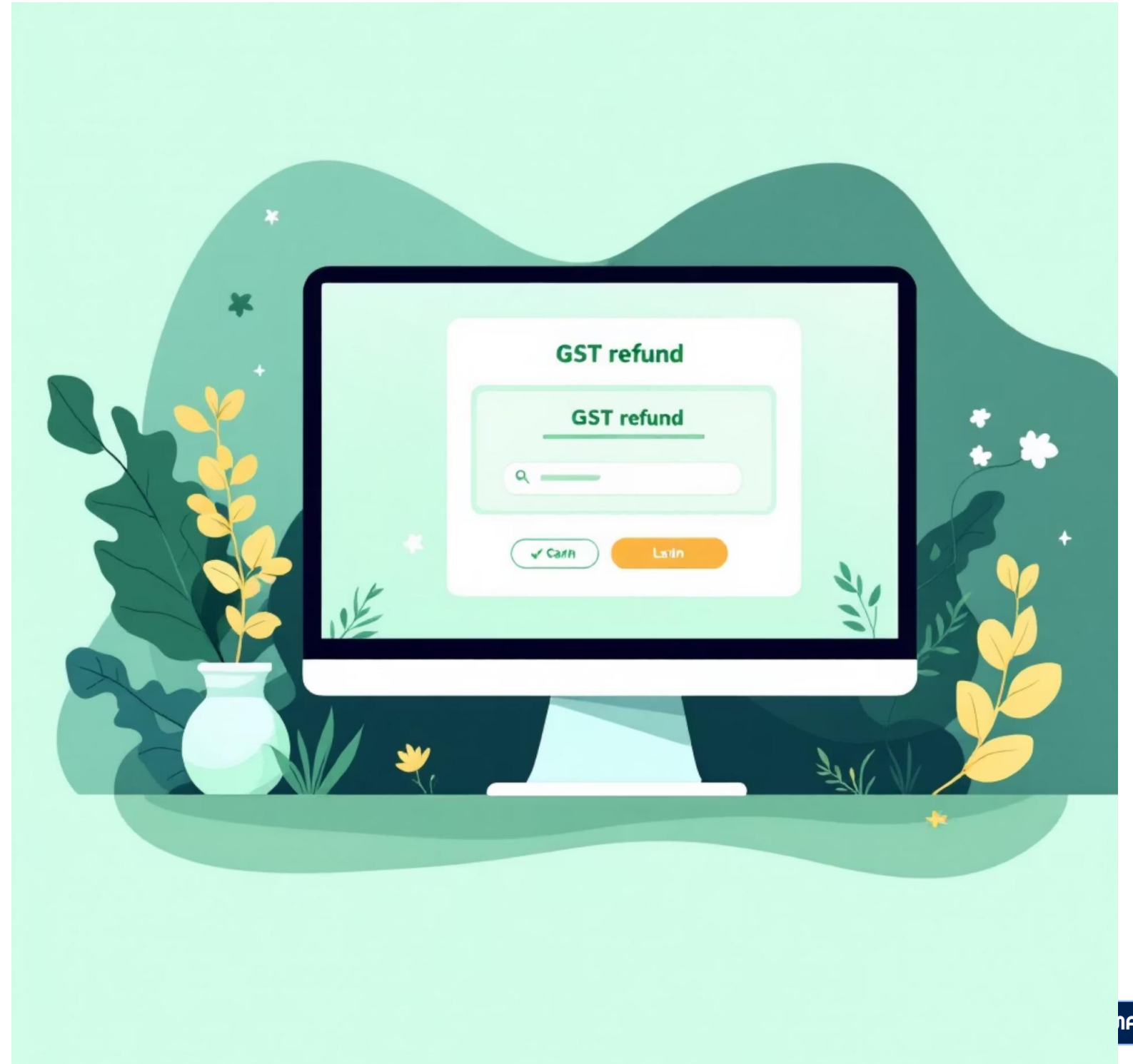
Understanding GST Refund Fundamentals

What Qualifies for Refund?

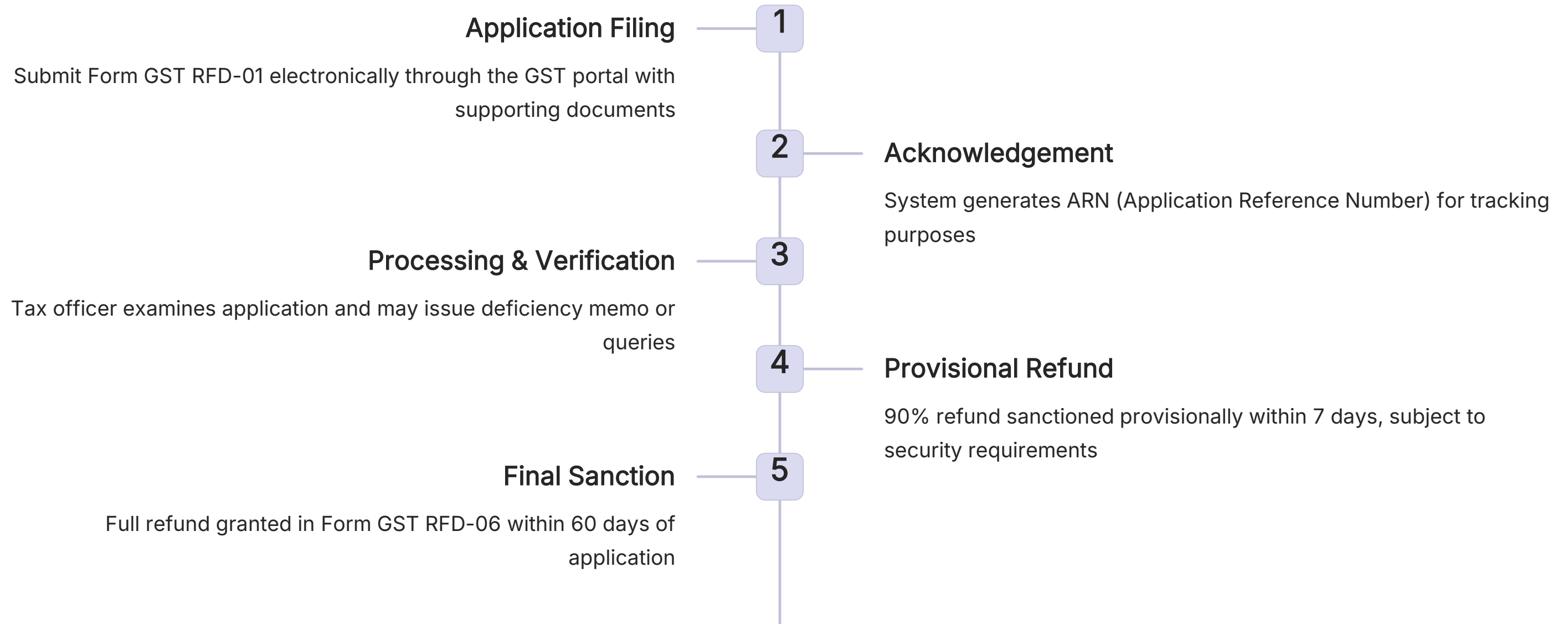
GST refunds arise when input tax credit exceeds output tax liability. Common scenarios include zero-rated supplies, inverted duty structures, and accumulated credit balances.

Taxpayers can claim refunds through the GST portal within specific time limits, typically two years from the relevant date.

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The GST Refund Process Journey



Interest is payable on delayed refunds beyond the prescribed time limit, ensuring timely processing by authorities.

Navigating the GST Portal Interface

Digital Refund Management

The GST portal provides a comprehensive interface for refund applications, tracking, and correspondence. Access through the 'Services' tab under 'Refunds' section.

01

Login & Navigation

Access portal with credentials, navigate to Refunds section

02

Select Refund Type

Choose appropriate category and financial year

03

Complete Application

Fill details, upload documents, verify and submit

04

Track Status

Monitor application progress using ARN number

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Inverted Duty Structure Explained

An inverted duty structure occurs when the tax rate on inputs exceeds the tax rate on outputs, leading to accumulation of input tax credit that cannot be utilised against output tax liability.

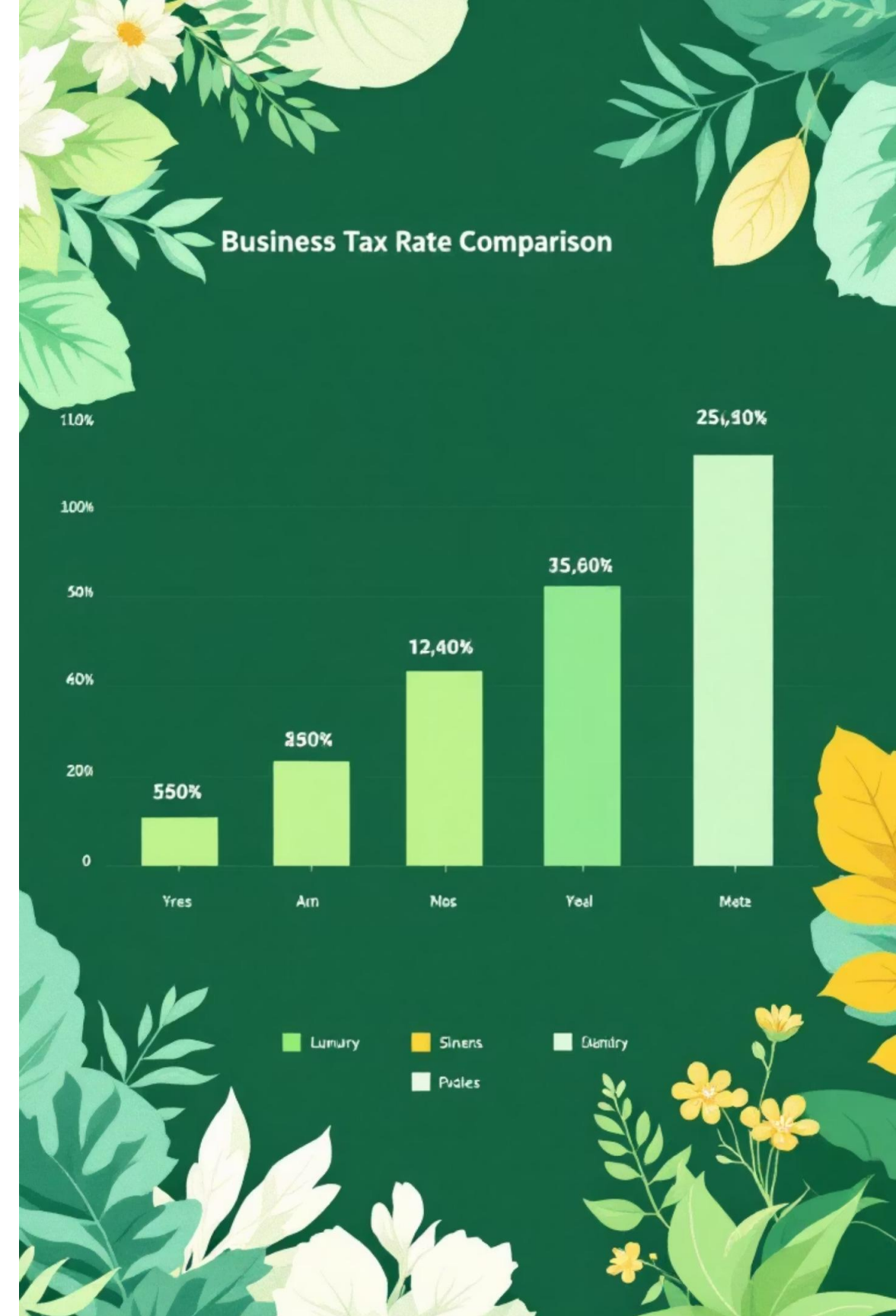


Common Sectors Affected

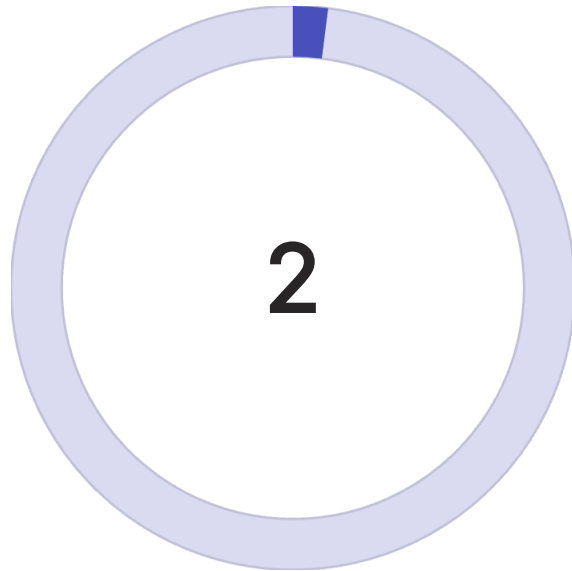
Textiles, fertilisers, pharmaceuticals, and capital goods industries frequently face inverted duty challenges due to GST rate differentials.

Refund Calculation

Maximum refund equals (turnover of inverted rated supplies × net ITC ÷ adjusted total turnover) for the relevant period.

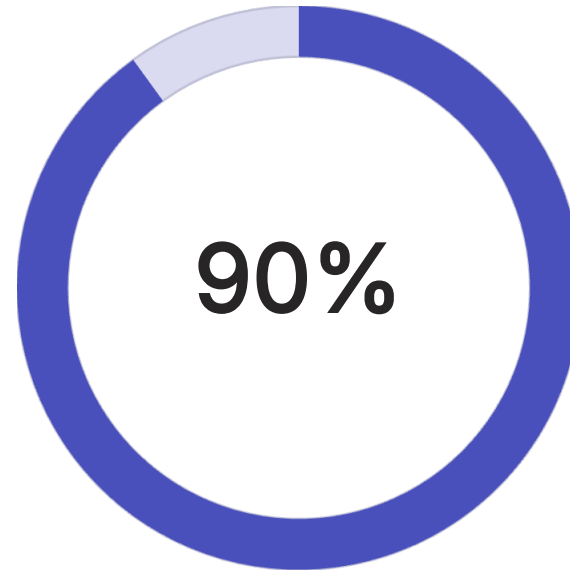


Key Compliance Time Limits



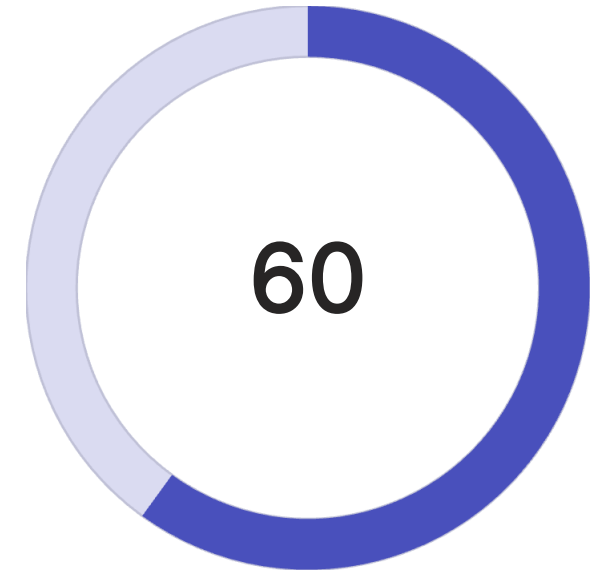
Years

Time limit for filing refund applications from relevant date



Provisional Amount

Percentage of claimed refund sanctioned provisionally within 7 days



Days

Maximum period for final refund sanction from application date

Critical Deadlines

- Application filing: Within 2 years from relevant date
- Deficiency rectification: Within 15 days of communication
- Appeal filing: 3 months from order date (extendable by 1 month)

Interest Provisions

Interest at prescribed rate applies on delayed refunds beyond 60 days. Taxpayers must also pay interest if refund granted was not eligible.

Universal Documentation Requirements

Regardless of refund category, certain documents form the foundation of every refund application. Proper documentation ensures smooth processing and minimises queries.

1

Bank Account Details

Self-certified copy of bank statement or cancelled cheque showing IFSC code, account number, and taxpayer name

2

GST Returns

Copies of relevant GSTR-1, GSTR-3B, and annual return for the refund period under consideration

3

Financial Statements

Audited or certified statement of accounts showing refund computation and reconciliation details

4

Input Tax Credit Ledger

Electronic credit ledger extract from GST portal showing ITC balance and utilisation

5

Undertaking

Declaration that refund amount has not been passed on to customers or claimed earlier

6

CA Certificate

Chartered Accountant's certificate in specified format certifying refund calculations and compliance



Export Refund Documentation

Goods Exports

- Shipping bill or bill of export with customs certification
- Commercial invoice and packing list showing export details
- Bill of lading or airway bill as proof of dispatch
- Bank realisation certificate or FIRC for foreign exchange
- Export order and correspondence demonstrating transaction

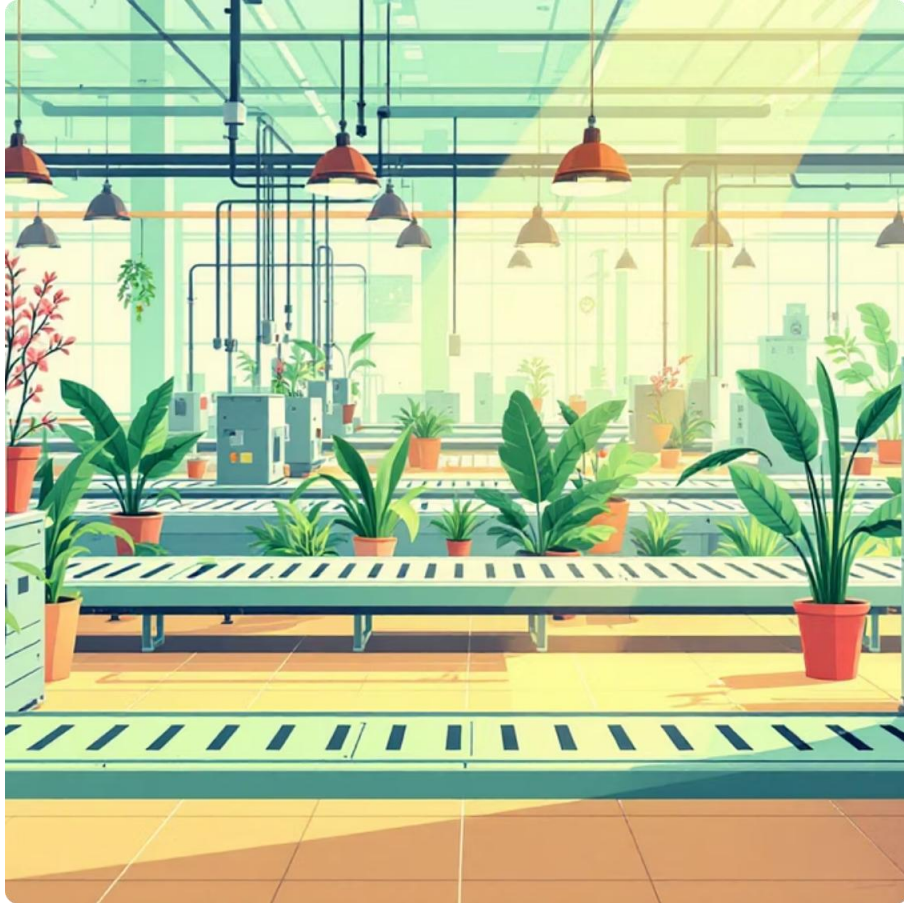
Services Exports

- Invoice copies showing service description and consideration
- Contract or agreement with overseas client
- Bank statement showing foreign inward remittance
- Proof of service delivery (completion certificate, acknowledgement)
- CA certificate confirming zero-rated supply status

❏ **Important:** For exports on payment of IGST, shipping bill must clearly indicate IGST payment. Refund of unutilised ITC requires evidence that credit was not utilised for other purposes.

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Category-Specific Requirements



Inverted Duty Structure

CA certificate for refund calculation, details of inputs and outputs with applicable tax rates, proof of payment for inputs, and GSTR-2B reconciliation statement.

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Excess Cash Ledger Balance

Statement showing excess balance in electronic cash ledger, proof of erroneous payment through challan copies, and reconciliation between cash ledger and liability register.



Provisional Assessment

Copy of provisional assessment order, final assessment order when available, details of duty paid provisionally, and security bond or bank guarantee if applicable.



Practical Compliance Pointers



Regular Reconciliation

Reconcile GSTR-2B with purchase records monthly to identify mismatches early and ensure eligible ITC is properly claimed.



Timely Filing

File refund applications well before the two-year limitation period to accommodate any deficiency rectification or additional documentation requests.



Documentation Standards

Maintain systematic records with proper cross-referencing between invoices, returns, and ledgers to expedite verification processes.

Common Pitfalls to Avoid

- Missing supplier GSTIN or incorrect invoice details
- Claiming refund on ineligible inputs or blocked credits
- Inconsistencies between returns and refund application
- Incomplete or unsigned CA certificates

Best Practices

- Conduct pre-filing internal audit of refund claims
- Respond promptly to deficiency memos and queries
- Track application status regularly through portal
- Maintain backup documentation for audit purposes



GSTR-9 (Annual Return) and GSTR-9C (Reconciliation Statement)

A comprehensive guide to the latest changes in GST annual return filing and reconciliation requirements for FY 2024-25

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Agenda of the Session

01

Understanding GSTR-9 and GSTR-9C

Comprehensive overview of annual return requirements and reconciliation statements under GST compliance

03

Recent Amendments and Changes

Key updates to GSTR-9 and GSTR-9C formats, including table modifications and compliance requirements

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02

Details Required for Preparation

Essential documentation, data sources, and records needed for accurate GSTR-9 and GSTR-9C filing

04

Frequently Asked Questions

Practical solutions to common challenges faced during annual return preparation and filing

Understanding GSTR-9 and GSTR-9C

Applicability of GSTR-9

GSTR-9 is the annual return required to be filed by all registered taxpayers under GST. This consolidated return provides a comprehensive summary of all outward supplies, inward supplies, tax paid, and input tax credit claimed during the financial year.

Due Date: 31st December following the end of the financial year

Applicability of GSTR-9C

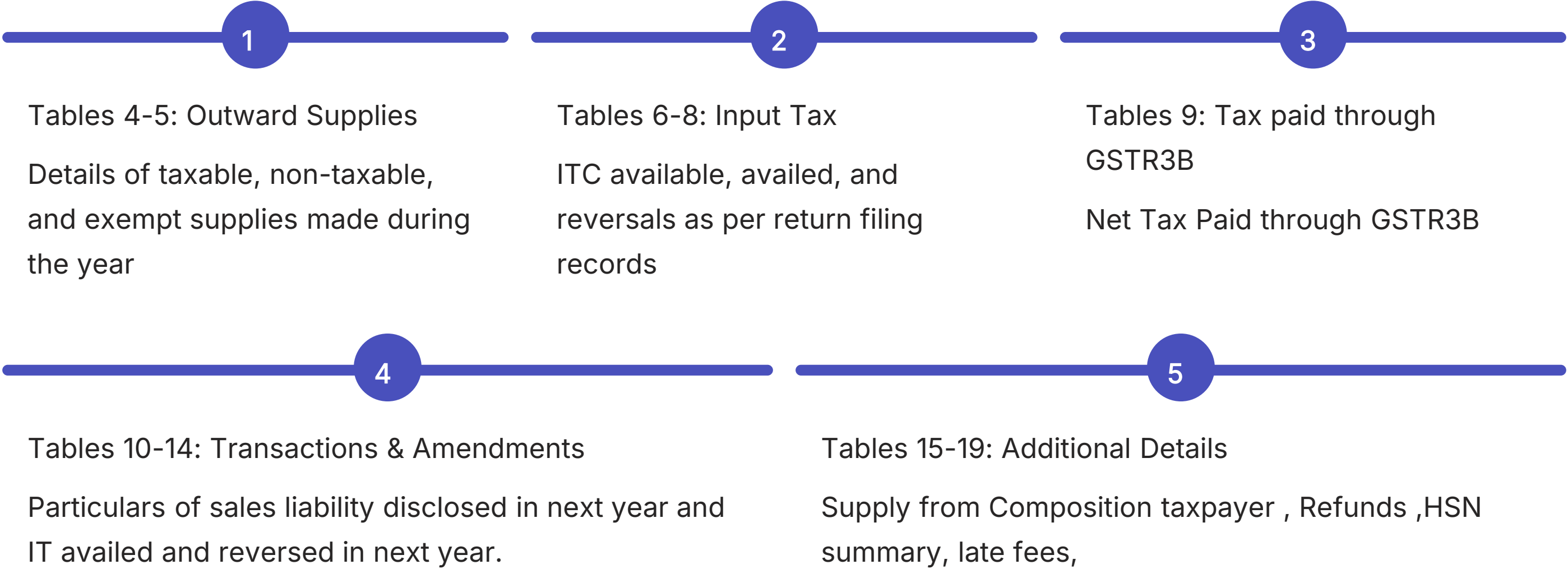
GSTR-9C is the reconciliation statement required for taxpayers whose aggregate turnover exceeds ₹2 crore during the financial year. This statement reconciles the figures declared in the annual return with the audited financial statements.

Entities Exempted from GSTR-9 and GSTR-9C

- Input Service Distributors (ISD)
- Composition dealers filing GSTR-4
- Casual taxable persons
- Non-resident taxable persons
- Taxpayers with aggregate turnover below ₹2 crore (exempted from GSTR-9C only)

Understanding Tables of GSTR-9

GSTR-9 comprises 19 tables, with Tables 4 to 19 capturing detailed information about various aspects of your GST transactions throughout the financial year.



Source of Data Auto-Population in GSTR-9

Understanding how each table in GSTR-9 is populated ensures accurate filing and reduces manual errors. The system automatically pulls data from your monthly and quarterly returns filed during the financial year.

<p>Tables 4 & 5</p> <p>Source: GSTR-1 and GSTR-1A for FY 2024-25</p> <p>Captures all outward supply details declared in monthly/quarterly returns</p>	<p>Table 6</p> <p>Source: GSTR-3B for FY 2024-25</p> <p>Reflects ITC Aailed disclosed in GSTR3B for the year 2024-25.</p>	<p>Table 7</p> <p>Source: Manual Data Entry</p> <p>Taxpayer must manually ITC Reversals.</p>
<p>Table 8</p> <p>Source: GSTR-2B for FY 2024-25 and up to October 2025</p> <p>ITC available based on supplier filings in your GSTR-2B</p>	<p>Table 9</p> <p>Source: GSTR-3B for FY 2024-25</p> <p>Tax paid through GSTR3B.</p>	<p>Tables 10-18</p> <p>Source: Manual Data Entry</p> <p>Requires taxpayer input for amendments, demands, refunds, and reconciliations</p>
<p> Table 19: Auto-populated based on the date of return filing, showing interest and late fees applicable</p>		

Details Required for Preparing GSTR-9 and GSTR-9C

Comprehensive documentation is essential for accurate annual return preparation. Ensure you have the following records readily available before beginning the filing process.

Monthly Return Records

- GSTR-3B working papers for FY 2024-25
- GSTR-1/1A working papers for FY 2024-25
- Rate-wise working of sales and reverse charge mechanism (RCM)

Input Tax Credit Details

- ITC availed on fixed assets during the year
- Blocked credit under Section 17(5) - availed and not availed
- Reconciliation of ITC availed with GSTR-2B
- Details of reversals made and reclaimed in current and next FY

RCM and Supplier Details

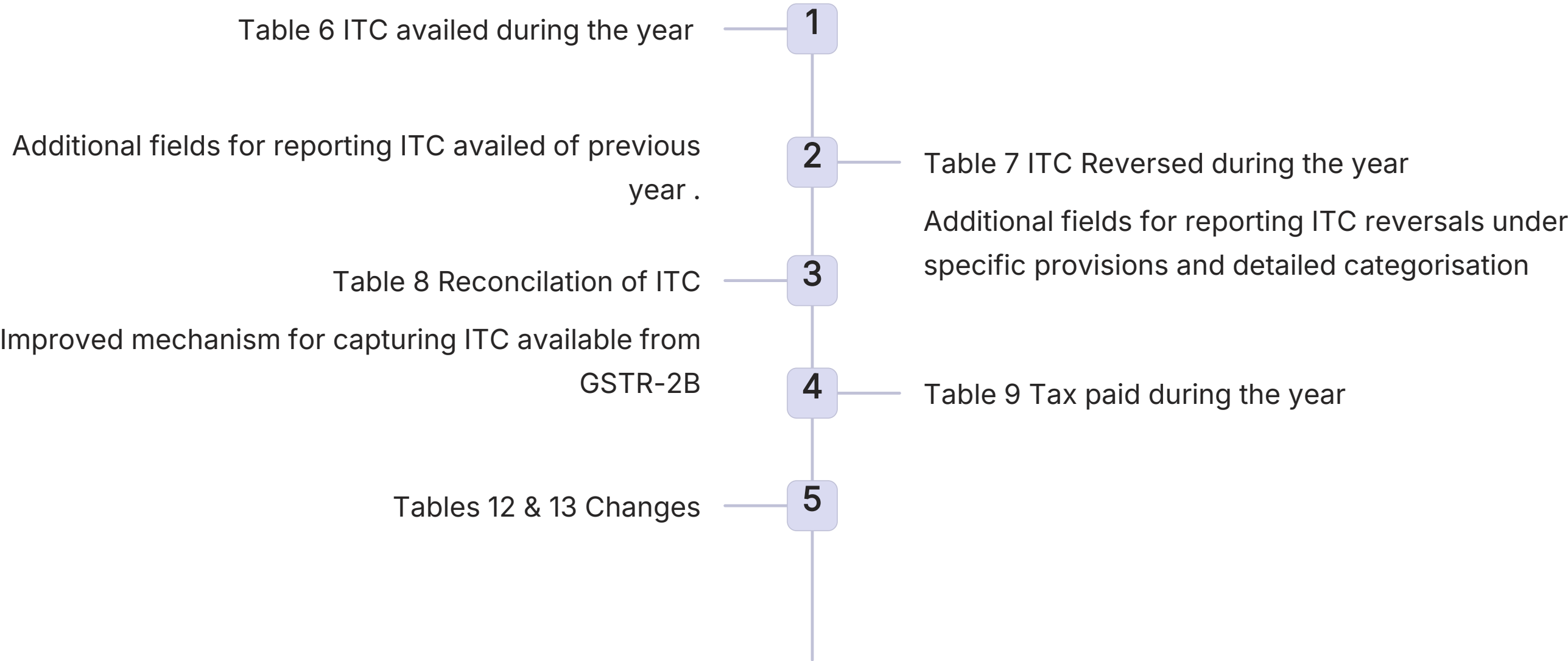
- RCM paid during the year
- Bifurcation into registered and unregistered suppliers
- Details of supplier GSTR-1 filing dates for ITC eligibility

Financial Statements

- Audited financial statements for FY 2024-25
- Reconciliation working between books and GST returns
- Supporting schedules and audit adjustments


Changes in GSTR 9 and GSTR 9C

The GST Council has introduced several important amendments to GSTR-9 tables for FY 2024-25. These changes aim to improve accuracy, reduce reconciliation differences, and enhance compliance.



Frequently Asked Questions

- 1 Is GSTR-1A considered for auto-population?
 - 2 Can ITC be availed through GSTR-9?
 - 3 Supplier filed GSTR-1 after 13th October 2025 - can I avail ITC?
 - 4 Additional liability can be paid through GSTR9 ?
- 1 Where to disclose RCM paid in next year?
 - 2 Is it mandatory to show inputs, input services, and capital goods separately?
 - 3 Sales of FY 23-24 auto populated in GSTR9 need to be removed

 **Pro Tip:** Maintain detailed working papers throughout the year to streamline the annual return filing process and avoid last-minute reconciliation challenges.

Questions & Answers

Open Floor for Participant Questions

We welcome your queries regarding GSTR-9 and GSTR-9C preparation, amendments, and compliance requirements. Our team is here to clarify any concerns and provide practical guidance for your annual return filing.

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