



# GST Return Filing in Simple Steps- Know How to File GSTR 1 & GSTR 3B



## The basic scheme of GST Return Filing in India

GST return filing has seen huge ups and downs in the last four years. It has changed many times. But never touched the format that was covered in CGST Act. At present, we file two basic returns of GST. There is one annual return also. It is called Annual Return, but it is exempted for the small taxpayers. The two basic returns of GST are GSTR 1 and GSTR 3B. We can file them quarterly or monthly. The large taxpayers will have to file it monthly only. The option for quarterly filing is only for small taxpayers. A taxpayer with less than Rs. 5 crore turnover is a small taxpayer for this purpose.

GSTR 1 is a statement of turnover and various outward supplies made during the period. Whereas GSTR 3B is a consolidated return. It compiles the data related to sales and ITC. The final tax payable is also calculated in this return. The payment is also done via a challan while filing GSTR 3B.

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## How to compile data for GSTR 1

Data in GSTR 1 is required in detail. Every invoice to a registered person is required to be shown separately. Basic information like invoice number, GSTIN, Place of supply, taxable value, etc is required. In the case of interstate large supplies to the unregistered is also required to be shown separately.

But other supplies to unregistered persons can be shown in consolidated form. They should be shown state wise. If there is more than one tax rate for the supplies to a particular state. Then the consolidated supplies shall be shown state wise as well as rate wise in a state.

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## Step by step filing of GSTR 1

Here is a step by step guide for filing of GSTR 1

- **Step 1-** Prepare the data from financials. You can refer to the para above to gather the data required in GSTR 1.
- **Step 2-** Feed the data into the government's portal and verify. You need to login into the portal for that. In case of huge data, a utility is also available on the GSTIN portal. Consultants handling a number of clients can also use some software to file returns.
- **Step 3-** Click on the file and submit the return. It is prudent to download the pdf of the data filled before finally filing it.
- **Step 4-** Verify via OTP or digital signatures and file it.

## Common mistakes in the filing of GSTR 1

- **Missing an invoice:** GSTR 1 is a very important return. It is not only a self-declaration but also a tool to transmit the ITC. Rule 36(4) of CGST rules provides that a buyer is eligible to claim ITC only if it is reported by the seller in his GSTR 1. Thus, if you miss an invoice in GSTR 1 your buyer may lose ITC. Even if you mis report something in GSTR 1 it may result in loss of ITC.

- **Export invoices:** These invoices are required to be reported in a separate table. The amount of sales should match with the amount in GSTR 3B and also with the Shipping bill. Otherwise, data won't transmit to the ICEGATE. The refund may get stuck due to this.
- **Advances received:** The advance is also taxable under GST in case of services. They should be reported in a separate table in GSTR 1. Then at the time of raising the invoice for the advance, It should be adjusted in GSTR 1.
- **Reporting of exempted turnover:** Many taxpayers miss the reporting of exempted turnover in GSTR 1. This may reduce the total turnover amount. Aggregate turnover is a criteria for many thresholds. Thus it may reduce total aggregate turnover.

## How to compile data for GSTR 3B

GSTR 3B is comparatively brief. We need to add fewer data here. But the data should be accurate. GSTR 3B is a non-editable return. We can't edit it. We can only adjust the mistakes in the coming returns. A perfect solution may not be available in many scenarios. Thus we should take care to fill in the correct data in GSTR 3B.

## The main data required for the filing of GSTR 3B

- The details of turnover in various heads. E.g. Taxable turnover, exempted turnover, Zero rated turnover or exports.
- Reverse charge purchases. The tax on these purchases is paid by the recipient and not by the supplier. This needs a specific disclosure in GSTR 3B.
- The input tax credit available for a particular month.
- The amount of credit of tax available on account of RCM purchases. This ITC is available only when it is paid in cash via a cash ledger.

## Step by step filing of GSTR 3B

**Step 1-** Extract the data from financials.

**Step 2-** Feed the data on the government's portal. You need to login to fill it.

**Step 3-** Verify with OTP or digital signature and file it.

## Common mistakes in filing of GSTR 3B

**Mis reporting of turnover:** This is one of the most common mistakes in GSTR 3B. The reporting of export turnover in domestic or exempted countries can block the refunds.

**Missing the mandatory data:** Many taxpayers fill the bare minimum data in GSTR 3B. They may face penalties and prosecution for this misinformation in the future. Many taxpayers don't report exempt turnover in GSTR 3B Although it is also mandatory.

## Due dates for filing of GSTR 1 and GSTR 3B

GSTR 1 Quarterly	13th of Next month from the end of quarter
GSTR 1 Monthly	11th of Next Month
GSTR 3B Monthly	20th Of Next month

## Consequences of non filing of GST Return

Non filing or late GST Return filing may attract late fees and penalty. A late fee of Rs. 20 per day is leviable for each day of default. But maximum accumulation of these late fees is limited to the following limits. This limit is for GSTR 3B. GSTR 1 will also attract the same amount of late fees.

1.	Nil Turnover	Rs. 500 Per return
2.	Turnover up to 1.5 Cr.	Rs. 2000 Per return
3.	Turnover from 1.5 Cr to 5 Cr	Rs. 5000 per return
4.	Turnover above Rs. 5 Cr	Rs. 10,000 per return

Apart from these late fees, penalties can also be levied on the taxpayers for non filing of GST returns. Also, the ITC of buyers can be barred. In case of continuous default, the registration of taxpayers may also get cancelled. The E-way bill facility of taxpayers can be blocked for non filing of returns. Thus it is advisable to file all returns on time. The correctness of data is very important. As some of the returns are not editable. The revision of GSTR 1 is also limited. The mismatch in data of GSTR1 and GSTR 3B may also result in the cancellation of the registration of taxpayers.