

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 digit or 6 digit of HSN Code in table-12 of GSTR-I 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	Taxpayers are required to mandatorily report 2-digit HSN codes for goods & services. Manual user entry is allowed for entering HSN or description and warning or alert message shall be shown in case of manual HSN. However, taxpayers will be able to file GSTR-1 after manual entry.	Taxpayers are required to mandatorily report 4-digit HSN codes for goods & services. Manual user entry is allowed for entering HSN or description and warning or alert message shall be shown in case of incorrect HSN code. However, taxpayers will be able to file GSTR-1 after manual entry.
	Part II	Same as above	Taxpayers will now have to mandatorily report 6-digit HSN code. No change in other conditions
Phase 2		Mandatory reporting of HSN at 4-digits;	No change
Phase 3-4		To be communicated in due course.	

3. Part I & Part II of Phase 1 has already been implemented from 01st April 2022 & 01st August 2022 respectively and is currently live on GST Portal. From 01st November, 2022, Phase-2 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.
• Taxpayers would be required to mandatorily report 4-digit HSN code. • Manual user entry would be allowed for entering HSN or description and in case of a wrong HSN reported a warning or alert message will be shown. However, taxpayers will still be able to file GSTR-1	To continue as it is.

4. The taxpayers are advised to correct the HSN details where there is an error and a warning message is shown. However, it is not a mandatory validation for filing GSTR-1.
5. Further phases would be implemented on GST Portal shortly and respective dates of implementation and nature of change would be updated from time to time.

<https://www.cbic.gov.in/resources/htdocs-cbec/gst/notfctn-78-central-tax-english-2020.pdf>