

GSTR-1 cannot be filed, if previous period GSTR-3B not filed

From 1st January 2022, there is no scope for any errors while filing GST Returns. The GSTR 1 cannot be filed, if the previous period GSTR 3B is not filed. The Tax Liability declared in GSTR 1 should be paid in GSTR 3B. The difference between the tax liability of GSTR 1 and GSTR 3B is considered as self assessed tax. The GST officer need not issue show cause notice for recovery of the tax. Such amount can be collected directly by attaching the bank account, if required. The ITC (which is the option to reduce your tax payment by cash) is as per GSTR 2B. If your supplier, do not furnish GSTR 1 on time, you cannot avail the credit of ITC in GSTR 3B. If you do not file the GSTR 1 on time, your supplier cannot get the ITC. If you do not file GSTR 3B of previous period, the GSTR 1 cannot be filed. By mistake, you have declared more tax liability in your GSTR 1, you have no choice, but to pay this extra liability. (See last para below for some relief). By mistake, your supplier has mention the wrong date, GSTIN or mention as B2C, you lose the ITC and you have to pay cash while filing GSTR 3B.



Hence, the only option is the streamline the system of maintaining of Accounts and filing of GSTR returns perfectly. Proper care should be taken to ensure correct Accounting Entries are done in the accounting system. There should be a proper review mechanism for cross checking the information. The GSTR return should be flow ideally from the accounting system (after proper review). Sufficient funds should be available to make timely payment of GST. There is no escape from the system. Not only you should ensure such compliance, but your supplier should also ensure such compliance. Hence, pass on this message to your supplier as well.

However if incorrect data entry in GSTR 1, then you need to write a letter to the Department informing the same to them to ensure that no action is taken. The same should be amended in the next GSTR 1.