The Institute of Chartered Accountants of India

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

GST & INDIRECT TAXES COMMITTEE

Webinar on GST Helpdesk: Navigating Annual Return

Date: 03-11-2026

By CA Manish Gadia
and CA Vikram Mehta

© GST & Indirect Taxes Committee, ICAI

Navigating Annual Return

- **Question 1**
  Who is required to file a GST annual return, and who is not?
- **Answer**

  Required: a regular registered person files GSTR-9 and a composition. taxable person files GSTR-9A

  Not required: Input Service Distributor; casual taxable person; non-resident taxable person; a person required to deduct or collect tax at source; Departments of the Central Government, State Governments or Local Authorities whose books of account are subject to audit by the CAG or an auditor appointed for auditing the accounts of the Local Authority; and a person supplying OIDAR services from outside India to India

© GST & Indirect Taxes Committee, ICAI

Navigating Annual Return

- **Question 2**

  What must be filed before the annual return for the year ending March 2026 can be filed?

- **Answer**

  All GSTR-1 and GSTR-3B returns up to March 2026 must be filed before the annual return for the year ending March 2026.

© GST & Indirect Taxes Committee, ICAI

Navigating Annual Return

- **Question 3**

  What is the time limit for filing GSTR-9? What is the late fee for delay in filing GSTR-9 from FY 2022-23 onwards? Can the late fee be levied only on 9 or 9C?

- **Answer**

  Under Section 44(2) a registered person cannot furnish the annual return for a financial year after the expiry of three years from the due date of furnishing that annual return.

© GST & Indirect Taxes Committee, ICAI

Navigating Annual Return

The late fees is as follows:

Sr No	Class of registered person	Late fee
1	Aggregate turnover up to Rs. 5,00,00,000 in the relevant FY	Rs. 50 per day or 0.04% of turnover in the State
2	Aggregate turnover above Rs. 5,00,00,000 and up to Rs. 20,00,00,000	Rs. 100 per day or 0.04% of turnover in the State
3	Aggregate turnover above Rs. 20,00,00,000	Rs. 200 per day or 0.50% of turnover in the State

© GST & Indirect Taxes Committee, ICAI

Navigating Annual Return

The CBIC Circular No. 246/03/2025-GST clarify on late fee for GSTR-9 and GSTR-9C

The late fee under Section 47(2) is levied for ***delay in furnishing the complete Annual Return under Section 44****. It is not applied separately to GSTR-9 and GSTR-9C.*

When the return is complete:

Where GSTR-9C is statutorily required (aggregate turnover above Rs. 5 crore), the Annual Return is treated as furnished ***only when both GSTR-9 and GSTR-9C have been successfully submitted.***

Late fee accrues from the statutory due date (i.e. 31 December) and the period ends on the date the last required document is furnished. If GSTR-9C is filed after GSTR-9, the date of GSTR-9C submission is the end date for the calculation.

Navigating Annual Return

Section 44: Annual Return

(2) A Registered person shall not be allowed to furnish an annual return under sub-section (1) for a financial year ***after the expiry of a period of three years from the due date of furnishing the said annual return:***

Provided that the Government may, on the recommendations of the Council, by notification, and subject to such conditions and restrictions as may be specified therein, allow a Registered person or a class of Registered persons to furnish an annual return for a financial year under sub-section (1), even after the expiry of the said period of three years from the due date of furnishing the said annual return.

Navigating Annual Return

Question 4

Can GST authorities issue notice for non-filing of annual return for F.Y 2018-19 and F.Y 2021-22 considering that the timeline of assessment as well as the extended timeline (3 years from due date) for filing of annual return as provided in section 44(2) has also elapsed? If yes, what are the consequences of non-filing of annual return?

Section 44(2) Three-Year Outer Limit: Under Section 44(2) of the CGST Act, no registered person is permitted to furnish an annual return after the expiry of 3 years from its due date.

- **FY 2018-19:** The final extended due date was **31st December 2020**. The 3-year period expired on **31st December 2023**.
- **FY 2021-22:** The due date was **31st December 2022**. The 3-year period expired on **31st December 2025**.

The GST portal permanently disables the filing utility once the 3-year period elapses.

Assessment Timelines:

- **Section 73 (Non-Fraud):** The statutory limitation period for issuing orders for FY 2018-19 expired on **30th April 2024**. For FY 2021-22, the order deadline expired on **31st December 2025** (SCN deadline 30th September 2025). Both years are completely time-barred under Section 73.

© GST & Indirect Taxes Committee, ICAI

Navigating Annual Return

- **Section 74 (Fraud / Suppression / Willful Misstatement):** For FY 2018-19, the 5-year order deadline expired on **31st December 2025**. For FY 2021-22, the notice deadline is **30th June 2027** and the order deadline is **31st December 2027**.

- **Notice Compelling Assessee to File (Section 46 / Form GSTR-3A): No.** Under the legal doctrine *Lex non cogit ad impossibilia* (the law does not compel the performance of the impossible), authorities cannot issue an enforceable notice compelling the assessee to file GSTR-9, because Section 44(2) bars the filing and the GST portal physically rejects late submission.

- **Notice for Recovery of Late Fees / Penalties: Yes.** The statutory default occurred when the return was not filed by the original due date. The department retains the right to initiate recovery for the accrued statutory late fee or penalty.

- **Consequences of Non-Filing**

- **Late Fee under Section 47(2):** Late fees accrue from the due date up to the statutory cap. Under Section 47(2), the standard statutory fee is ₹200 per day (₹100 CGST + ₹100 SGST), capped at a maximum of **0.50% of turnover** in the State/UT (0.25% CGST + 0.25% SGST).

- **General Penalty under Section 125:** Where specific late fees are disputed, authorities may invoke Section 125, imposing a penalty of up to ₹25,000 under CGST and ₹25,000 under SGST (total ₹50,000).

© GST & Indirect Taxes Committee, ICAI

- **Question 5**

  How does the portal treat data in GSTR-9 and is payment of additional liability a precondition to filing?

- **Answer**

  The system auto-populates data from GSTR-1 and GSTR-3B to the extent possible, and the taxpayer can edit it. Fields where the user-entered value differs from the system-computed value will be highlighted in red as a warning for reference and attention. This highlight will remain even after the return is filed.

  ITC is auto-populated from GSTR-2B, which the system generates from GSTR-1 filed by the corresponding suppliers. Additional liability can be paid through Form GST DRC-03, and the system gives a link to DRC-03 after GSTR-9 is filed. Further, the system will not stop GSTR-9 from being filed even if the additional liability is unpaid.

© GST & Indirect Taxes Committee, ICAI

Navigating Annual Return

- **Question 6**

  What is the due date for GSTR-9 and GSTR-9C? What turnover limits decide whether GSTR-9 and GSTR-9C are required for FY 2025-26?

- **Answer**

  31st December of the year following the relevant financial year. For FY 2025-26 the due date is 31st December 2026.The turnover limits are:

Aggregate turnover	**GSTR-9**	**GSTR-9C**
Up to Rs. 2 crore	Optional	Not applicable
Rs. 2 crore to Rs. 5 crore	Mandatory	Not applicable
More than Rs. 5 crore	Mandatory	Mandatory

© GST & Indirect Taxes Committee, ICAI

Navigating Annual Return

- **Question 7**

  What is the option not to file the annual return for turnover below Rs. 2 crore, and what is the consequence of exercising it?

- **Answer**

  Notification No. 10/2022-Central Tax dated 5th July 2022 gives an assessee with turnover below Rs. 2 crore the option not to file the annual return.

  If the option is exercised, the annual return is deemed filed before the due date. Because of this deeming, all returns filed by the assessee are deemed true and correct and deemed to reconcile with the books of account.

  It is recommended that an assessee who has made errors in any return that need rectification should furnish the annual return.

© GST & Indirect Taxes Committee, ICAI

Navigating Annual Return

- **Question 8**
  How is aggregate turnover defined under Section 2(6)?
- **Answer**

  It is the aggregate value of all taxable supplies (excluding inward supplies on which tax is payable on reverse charge by the person),

  exempt supplies,

  exports of goods or services or both, and

  inter-State supplies of persons having the same PAN, computed on an all India basis.

  It excludes central tax, State tax, Union territory tax, integrated tax and cess.

© GST & Indirect Taxes Committee, ICAI

Navigating Annual Return

- **Question 9**

  Which turnover is used to decide the reconciliation requirement where a PAN has several registrations?

- **Answer**

*The turnover of **all registrations** having the same PAN is used.*

For the example, State A has turnover of Rs. 1.2 crore and State B has Rs. 1 crore on the same PAN. Both registrations must file the annual return individually, since the combined aggregate turnover exceeds Rs. 2 crore.

So, Whether GSTR 9C is applicable in below example?

Maharashtra Rs. 1.75 crore, Gujarat Rs. 1.50 crore, Tamil Nadu Rs. 1.25 crore, UK Rs. 1 crore and Delhi nil, a total of Rs. 5.50 crore. Of the Maharashtra figure, Rs. 75 lakhs was branch transfer from Maharashtra to Gujarat.

© GST & Indirect Taxes Committee, ICAI

Navigating Annual Return

- **Question 10**

  How to calculate aggregate turnover in following cases?

  - Dealer of Second Hand Goods
  - Air Travel Agent
  - Forex Dealer
  - Life Insurance
  - Pure Agent –Reimbursement
  - Sale of Capital Goods
  - Interest on Loan
  - Bad debts recovery
  - Rent of Residential Property
  - Capital Subsidy from Government
  - Liquidated Damages -Circular No. 178/10/2022-GST
  - Notice Pay recovered from employee
  - Advance received for goods to be supplied
  - Advance Received for Services to be supplied
  - Share of Profit from firm
  - Share Trading
  - High Seas Sales
  - Bond Transfer
  - Out and Out sale
  - Sale of Land
  - Remuneration to Non Executive Director
  - Goods sent to Job worker not returned within prescribed time
  - Cash Basis
  - Sponsorship Service

© GST & Indirect Taxes Committee, ICAI

Reporting of Reverse Charge Figures (Press Release dated 03/07/19)

Many taxpayers have requested for clarification on the appropriate column or table in which tax which was to be paid on reverse charge basis for the FY 2017-18 but was paid during FY 2018-19.

It may be noted that since the payment was made during FY 2018-19, the input tax credit on such payment of tax would have been availed in FY 2018-19 only. Therefore, such details will not be declared in the annual return for the FY 2017-18 and will be declared in the annual return for FY 2018-19.

If there are any variations in the calculation of turnover on account of this adjustment, the same may be reported with reasons in the reconciliation statement (FORM GSTR-9C)

© GST & Indirect Taxes Committee, ICAI

Navigating Annual Return

- **Question 11**

  What precautions are listed for Tables 4, 5 and 6 of GSTR-9?

- **Answer**

For table 4 & 5

- *Other taxable incomes & sale of fixed assets to be verified properly.*
- *Ensure there is no supply of goods / services exceeding value Rs. 50,000/ in a financial year by employer to employee (Schedule I) (Gifts to employees in kind).*
- *Reconciliation of E-invoices generated for F.Y. 2025-26 (For registered persons having aggregate turnover > 5 Crores).*
- *Reconciliation of E-way bill in case of supply of goods.*
- *Credit notes issued beyond the time limit, to be reported properly.*

For table 6

- *Consolidated reporting of Net ITC at the time of filing GSTR-3B, thus, separate reversal is not made at the time of filing GSTR-3B.*

© GST & Indirect Taxes Committee, ICAI

- **Question 12**
  What precautions are listed for Tables 7 and 9?
- **Answer**

For table 7

Reversal as per Section 17(5) to be disclosed only when actual reversal has been made. Amount only disclosed as ineligible in Table 4D of GSTR 3B is not to be reported.

For table 9

Any amendments pertaining to the previous FY made in the current FY leads to either short or excess paid in Table 9 of GSTR 9. Prepare a reconciliation for future reference.

© GST & Indirect Taxes Committee, ICAI

- **Question 13**

  Where is outward supply of FY 2025-26 to be disclosed, depending on when it was reported?

- **Answer**

Nature of transaction	**Reported during FY 2025-26**	**Reported Till 30th Nov FY 2026-27**	**Not reported**
Outward taxable supplies	Table 4	Table 10 / 11	Table 4
Amendment in outward taxable supplies	Table 4K / 4L	Table 10 / 11	Table 4K / 4L
Outward non-taxable supplies	Table 5	Table 10 / 11	Table 5
Amendment in outward non-taxable supplies	Table 5J / 5K	Table 10 / 11	Table 5J / 5K
Inward supplies, RCM	Table 4G	Blank on slide	Blank on slide

- **Question 14**

  How are outward supplies of FY 2025-26 disclosed depending on whether they appear in GSTR-1 and GSTR-3B of the year and of April to October 2026?

- **Answer**

Nature	FY 25-26 GSTR-1	FY 25-26 GSTR-3B	Apr-Oct 26 GSTR-1	Apr-Oct 26 GSTR-3B	GSTR-9 disclosure
Outward supplies	Yes	Yes	No	No	Table 4 / 5
	Yes	No	No	Yes	Table 10 / 11
	No	Yes	Yes	No	Table 4 / 5
	No	No	Yes	Yes	Table 10 / 11
	No	No	No	No	Table 4 / 5

- **Question 15**

  How is a mismatch between books, GSTR-1 and GSTR-3B treated where no amendment is made in the succeeding year's returns?

- **Answer**

Nature	Financial statement	GSTR-1	GSTR-3B	Reporting in GSTR-9
Outward supplies	100,000	100,000	100,000	Table 4 or Table 5
	100,000	90,000	100,000	Edit figures in Table 4 or 5
	100,000	100,000	90,000	Table 9; tax liability to be enhanced and discharged through DRC-03
	90,000	100,000	100,000	No reporting; claim refund (Press Release dated 3 July 2019)

- **Question 16**

  How is the mismatch treated where an amendment is made in the April to October 2026 returns?

- **Answer**

Nature	Financial statement	GSTR-1 FY 25-26	GSTR-3B FY 25-26	Reporting in GSTR-9
Outward supplies	100,000	90,000	100,000	Table 10 or 11
	100,000	100,000	90,000	Reduce turnover in Table 4 by Rs. 10,000 and report in Table 10; tax liability on it is reported in Table 14

© GST & Indirect Taxes Committee, ICAI

- **Question 17**

  Disclosure of outward tax liability

- **Answer**

SN	Particulars	Amount	Amount
1	As per GSTR-3B of FY 2025-26		101,000
1.1	Reported in respect of FY 2024-25 supplies (As per Table 10 of FY 2024-25)	3000	
1.2	Reversed in respect of FY 2024-25 supplies (As per Table 11 of FY 2024-25)	2000	
1.3	Reported in respect of FY 2025-26 supplies	100,000	

© GST & Indirect Taxes Committee, ICAI

- **Question 18**

  How is outward liability reported and reconciled in different cases?

SN	Particulars	1	2	3	4	5
2	Actual Outward Tax Liability of FY 2025-26	100,000	101,000	99,000	101,000	99,000
2.1	**Difference**	**Nil**	**1000**	**-1000**	**1000**	**-1000**
2.2	Reported/reversed in next F.Y.	NA	Yes	Yes	No	No
2.3	Report in Table 4	100,000	100,000	100,000	101,000	99,000
2.4	Report in Table 10	Nil	1000	Nil	Nil	Nil
2.5	Report in Table 11	Nil	Nil	-1000	Nil	Nil
3	**Reconciliation in Table 9**					
3.1	Tax payable in Table 9 (Always = 2.3)	100,000	100,000	100,000	101,000	99,000
3.2	Tax paid as per Table 9	101,000	101,000	101,000	101,000	101,000
3.3	**Difference** (3.1 – 3.2)	**-1000**	**-1000**	**-1000**	**0**	**-2000**
3.4	Add - Tax paid w.r.t. Table 10 of GSTR 9 for the FY 2024-25	3000	3000	3000	3000	3000
3.5	Less - Tax reversed w.r.t. Table 11 of GSTR 9 for the FY 2024-25	2000	2000	2000	2000	2000
4	**Tax Payable / (Refundable)**	**Nil**	**Nil**	**Nil**	**1000**	**-1000**

- **Question 19**

Whether is it mandatory to report exempt income and other non-taxable transactions in Table 5 of Form GSTR-9 for the relevant financial year, where such amounts have not been reported in the corresponding GSTR-1 and GSTR-3B returns in the given situations:

For FY 2025-26, 5D (exempt) and 5F (non-GST) are mandatory

1.Interest received on bank deposits, including fixed deposits.- *These are to be reported in 5D*

2.Interest received on loans and advances.- *These are to be reported in 5D*

3.Rental income from the letting out of residential buildings, where such rental income qualifies for exemption under GST.- *These are to be reported in 5D*

4.Turnover from the sale of listed equity shares by a company engaged in the business of trading in listed securities.- *Securities are neither goods nor services.*

© GST & Indirect Taxes Committee, ICAI

- **Question 20**

What should be the treatment of Advance received against contract.

- *First classify the advance.*
- *Where the contract is for goods, tax on advances arises only for services, The time of supply for goods not triggered at the time of supply.*
- *So an advance under a goods contract is not reported in 4F at all and one under a service or works contract that is a service is to be reported.*
- *A refundable security deposit, which is not appropriated towards the contract price, is not an advance for this purpose GSTR-9, Table 4F.*
- *Advance received and tax paid but invoice not issued in the current year is shown in 4F and Table 11A of GSTR-1 may be used to fill it.*
- *Table 11A is filled only if the invoice is not issued in the same tax period. So a contract advance on which tax was paid but no invoice raised by year end goes in 4F.*

© GST & Indirect Taxes Committee, ICAI

Navigating Annual Return

- **Question 21**

How are advances received, their adjustment against invoices, and refunds of advances to be reported in Table 4F and Table 9 of GSTR-9?

- *The GSTR-9 instructions say 4F covers unadjusted advances, meaning advance received and tax paid but invoice not issued in the current year, and that Table 11A of GSTR-1 may be used to fill it. Table 11A is filled only if the invoice is not issued in the same tax period. Moreover, credit notes in 4I do not include refund vouchers for advances*

- **Case 1:No advance received in the year, prior-year advances adjusted**.

  The invoice value goes in 4A or 4B at full value. 4F carries the adjusted advance as a negative figure, so that 4N is not overstated. A discussion forum reply, which is not authority, says the portal shows a negative auto-populated figure in 4F for this situation and that 4F accepts negative values.

- **Case 2:Advances received in the year, invoices against both current and prior-year advances.**

  4F is advances received in the year less all advances adjusted in the year, whether received this year or last.

© GST & Indirect Taxes Committee, ICAI

Navigating Annual Return

- **Case 3:Advances received in the year, invoices only against prior-year advances.**

  The current-year advances stay in 4F as positive, and the prior-year advances adjusted are deducted.

- **Case 4:Refund of prior-year advances, with an advance received in the year or without.**

  The refund is shown in 4F as a reduction, and it is not shown in 4I.

  A general observations note on the annual return also says a refund voucher against advances for supplies not made is to be reported against 4F.

  In 4(a) the current-year advances received less the refund is the net 4F.

  In 4(b) there is no receipt, so 4F is negative by the refund amount.

  The contrary view is that a practitioner guide places refund vouchers within the amendment rows 4K and 4L.

© GST & Indirect Taxes Committee, ICAI

- **Question 22**

If supplier shows credit note in GSTR1 in the month of March 2026 which is rejected by recipient in April 2026. The same credit note was shown again in amendment table of GSTR1 and the same was accepted by recipient in the year 2026-27. How to show the same in GSTR9.

From the Supplier's Perspective

- **GSTR-9 for FY 2025-26:**
  - **Table 4I (Credit Notes):** If the credit note was reported in the original GSTR-1 of March 2026 and reduced your outward tax liability in the March 2026 GSTR-3B, report the credit note in **Table 4I**.
  - **Tables 10 & 11:** When the recipient rejected the credit note in April 2026, the tax amount was added back to your output tax liability in the GSTR-3B of FY 2026-27. Subsequently, when you amended the credit note via (GSTR 1 or 1A) and the recipient accepted it in FY 2026-27, your liability was reduced again. Because both the add-back and the reduction took place in FY 2026-27, they neutralize each other. Therefore, no separate entry is required in Table 10 or Table 11 of the FY 2025-26 GSTR-9.
- **GSTR-9 for FY 2026-27:**
  - The amendment reported in GSTR-1 or 1A and its corresponding tax adjustment in GSTR-3B neutralized within FY 2026-27. No further adjustment is required in Table 4 or Part V of the FY 2026-27 annual return.

© GST & Indirect Taxes Committee, ICAI

Navigating Annual Return

From the Recipient's Perspective

- **GSTR-9 for FY 2025-26:**
  - **Table 7 (ITC Reversals):** Because the credit note was rejected in April 2026, no reversal was made in the GSTR-3B returns filed for FY 2025-26. Hence, it must not be included in Table 7.
  - **Table 12 (Reversal of ITC availed during previous FY):** The reversal of ITC was executed in GSTR-3B in FY 2026-27 upon accepting the amended credit note. Since this reversal pertains to supplies of FY 2025-26 made in the returns of FY 2026-27, report this reversal in **Table 12** of GSTR-9 for FY 2025-26.
- **GSTR-9 for FY 2026-27:**
  - Report in the table 6A1 of GSTR 9

© GST & Indirect Taxes Committee, ICAI

- **Question 23**

  How is reverse charge liability disclosed in GSTR-9, depending on the year of transaction and the year of payment?

- **Answer**

Particulars	Tax paid in FY 24–25	Tax paid in FY 25–26	Tax paid in FY 26–27	Reporting in GSTR–9	ITC
Transactions pertaining to FY 2024– 25	No	Yes	No	FY 25 – 26 Table 4G	FY 2025-26 Table 6C/6D, if paid till Nov 26
Transactions pertaining to FY 2025 – 26	NA	Yes	No	FY 25 – 26 Table 4G	FY 2025-26 Table 6C/6D
Transactions pertaining to FY 2026 – 27	NA	No	Yes	FY 26 – 27 Table 4G	FY 2026-27 Table 6C/6D, if paid till Nov 27
Transactions pertaining to FY 2025 – 26	NA	No	No	In the year of payment Table 4G	No ITC (Sec 16(4)

- **Question 24**

  How are inward supplies of FY 2025-26 disclosed in GSTR-9?

- **Answer**

Particulars of supplies	Reported in GSTR-3B	Reporting in GSTR – 9
Recorded in books of accounts of FY 2025 – 26	FY 2025 – 26	Table 6
Recorded in books of accounts of FY 2025 – 26	April 26 to October 26	Table 8C and Table 13
Recorded in books of accounts of FY 2025 – 26	Not Claimed	No Reporting

- **Question 25**

  How are excess and short claims of ITC in GSTR-3B treated?

- **Answer**

Particulars	Reversed / Claimed	Disclosure / Action
Excess Claim	Not reversed	Pay through DRC-03
Excess Claim	April to Oct 2026	Table 12 of GSTR – 9 of FY 2025 – 2026
Short Claim	April to Oct 2026	Table 8C and Table 13 of GSTR – 9 of FY 2025 – 2026
Short Claim	Not claimed	ITC will not be available

© GST & Indirect Taxes Committee, ICAI

Navigating Annual Return

- **Question 26**

In case where, the auto-populated ITC as per GSTR9 is less than 2B by 8100/- which results in depicting excess claim of ITC in IGST. However, the downloaded 2B has correct figures and matches with the GSTR3B filed, as GST ITC is claimed as per 2B only. How to sort this out?

- *The negative Table 8D is not necessarily an excess claim, because the online Table 8A and the downloaded 2B work on different logic.*
- *From FY 2024-25, Table 8A follows the document date and previous-year invoices appearing in the current year's 2B are left out. The Excel version of 8A also includes RCM and place of supply restricted records that the online table excludes.*
- *The fix is to download the Table 8A Excel, match it with the 2B and GSTR-3B and identify the Rs. 8,100. If it is prior-year ITC, disclose it in Table 6A1.*
- *In GSTR-9C, give the reason in Table 13 and show nothing payable in Table 16.*
- *Pay through DRC-03 only if the amount is a genuine excess.*
- *The contrary view is that the Department treats a negative 8D as a flag and is issuing notices on it and a 2B match may not save a prior-year invoice claimed beyond the Section 16(4) time limit.*

© GST & Indirect Taxes Committee, ICAI

Navigating Annual Return

- **Question 27**

ITC reversal of the year 2024-25 is shown in GSTR3B in the year 2025-26, should it be shown in Table 6A1? Due to this there is a difference in Table 8 as short ITC claimed. What will be the effect and how should it be show in GSTR9?

- Table 6A1 only captures ITC **availed** (claimed) in Table 4(A) of GSTR-3B during FY 2025-26 that pertains to FY 2024-25, allowing Table 6A2 to derive the net credit of the current year.
- Reversals of ITC are reported in Table 4(B) of GSTR-3B, not Table 4(A). They do not flow into Table 6A and cannot be entered in Table 6A1.
- Table 8C reconciles against GSTR-2B in Table 8D [8A - (8B + 8C)].
- Table 8C must reflect only genuine missed ITC of FY 2024-25 claimed for the first time in FY 2025-26.

© GST & Indirect Taxes Committee, ICAI

Navigating Annual Return

In GSTR-9 for FY 2024-25:

- **Table 6B:** Keep the original gross ITC claimed during FY 2024-25 intact (this automatically populates into Table 8B).
- **Table 12:** Disclose the reversal amount in **Table 12**
- **Table 8C:** Leave Table 8C unaffected by this reversal.

In GSTR-9 for FY 2025-26:

- **Table 6A1:** Do not enter this reversal.
- **Table 7:** Do not report this reversal in Table 7. Table 7 is strictly for reversals of FY 2025-26 credits.
- **Reconciliation Note:** Because this reversal was present in Table 4(B) of FY 2025-26 GSTR-3B but excluded from Table 7, a difference will arise between Table 4(C) of GSTR-3B and Table 7J of GSTR-9. As clarified by GSTN, this difference is expected; disclose the reason in Table 13 of Form GSTR-9C.

© GST & Indirect Taxes Committee, ICAI

- **Question 28**

ITC of the year 2025-26 has been reclaimed and reversed in the year 2026-2027, how can this be shown in table 8C, 13 and 14.

Where ITC pertaining to FY 2025-26 was both reclaimed and reversed in the subsequent FY 2026-27:

Table 8C: Report NIL / Do Not Enter.

- Table 8C captures only inward supply ITC received in FY 2025-26 and claimed for the first time in FY 2026-27.
- GSTN FAQs explicitly state that reclaimed ITC must never be shown in Table 8C. Since the credit was reclaimed and reversed within FY 2026-27, net fresh availment is zero.
- **Table 13**
- Depending on whether you report on a net or gross basis:
- **Option A — Net Approach (Recommended by GSTN FAQ logic):** Because the reclaim and the reversal occurred in the same subsequent year (FY 2026-27), they cancel each other out. The net ITC of FY 2025-26 availed in FY 2026-27 is **NIL**. Report **NIL** in Table 13 (and **NIL** in Table 12).

© GST & Indirect Taxes Committee, ICAI

Navigating Annual Return

- **Option B — Gross Audit Trail Approach:** If you prefer to reflect the exact return movements:
  - Disclose the reclaimed portion in **Table 13** (*ITC availed for the previous financial year*).
  - Disclose the corresponding reversal in **Table 12** (*Reversal of ITC availed during previous financial year*).
  - *Note on Rule 37/37A:* If the reclaim was made pursuant to Rule 37 (180-day vendor payment) or Rule 37A (vendor non-filing), the GSTN FAQ clarifies that such reclaims belong to the year in which the eligibility condition is met. They are not reportable in Table 13 of the previous year.

Table 14: Report NIL / Not Applicable: *"Differential tax paid on account of declaration in table no. 10 & 11 above"*.

- It applies solely to **outward tax liabilities** arising from supplies declared or reduced through amendments in Table 10 and Table 11.
- Table 14 has **no application to Input Tax Credit**; neither Table 12 nor Table 13 entries flow into or impact Table 14.

© GST & Indirect Taxes Committee, ICAI

Navigating Annual Return

- **Question 29**

  Who must prepare the reconciliation statement in GSTR-9C, and what is the turnover limit?

- **Answer**

  Section 44: every registered person, other than those in the second proviso, an Input Service Distributor, a person paying tax under Section 51 or 52, a casual taxable person and a non-resident taxable person, shall furnish an annual return which may include a self-certified reconciliation statement. It reconciles the value of supplies declared in the return for the financial year with the audited annual financial statement.

  Rule 80(3): every registered person whose aggregate turnover in a financial year exceeds Rs. 5 crore shall also furnish a self-certified reconciliation statement in FORM GSTR-9C along with the annual return, on or before 31 December following the end of the financial year, electronically through the common portal, directly or through a Facilitation Centre notified by the Commissioner. A registered person supplying OIDAR service from outside India to India need not furnish GSTR-9C (Notification No. 30/2019-CT dated 28 June 2019).

© GST & Indirect Taxes Committee, ICAI

Navigating Annual Return

- **Question 30**

  Whether the payment of liability of GSTR-9/9C be made through the Electronic Credit Ledger?

- **Answer**

  The major amendment from F.Y. 2024-25 allows

  *the **payment of any differential tax liability** arising in **GSTR-9/9C** to be made using the **Electronic Credit Ledger (ITC Balance)**,*

  correcting the former mandate that required exclusive use of the Electronic Cash Ledger,

  *providing significant **cash flow relief** to taxpayers with accumulated ITC.*

© GST & Indirect Taxes Committee, ICAI

Navigating Annual Return

- Pursuant to Notification no – 05/2026 Central Tax dated 26.10.2026.
- Table 14 of GSTR 9C has continued to remain optional.
- Because structural rate changes took effect mid-year (on **22 September 2025**), taxpayers must provide **rate-wise data splits** in Table 9 of GSTR 9C (Tax Paid) and
- Table 17 of GSTR 9 (HSN Summary of Outward Supplies).

© GST & Indirect Taxes Committee, ICAI

Navigating Annual Return

- **Question 31**
  What documents should the registered person maintain?
- **Answer**
  - *Inward and outward supply of goods or services or both*
  - *Stock of goods*
  - *Input tax credit availed*
  - *Output tax payable and paid*
  - *Goods and Services imported and exported*
  - *Supplies attracting payment of tax on reverse charge mechanism along with along relevant documents such as invoices, credit notes, debit notes, refund vouchers, bill of supply etc.*
  - *Advances received, paid and adjustments thereof*
  - *E-way Bill*

© GST & Indirect Taxes Committee, ICAI

Navigating Annual Return

- **Question 32**
  In which situations is an e-way bill relevant?
- **Answer**
  - *Stock Transfer*
  - *Dispatch of goods*
  - *Receipt of goods*
  - *Free supply of goods*
  - *Goods sent and received from Job worker*
  - *Some time movement of Goods can be guiding force to determine the service*
  - *Supply of goods to related person*
  - *Goods send on approval*

© GST & Indirect Taxes Committee, ICAI

Navigating Annual Return

- **Question 33**
  Why should e-way bills be reconciled with GSTR-1?
- **Answer**
  - *Matching of invoices of e-way bills with the sales shown in GSTR-1 will help suppliers in assessing whether the supplies have been accurately shown in sales return and GST paid on the same.*
  - *This will be a significant tool with the GST authorities in curbing tax-evading practices.*
  - *Notices are served by the authorities seeking clarifications for differences in tax amounts and various other discrepancies noticed.*
  - *Any action taken by the tax authorities against the business for non/wrong generation of E-way bill.*

© GST & Indirect Taxes Committee, ICAI

Navigating Annual Return



Opinions or views are like wrist watches.

Every watch shows different time from others.

But every one believes that their time is right!

Thank You

Name- CA Manish Gadia
Email- manish@gmj.co.in
Mobile- 9820537986

Name- CA Vikram Mehta
Email- vikram@drmehta.in
Mobile- 9869036230