

Implementation of mandatory mentioning of HSN codes in GSTR-1

1. *Vide Notification No. 78/2020 – Central Tax dated 15th October, 2020*, it is mandatory for the taxpayers to report minimum **4** digits or **6** digits of **HSN** Code in *Table-12* of *GSTR-1* on the basis of their Aggregate Annual Turnover (AATO) in the preceding Financial Year.

To view the detailed notification, please [click here](#).

2. To facilitate the taxpayers, these changes are being implemented in a phase-wise manner on GST Portal as below:

Phases		Taxpayers with AATO of up-to 5 cr.	Taxpayers with AATO of more than 5 cr.
Phase 1	Part I	<p>Taxpayers are required to mandatorily report 2-digit HSN codes for goods & services.</p> <p>Manual user entry is allowed for entering HSN or description and warning or alert messageshall be shown in case of manual HSN.</p> <p>However, taxpayers will be able to file GSTR-1 after manual entry.</p>	<p>Taxpayers are required to mandatorily report 4-digit HSN codes for goods & services.</p> <p>Manual user entry is allowed for entering HSN or description and warning or alert message shall be shown in case of incorrect HSN code.</p> <p>However, taxpayers will be able to file GSTR-1 after manual entry.</p>
	Part II	Same as above	<p>Taxpayers will now have to mandatory report 6-digit HSN code.</p> <p>No change in other conditions</p>
Phase 2 to Phase 4		To be communicated in due course.	

3. Part 1 of Phase I has already been implemented from 01st April 2022 and is currently live on GST Portal. From 01st August, 2022, Part-II of Phase-I would be implemented on GST Portal and the taxpayers would need to report HSN in table 12 of GSTR-1 as per below mentioned scheme.

Taxpayers with AATO of up-to 5 cr.	Taxpayers with AATO of more than 5 cr.
To continue as it is.	<ul style="list-style-type: none"> Taxpayers would be required to mandatorily report 6-digit HSN code. Manual user entry would be allowed for entering HSN or description and in case of a wrong HSN reporteda warning or alert message will be shown.However, taxpayers will still be able to file GSTR-1. Taxpayers would be expected to correct HSN where there is an error and a warning message shown.

4. Further phases will be implemented on GST Portal shortly and respective dates of implementation and nature of change would be updated from time to time.
