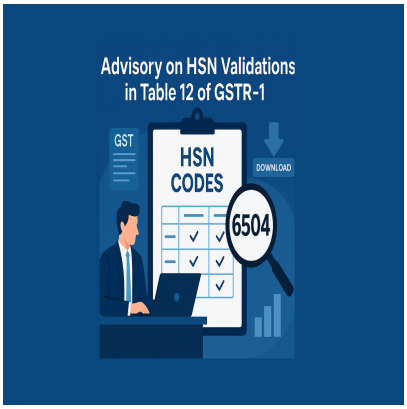

Advisory on HSN Validations in Table 12 of GSTR-1

Description

Advisory on HSN Validations in Table 12 of GSTR-1

The Goods and Services Tax (GST) authorities have issued an advisory detailing the implementation of Phase-3 for reporting Harmonized System of Nomenclature (HSN) codes in Table 12 of GSTR-1 and GSTR-1A, effective from the February 2025 return period. This phase introduces significant changes to enhance the accuracy and consistency of HSN code reporting for taxpayers.

Key Changes in Phase-3:

1. Mandatory Selection from Dropdown:

• **Taxpayers with Aggregate Annual Turnover (AATO) up to ?5 crore:** Required to report 4-digit HSN codes for goods and services.

• **Taxpayers with AATO exceeding ?5 crore:** Required to report 6-digit HSN codes for goods and services.

Turnover	HSN Digits
Upto 5 crores	Mandatory 4-digit HSN codes
More than 5 crores	Mandatory 6-digit HSN codes

Manual entry of HSN codes is now restricted. Taxpayers must select the appropriate HSN code from a predefined dropdown list. Upon selection, a customized description from the HSN master will auto-populate in a new field labeled “Description as per HSN Code.”

2. Validation of Supply Values:

• The system will validate the values of Business-to-Business (B2B) and Business-to-Consumer (B2C) supplies reported in various tables against the values in Table 12.

• Initially, these validations will operate in a warning mode, allowing taxpayers to file GSTR-1 even if discrepancies are detected. However, if B2B supplies are reported in other tables, the B2B tab in Table 12 cannot be left empty.

In Table-12 validation with regards to value of the supplies have also been introduced.

1) These validations will validate the value of B2B supplies shown in different Tables viz: 4A, 4B, 6B, 6C, 8 (recipient registered), 9A, 9B (registered), 9C (registered), 15 (recipient registered), 15A (recipient registered) with the value of supplies shown in table-12.

2) Similarly, validations will validate the value of B2C supplies shown in different tables viz: 5A, 6A, 7A, 7B, 8 (recipie unregistered), 9A (export), 9A (B2CL), 9B (unregistered), 9C (unregistered), 10, 15 (recipient unregistered), 15A (reci unregistered) with the value of B2C supplies shown in Table-12.

3) In case of amendments, only the differential value will be taken for the purpose of validation.

3. Enhancements in Table 12:

• **Segregation of Supplies:** Table 12 is now divided into two tabs: “B2B Supplies” and “B2C Supplies.” Taxpayers must enter HSN summary details separately under each tab.

• **Downloadable HSN Code List:** A new “Download HSN Codes List” button allows taxpayers to download an Excel file containing the updated list of HSN and SAC codes along with their descriptions.

• **Searchable “Product Name as in My Master”:** This feature enables taxpayers to search and select descriptions from their HSN master. Upon selection, the corresponding HSN code, description, Unit Quantity Code (UQC), and quantity will auto-populate. This functionality is optional.

Conclusion:

These changes aim to streamline the HSN reporting process, reduce errors, and ensure compliance with GST regulations. Taxpayers are advised to familiarize themselves with these updates and adjust their reporting processes accordingly to ensure a smooth transition.

For a detailed understanding, refer to the official advisory issued by the GST authorities by clicking here.

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