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## Enhancing GST Compliance: The Role of GSTR-1 and GSTR-1A in Streamlining Tax Reporting

With the introduction of GST, the tax structure has been simplified, and a unified market has been created. It has transformed the way businesses operate, particularly in terms of compliance and reporting. Since its introduction, various forms and returns have been introduced. Among these, GSTR-1 and GSTR-1A are essential, as they play a crucial role in the tax return filing process. Although

GSTR-1A was suspended after GST implementation in 2017, it was reintroduced through the 53<sup>rd</sup> GST Council Meeting dated 22<sup>nd</sup> June 2024 and through CBIC Notification No. 12/2024 – Central Tax dated 10<sup>th</sup> July 2024.

To enable registered taxpayers ensure accuracy in their sales reporting and tax liabilities and to reduce discrepancies between GSTR-1 and GSTR-3B, a correction mechanism for GSTR-1, i.e., Form GSTR-1A, has been reintroduced. This article allows for exploration of how GSTR-1 provides comprehensive sales data, while GSTR-1A facilitates necessary amendments, ensuring accurate tax filings and improving transparency in the GST System. The recent reintroduction of GSTR-1A in 2024 further emphasizes its importance in reconciling discrepancies and enhancing compliance for businesses.

### GSTR-1

Section 37(1) read with Rule 59 of the CGST Act, 2017 prescribes Form GSTR-1. GSTR-1 is a monthly or quarterly return that every registered person under GST must file. This return contains details of all outward supplies of goods and services made by the taxpayer. Essentially, it is a detailed record of sales transactions carried out by a business during a specific period.

The key features of GSTR-1 are as under:

- All registered taxpayers under GST, except those registered under the Composition Scheme, must file GSTR-1.
- Businesses with an annual turnover of up to ₹5 crore have the option to file GSTR-1 on a quarterly basis. Others must file it monthly.

- The due date for monthly filers is 11<sup>th</sup> of the subsequent month.
- The due date for quarterly filers is 13<sup>th</sup> of the month following the quarter.
- The details to be furnished include the invoices issued during the period, debit and credit notes issued in the period, and the details of export sales, including deemed exports, B2B (Business to Business), and B2C (Business to Consumer) sales, along with respective details.
- Any errors in previous filings can be corrected by making amendments in subsequent GSTR-1 filings.

### Amendment in Form GSTR-1

In Sub-Rule (4) of Rule 59 of the CGST Rules, 2017, the following amendment

has been made via CBIC Notification No. 12/2024 – Central Tax dated 10<sup>th</sup> July 2024, with effect from 1<sup>st</sup> day of August 2024, in Form GSTR-1 —

- (4) The details of outward supplies of goods or services or both furnished in FORM GSTR-1 shall include the
- (a) invoice wise details of all –
    - (ii) inter-State supplies with invoice value more than “Rs. 1 lakh” made to the unregistered persons;
  - (b) consolidated details of all - (ii) State wise inter-State supplies with invoice value “Rs. 1 lakh” made to unregistered persons for each rate of tax;

*The limit of Rs. 2.5 lakh has been substituted with Rs. 1 lakh in sub-clause (ii) of clause (a) of sub-rule (4) and sub-*

clause (ii) of clause (b) of sub-rule (4) of rule 59 of the CGST Rules, 2017.

**Consequently, amendments are made in Tables 5 and 7 of Form GSTR-1. A similar threshold is prescribed for Form GSTR-1A. This will increase the compliance in the case of B2C interstate supplies.**

### Understanding GSTR-1A

During the 53<sup>rd</sup> GST Council meeting held on 22<sup>nd</sup> June 2024, a new optional facility in Form GSTR-1A was recommended, allowing taxpayers to add or amend details filed in GSTR-1 for a tax period before filing their GSTR-3B for the same period. GSTR-1A was reintroduced

as a correction mechanism for GSTR-1 in order to help registered taxpayers to ensure accuracy in their sales reporting and tax liabilities and to reduce discrepancies between GSTR-1 and GSTR-3B.

With the suspension of GSTR-2 and GSTR-3 in the current GST filing system, GSTR-1A was no longer in use. The reconciliation process has since been streamlined, and the requirement for GSTR-1A was effectively removed. The GST Council has periodically made changes to the GST return filing process to make it more efficient. The removal of GSTR-1A and suspension of GSTR-2 and GSTR-3 are part of these reforms. Now, the reconciliation

of outward and inward supplies is largely managed through GSTR-1 and GSTR-3B filings, along with the Input Tax Credit (ITC) reconciliation via GSTR-2A and GSTR-2B.

On 18<sup>th</sup> June 2024, APIs were introduced by the GST Network, indicating a possible reintroduction of the GSTR-1A Form and its implementation soon on the GST portal. Although GSTR-1A was suspended after GST implementation in 2017, it was reintroduced through the 53<sup>rd</sup> GST Council Meeting, dated 22<sup>nd</sup> June 2024, and through Central Board of Indirect Taxes & Customs (CBIC) Notification No. 12/2024 – Central Tax dated 10<sup>th</sup> July 2024.

Since the implementation of GST in 2017, GSTR-1A has been in existence but the same was never implemented. Following Notifications and Circulars were issued regarding the same.

S. No.	Notification/ Circular	Remarks
1	Notification No. 10/2017 - Central Tax dated 28 <sup>th</sup> June, 2017	The reference of GSTR-1A was mentioned in Chapter VIII Returns - Point No. 59.(4) stating that "The details of inward supplies added, corrected or deleted by the recipient in his Form GSTR-2 under section 38 or Form GSTR-4 or Form GSTR-6 under section 39 shall be made available to the supplier electronically in Form GSTR-1A through the common portal and such supplier may either accept or reject the modifications made by the recipient and Form GSTR-1 furnished earlier by the supplier shall stand amended to the extent of modifications accepted by him."
2	Notification No. 45/2017 -Central Tax dated 13 <sup>th</sup> October, 2017	The substitution of Table 4 of GSTR-1A i.e. "Zero rated supplies made to SEZ and deemed exports" was done through this Notification.
3	Circular No. 15/15/2017 - GST dated 6 <sup>th</sup> November, 2017	The due date for furnishing of FORM GSTR-1A for July 2017 has been extended. Therefore, the details in FORM GSTR-1A shall be made available to the supplier from the 1 <sup>st</sup> of December to the 6 <sup>th</sup> of December, 2017 for the month of July 2017.
4	Notification No. 19/2022 - Central Tax dated 28 <sup>th</sup> September, 2022	The FORM GSTR-1A, FORM GSTR-2 and FORM GSTR-3 of the said rules was omitted.
5	Notification No. 12/2024 - Central Tax dated 10th July, 2024	Bringing various amendments in the rules of CGST Rules, 2017 by inserting the words "GSTR-1A" in Clause (f) of Rule 21, Clause (a) of sub-rule (2A) of Rule 21A, Clause (a) of sub-rule (4) of Rule 36, Rule 37A, Clause (e) of sub-rule (1) of Rule 40, Sub-rule (3) of Rule 48, Sub-rule (1) of Rule 60, Rule 78, Sub-rule (1) of Rule 88C, Proviso to clause (b) of sub-rule (1) of rule 96, sub-rule (2) of rule 96, sub-rule (2) of rule 96A, Clause (c) of sub-rule (1) of Rule 163.  After sub-rule (1) of Rule 59, the proviso has been inserted stating that "Provided that the said person may, after furnishing the details of outward supplies of goods or service or both in FORM GSTR-1 for a tax period but before filing of return in FORM GSTR-3B for the said tax period, at his own option, amend or furnish additional details of outward supplies of goods or services or both in FORM GSTR-1A for the said tax period electronically through the common portal, either directly or through a Facilitation Centre as may be notified by the Commissioner."

S. No.	Notification	Remarks
		<p>After sub-rule (4) of Rule 59 a new sub-rule i.e. sub-rule (4A) has been inserted stating that the additional details or the amendments of the details of outward supplies of goods or services or both furnished in FORM GSTR-1A may, as per the requirement of the registered person, include the</p> <p>(a) invoice wise details of inter-state and intra-state supplies made to the registered persons and inter-state supplies with invoice value more than one lakh rupees made to the unregistered persons;</p> <p>(b) consolidated details of intra-state supplies made to unregistered persons for each rate of tax and State wise inter-state supplies with invoice value upto one lakh rupees made to unregistered persons for each rate of tax;</p> <p>(c) debit and credit notes, if any, issued during the month for invoices issued previously.”</p> <p>After clause (ii) of sub-rule (7) of Rule 60 a new clause (iia) has been inserted stating that the additional details or amendments in details of outward supplies furnished by his supplier in FORM GSTR-1A filed between the day immediately after the due date of furnishing of FORM GSTR-1 for the previous tax period to the due date of furnishing of FORM GSTR-1 for the current tax period.”</p>
S. No.	Advisory and FAQs	Remarks
6	Advisory for Form GSTR-1A dated 26 <sup>th</sup> July, 2024 and	An Advisory for Form GSTR-1A has been issued on 26 <sup>th</sup> July, 2024.
7	Detailed manual and FAQs on filing of GSTR-1A dated 1 <sup>st</sup> August, 2024.	A detailed manual and FAQs on filing of GSTR-1A has been issued on 1st August, 2024.

“ If there is a need to change the GSTIN of a recipient for a supply that was reported in Form GSTR-1 for a tax period, the change can only be made in the subsequent tax period using Form GSTR-1. ”

### Key Features of GSTR-1A

The main features of Form GSTR-1A are as follows:

- GSTR-1A is an optional feature and can only be submitted once for a specific tax period.
- The taxpayer's liability in GSTR-3B for a specific tax period will be impacted by any modifications made in GSTR-1A.
- The recipient will have access to input tax credit (ITC) for the supplies declared or modified by the suppliers through GSTR-1A in the GSTR-2B for the subsequent tax period.
- Taxpayers who file Form GSTR-1 on a monthly basis can access Form GSTR-1A on the portal every month starting from the due date of filing Form GSTR-1 or the actual filing date of Form GSTR-1, whichever is later. Form GSTR-1A will be available until the corresponding Form GSTR-3B for the same tax period is actually filed. It's important to note that a taxpayer cannot file Form GSTR-1 for a month until Form GSTR-3B for the previous month is filed.
- From a liability standpoint, the combined impact of the details declared or updated through Form GSTR-1A, along with the details declared in Form GSTR-1, will be automatically reflected in Form GSTR-3B for the same tax period as Form GSTR-1.
- The Form GSTR-1A will be accessible quarterly after the actual filing of Form GSTR-1 (Quarterly) or the due date of filing of Form GSTR-1 (Quarterly), whichever comes later, and will remain accessible until the actual filing of Form GSTR-3B of the same tax period for QRMP taxpayers.
- Any supplies that are reported in Form GSTR-1 of the present tax period, including those disclosed in IFF for the initial month (M1) and second

month (M2) of a quarter, are eligible for amendment through the corresponding Quarterly GSTR-1A.

- The details provided in GSTR 1A (Quarterly) and the details submitted in Form GSTR-1 (Quarterly) (or through IFF of Month M1 and M2, if submitted) will be automatically transferred to Form GSTR-3B (Quarterly) for the same tax period from a liability standpoint.
- It is emphasized that there will not be a separate facility for amending records submitted through IFF for the months

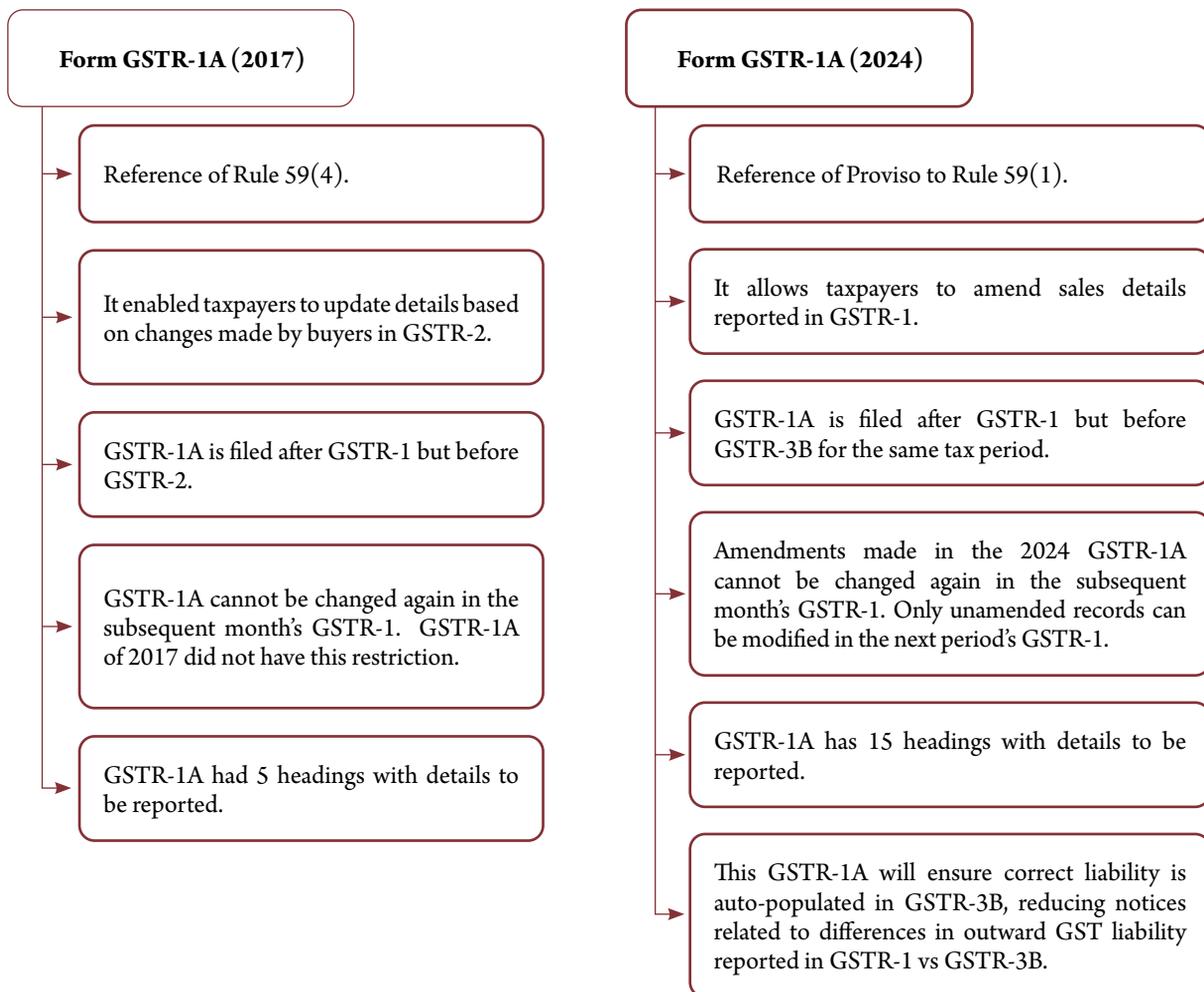
M1 and M2 during the months M1 and M2.

- If there is a need to change the GSTIN of a recipient for a supply that was reported in Form GSTR-1 for a tax period, the change can only be made in the subsequent tax period using Form GSTR-1.
- GSTR-2B will include the supplies already generated as well as all the supplies declared by the suppliers in GSTR-1A. Any supplies declared or amended in Form GSTR-1A will be included in the next open Form GSTR-2B.

**Differences between GSTR-1 and GSTR-1A**

- 1. Filing Requirement:** GSTR-1 is mandatory for all registered taxpayers. In contrast, GSTR-1A is optional and is used only for making amendments.
- 2. Purpose:** GSTR-1 is filed to report details of outward supplies made during a tax period. GSTR-1A, on the other hand, is used to amend discrepancies based on feedback received from the recipients.
- 3. Due date of filing:** GSTR-1 must be filed by the 11th day of the month following the relevant tax period. Taxpayers

*Let's deep dive into some of the major differences in the Form GSTR-1A released in 2017 and 2024.*



In summary, while both versions serve to amend GSTR-1 details, the 2024 GSTR-1A has some key differences in terms of timing, amendment rules, and impact on GSTR-3B liability.



with an annual turnover of up to ₹5 crore have the option to file it quarterly. GSTR-1A can be filed after the submission of GSTR-1 and before the filing of GSTR-3B.

**4. Late Fees:** Late fees are applicable for delayed filing of GSTR-1. However, there is no concept of late fees for GSTR-1A, as it is an optional facility provided to taxpayers.

Despite having the above said differences in GSTR-1 and GSTR-1A, both have some similarities, i.e., the details of outward supplies of goods or services or both furnished in FORM GSTR-1/ GSTR-1A shall include the invoice-wise details of all inter-state supplies with invoice value more than Rs. 1 lakh made to the unregistered persons and consolidated details of all state wise inter-state supplies with invoice value Rs. 1 lakh made to unregistered persons for each rate of tax.

Consequently, amendments are made in Table 5 and 7 of Form GSTR-1 and GSTR-1A.

### Conclusion

The reintroduction of GSTR-1A is a pivotal step towards enhancing GST compliance for businesses in

India. It is a proactive measure that significantly enhances compliance for businesses by allowing timely corrections, improving accuracy in reporting, and streamlining the ITC claims process. The understanding of GSTR-1 and GSTR-1A is essential for businesses to ensure compliance with GST regulations in India. While GSTR-1 is a mandatory return detailing all outward supplies, GSTR-1A serves as an optional tool for amending discrepancies reported by the recipients. By enabling timely corrections and reducing discrepancies between GSTR-1 and GSTR-3B, it not only simplifies the filing process but also fosters a more transparent and efficient tax environment.

The step of bringing GSTR-1A is highly appreciable. The GST authorities eventually decided to bring a mechanism or give a facility to the registered person to make corrections in the returns filed by them. It is a matter of debate again that the recipient might be given a chance to participate in this new mechanism of making corrections amendments, as it was available in the original previous version of GSTR 1A.

We hope authorities may also introduce a new return GSTR-3C (or any suitable name), which will reflect

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on the portal of the recipient after the due date of GSTR-3B, so that the recipient could immediately come to know about the deposit of tax against all the supplies received in that tax period. It will help to bring to the notice of all stakeholders that GST is duly deposited against the supplies shown in the GSTR-1 by a registered person or not. This can minimize the Fake invoices issues, ITC issues & other related issues. It would be of great help in avoiding unnecessary issuance of notices and litigations under various provisions of the GST Act, 2017.

### References

- <https://taxinformation.cbic.gov.in/content-page/explore-notification>
- <https://taxinformation.cbic.gov.in/content-page/explore-circulars>
- <https://services.gst.gov.in/services/advisoryandreleases/read/506>
- <https://services.gst.gov.in/services/advisoryandreleases/read/509>
- *Form GSTR-1A of 2024 and Form GSTR-1A of 2017*

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