HSN summary on ClearGST

The purpose of this document is to serve as a manual for our users on how to populate HSN summary for GSTR-1 summary. We intend to

- cover each and every use-case and scenarios that our users might encounter.
- publish to all of our user-base for reference while filing GSTR-1 in the month of August 2021 and beyond.

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What is the HSN summary?

- HSN-wise Summary is a summary of all the products that you've sold in the respective filing period. The summary report contains the details of HSN-wise taxable value and tax amount.

HSN-wise summary of outward supplies:

Sections	***HSN Code List for***
Section 1	*Live Animals, Animal Products*
Section 2	*Vegetable Products*
Section 3	*Animal or Vegetable Fats and Oils and their cleavage products, prepared edible fats, Animal or Vegetable waxes*
Section 4	*Prepared Foodstuffs, Beverages, Spirits and Vinegar, Tobacco and Manufactured Tobacco Substitutes*
Section 5	*Mineral Products*
Section 6	*Product of the chemicals or allied Industries*
Section 7	*Plastics and articles thereof, Rubber and articles thereof*
Section 8	*Raw hides and skins, Leather, Furskins and articles thereof, saddlery and harness, travel goods, handbags and similar containers, articles of animal gut (other than silk-worm gut)*
Section 9	*Wood and articles of wood, Wood charcoal, Cork and articles of cork, Manufacturers of straw, of Esparto or of other Plaiting Materials, Basketwork and Wickerwork*

Section 10	*Pulp of wood or of other Fibrous Cellulosic Material, Recovered (Waste and scrap) paper or paperboard, paper and paperboard and articles thereof*
Section 11	*Textile and textile articles*
Section 12	*Footwear, Headgear, Umbrellas, Sun Umbrellas, Walking-sticks, seat-sticks, whips, riding-crops and parts thereof, Prepared feathers and articles made therewith, Artificial flowers, Articles of human hair*
Section 13	*Articles of stone, plaster, cement, asbestos, mica, or similar materials, ceramic products, glass and glassware*
Section 14	*Natural or cultured pearls, Precious or semi-precious stones, precious metals, Metal clad with precious metal, and articles thereof, Imitation Jewellery, Coins*
Section 15	*Base Metals and articles of Base Metal*
Section 16	*Machinery and mechanical appliances, electrical equipment, parts thereof, sound recorders and reproducers, television image and souch recorders and reproducers, and Parts and Accessories of such article*
Section 17	*Vehicles, Aircraft, Vessels and Associated Transport Equipment*
Section 18	*Optical, Photographic, Cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus, clocks and watches, musical instruments, parts and accessories thereof*
Section 19	*Arms and ammunition, parts and accessories thereof*
Section 20	*Miscellaneous Manufactured Articles*
Section 21	*Works of art, Collectors' Pieces and antiques*

Why has HSN become important for GSTR-1 filing? Is it required in other forms as well?

- The purpose of HSN codes is to make GST systematic and globally accepted.

  HSN codes will remove the need to upload the detailed description of the goods. This will save time and make filing easier since GST returns are automated.

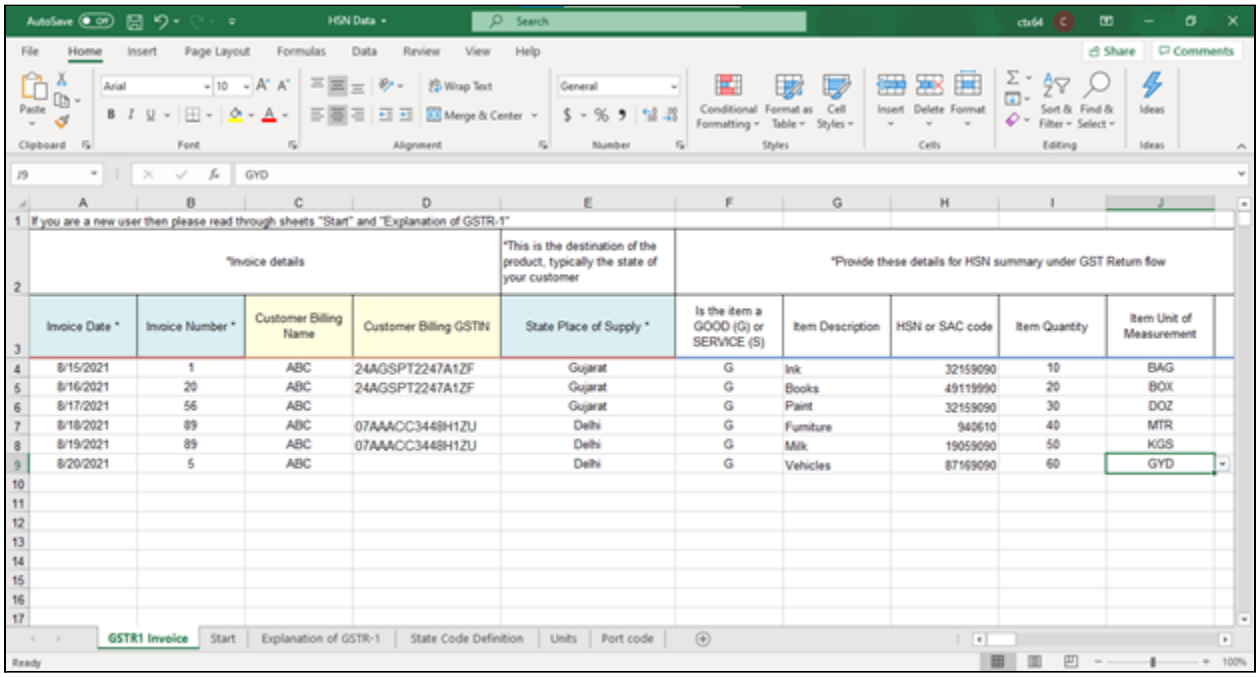
  A dealer or a service provider must provide HSN/SAC wise summary of sales in his GSTR-1 if his turnover falls in above slabs.

  HSN is important for both GSTR-1 and GSTR-9 forms

How can one fill the HSN summary tables for GSTR-1 filing?

- The user can ingest the data for HSN Summary preparation using the following two templates:
  1. **ClearGST Template :**

  Image 1: CT Template used for importing/ingestion of data



If you are a new user then please read through sheets "Start" and "Explanation of GSTR-1"

*Invoice details				*This is the destination of the product, typically the state of your customer	*Provide these details for HSN summary under GST Return flow				
Invoice Date *	Invoice Number *	Customer Billing Name	Customer Billing GSTIN	State Place of Supply *	Is the item a GOOD (G) or SERVICE (S)	Item Description	HSN or SAC code	Item Quantity	Item Unit of Measurement
8/15/2021	1	ABC	24AGSPT2247A1ZF	Gujarat	G	Ink	32159090	10	BAG
8/16/2021	20	ABC	24AGSPT2247A1ZF	Gujarat	G	Books	49119990	20	BOX
8/17/2021	56	ABC		Gujarat	G	Paint	32159090	30	DOZ
8/18/2021	89	ABC	07AAACC3448H1ZU	Delhi	G	Furniture	940610	40	MTR
8/19/2021	89	ABC	07AAACC3448H1ZU	Delhi	G	Milk	19059090	50	KGS
8/20/2021	5	ABC		Delhi	G	Vehicles	87169090	60	GYD

GSTR1 Invoice | Start | Explanation of GSTR-1 | State Code Definition | Units | Port code

Image 2: The Highlighted section is the HSN Summary View in the "Prepare Data" section after the ingestion of data.

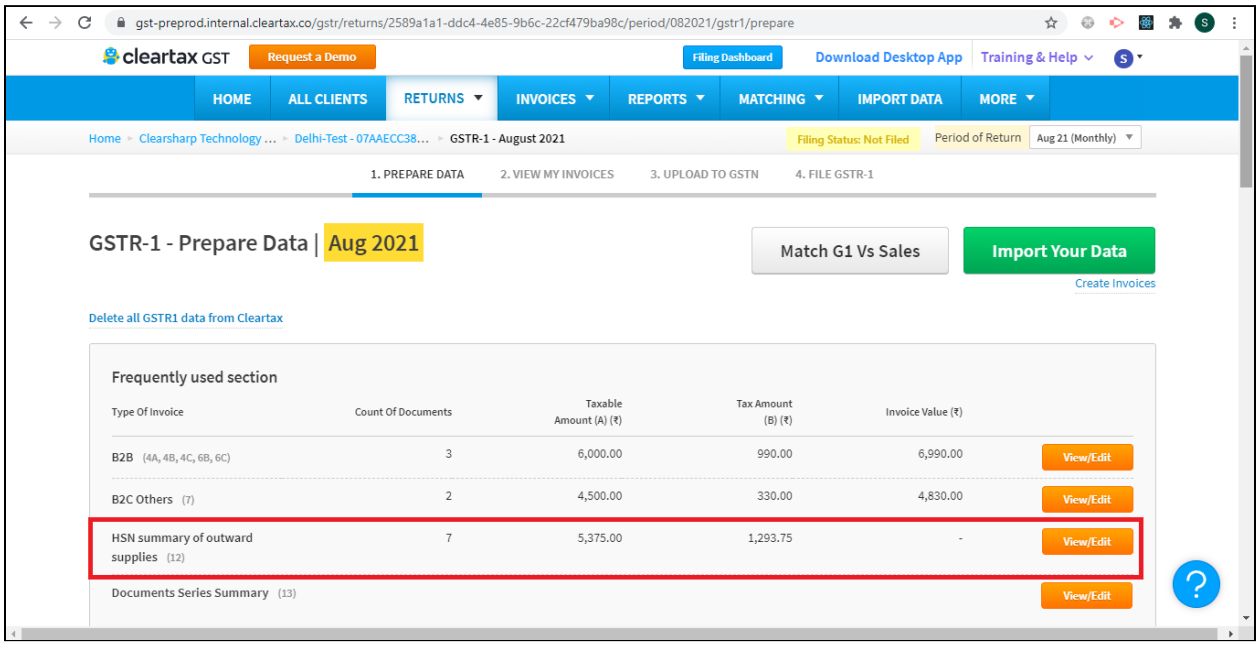


Image 3: The HSN Summary with row level information

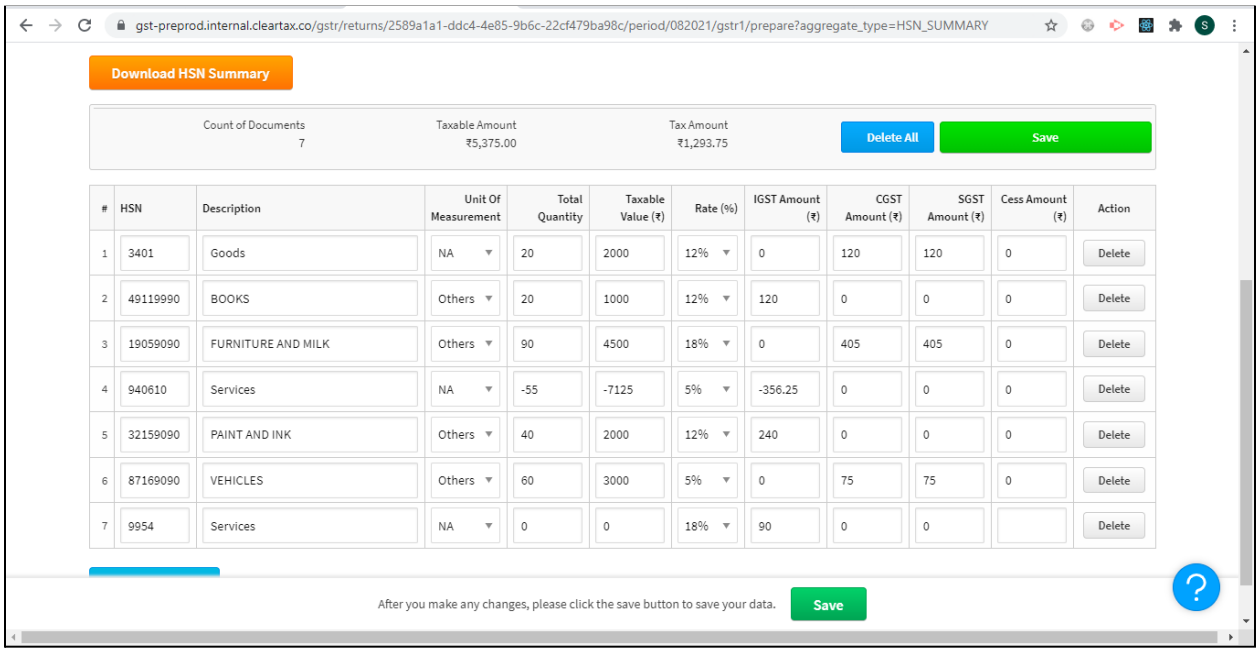
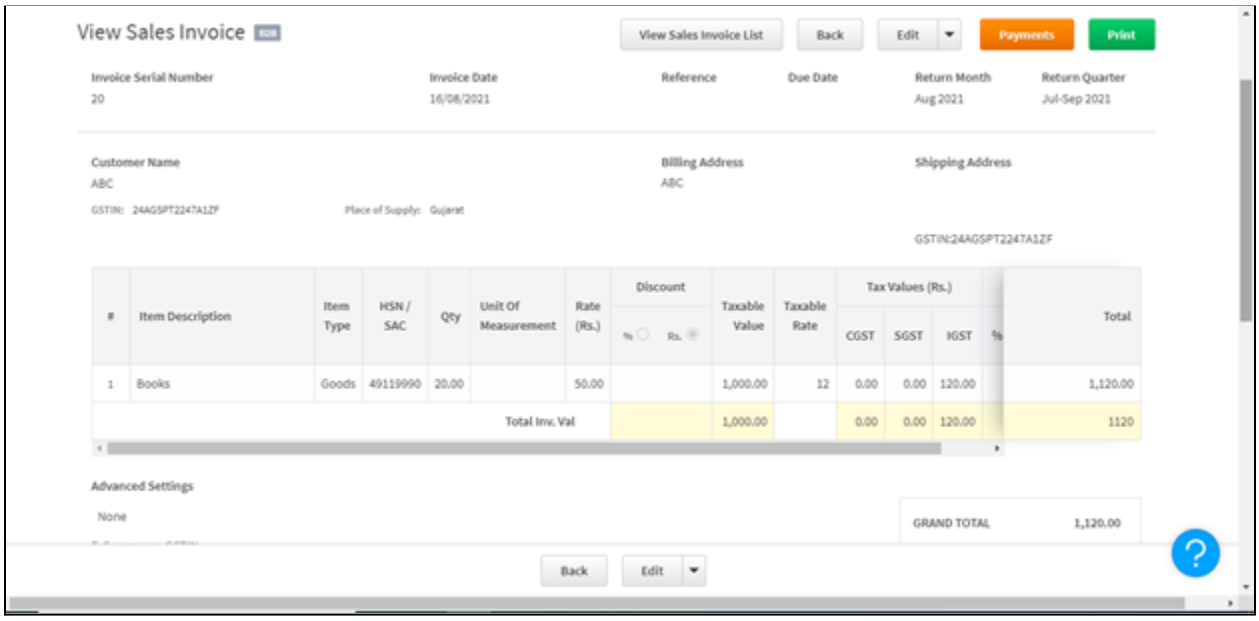
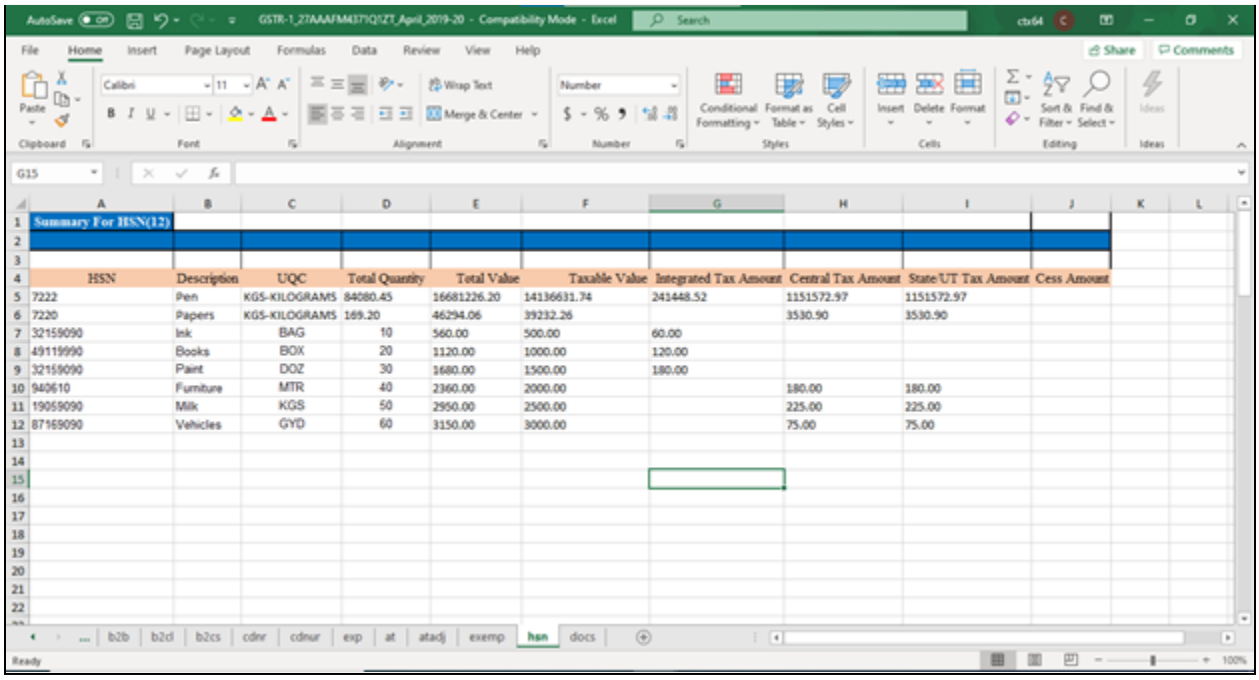


Image 4: The invoice view for the HSN Summary



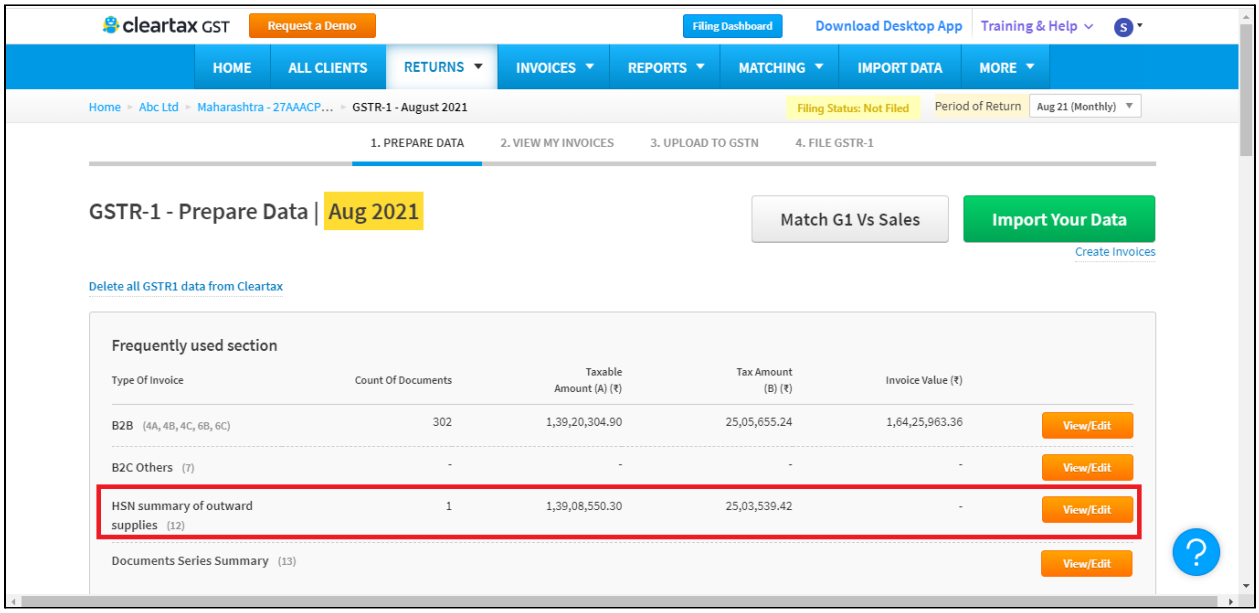
2. GSTN/Tally Template:

Image 1: GSTN/Tally Template used for importing/ingestion of data



Summary For HSN(12)									
HSN	Description	UQC	Total Quantity	Total Value	Taxable Value	Integrated Tax Amount	Central Tax Amount	State/UT Tax Amount	Cess Amount
7222	Pen	KGS-KILOGRAMS	84080.45	16681226.20	14136631.74	241448.52	1151572.97	1151572.97	
7220	Papers	KGS-KILOGRAMS	169.20	46294.06	39232.26		3530.90	3530.90	
32159090	Ink	BAG	10	560.00	500.00	60.00			
49119990	Books	BOX	20	1120.00	1000.00	120.00			
32159090	Paint	DOZ	30	1680.00	1500.00	180.00			
940610	Furniture	MTR	40	2360.00	2000.00		180.00	180.00	
19059090	Milk	KGS	50	2950.00	2500.00		225.00	225.00	
87169090	Vehicles	GYD	60	3150.00	3000.00		75.00	75.00	

Image 2: The Highlighted section is the HSN Summary View in the "Prepare Data" section after the ingestion of data.



What are the things one needs to take care of while creating a HSN summary?

- To avoid upload failures over GSTN, you need to take care of below points

    1. HSN/SAC code is mandatory in every line of HSN summary, even for B2C transactions
    2. HSN/SAC has to be an exact match with the codes available in govt. master data. Otherwise the HSN code will be deemed invalid
    3. HSN/SAC code should at least be 6 digits (if turnover >5cr) or 4 digits (if turnover <5 cr)
    4. UQC & Quantity of SAC (codes starting with 99) will be auto-computed to N/A as per govt mandate
    5. Combination of HSN, Rate and UQC must be unique
    6. For Services the UQC must be “NA” and quantity must be Zero
    7. For Goods the UQC must be other than “NA”
    8. The tax rate must only be of value 0%, 0.1%, 0.25%, 1%, 1.5%, 3%, 5%, 7.5%, 12%, 18%, 28%
    9. Tax amount must be based on the tax rate mentioned

Visit the *Link* to access the Master HSN Data codes available in the Govt. Master data

What is ‘Autocompute’ in the HSN summary?

- The Auto-Compute in HSN Summary is used when the user wants to compute the summary based on the imported/ingested invoices (i.e. taking into consideration HSN, UQC, Tax-Rate, Quantity and Item-Description) and will enable the data to auto-compute. GSTN will only accept unique combination of HSN, Tax-Rate and UQC i.e. if the user enters the same HSN with a different description, it will not be accepted by GSTN (Click on Auto-compute, if this doesn't happen automatically)

How to automatically fill HSN summary tables?

- The HSN Summary tables can be filled automatically by the following two options:

1. When the user is ingesting the data via ClearTax template the Auto-Compute has to be used to populate the data in the summary
2. When GSTN/Tally template is used for ingesting the data the HSN summary will get populated automatically

What are the common errors seen and how to resolve each of them?

- Following table represents the HSN errors and the solution to it on how to resolve them. These errors could be faced by all user irrespective of them being a CA or an Enterprise user

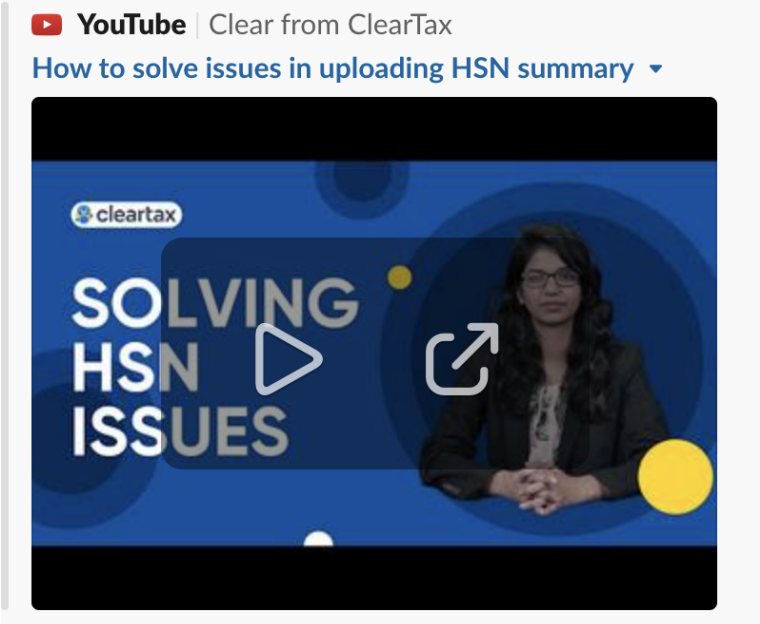
Error Description	Error Resolution
This HSN code is not present in the govt master data and could potentially fail to upload	Choosing a valid HSN code present in the government master sheet is recommended
A non service HSN code cannot have UQC set to “NA”	Please choose a valid UQC that is not “NA”
HSN code empty	Kindly delete the row or add valid and relevant HSN code (Which is an exact match to the HSN codes in the Govt Master database)

What should I do if I am not able to resolve HSN issues?

- ClearGST provides different types of solutions to resolve the HSN related issues and user can opt for any of the following
    1. We perform Pre-validation checks over the imported data and also provide solutions to these errors. These errors could be rectified before the upload to GSTN
    2. User can reach to ClearGST support via Email or Tele-support for resolution
    3. In case of unresolved issues, user can also raise a ticket related to the issue faced

- If you still need help, feel free to write to us at gstsupport@cleartax.in or call us on 1800-572-8767

Video Guide



https://www.youtube.com/watch?v=ulTKu_bdXMU