

Latest Advisory for GSTR-3B – Hard-Locking under Table 3.1

The Government has rolled out an advisory dt. 07.06.2025, implementing a new change in the GST portal, wherein **any changes/modifications to the auto-populated liability in Table 3.1 of Form GSTR-3B** will henceforth be restricted.

The changes/modifications, if necessary, must be made in GSTR-1 through GSTR-1A, which will then reflect in GSTR-3B.

This change shall be applicable **from July 2025 i.e., return for July to be furnished in August 2025.**

The change was initially introduced by the Government vide an advisory dt. 17.10.2024, and was tentatively to be made applicable from January 2025 tax period. However, the implementation of the hard locking was deferred as per the advisory dt. 27.01.2025 based on representations from the trade.

Observations/ Issues

- The aforesaid is aimed at **ensuring accuracy by preventing mismatch between GSTR -1 and GSTR-3B.**
- The said amendment is also aimed at ensuring that taxpayers compulsorily pay their reported liabilities.
- Although not explicitly specified so far, it is expected **that hard-locking will not apply to Table 3.1 (d)** where liabilities with respect to reverse charge are reported, for the following reasons:
 - **In the case of unregistered suppliers**, the supplier will not be filing GSTR-1 at all. So the recipient will have to manually input the details of liability under reverse charge.
 - **In the case of registered suppliers**, Section 13(3)(b) specifies that the time of supply arises after sixty days from the date of issuance of invoice by supplier in case of RCM supplies. The supplier may report a tax invoice in GSTR-1 filed for July 2025, which will be reflected in the recipient's GSTR-3B. In this case, as per Section 13(3)(b), the recipient can pay the tax in the GSTR-3B filed for the month of September 2025. If the figures are hard-locked, the recipient could be forced to pay GST under RCM in the GSTR-3B filed for the month of July 2025, which would be legally impermissible.

Further clarity on the same is awaited.

- This change will have a **significant impact on the industries or companies that issues a high volume of credit notes.** In case of GST credit notes, if the recipient rejects a credit note in the IMS, the liability with respect to the amount in the credit note is added to the outward liability in GSTR-3B. So far, suppliers were manually removing this additional liability from GSTR-3B, but going forward, this may no longer be possible. Suppliers may need to engage

in proactive communication with recipients for acceptance of credit note in the IMS. Suppliers should also strengthen their processes to ensure that issuance of credit notes becomes an exception, rather than a routine process.

The practical implementation of the above will be seen at the time of filing of GSTR-3B for the month of July' 25 onwards.

For any queries on the above matter, you may contact at nivedita.agarwal@bansimehta.com.

Trust you find the same useful.

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