

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
UNSTARRED QUESTION NO. 1989

ANSWERED ON 10.03.2026

“SIMPLIFYING GST COMPLIANCE PROCESS”

1989. SMT. KIRAN CHOUDHRY:

SMT. REKHA SHARMA:

SHRI NARHARI AMIN:

DR. MEDHA VISHRAM KULKARNI:

SHRI S. SELVAGANABATHY:

SHRI RYAGA KRISHNAIAH:

Will the Minister of FINANCE be pleased to state:-

(a) the status of reforms undertaken by the Government to simplify and streamline GST compliance and return-filing processes, including changes in return architecture, auto-population of data and the reconciliation mechanisms;

(b) the key measures taken to reduce compliance burden for small and medium taxpayers to improve the accuracy and integrity of filings;

(c) the manner in which these reforms made an impact on return-filing timelines, compliance levels, dispute generation and Ease of Doing Business (EoDB);and

(d) whether the Ministry, in consultation with the GST Council, has undertaken any assessment of the effectiveness of GST compliance and return-filing reforms and, if so, the details thereof

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a) to (d):

i. Functionality for filing of NIL GST monthly return through SMS has been created for benefit of taxpayers.

ii. Also, e-invoicing under GST has been implemented and made effective from August 1, 2023. Presently, taxpayers with turnover upto 5 crore, issue invoice through e-invoicing which are auto-populated in GSTR-1 of the seller, facilitating them in filing their GSTR-1 and thus GSTR-3B.

iii. Sequential filing of GSTR-1 and GSTR-3B: Filing of GSTR-1 has been made mandatory before filing of GSTR-3B for a tax period with effect from 01.10.2022. This ensures that invoice details declared in GSTR-1 by the seller are used to auto-populate the tax liability in his return to be filed in GSTR-3B and is also used to auto-populate ITC to be availed in return to be filed in GSTR-3B by the purchaser.

iv. In order to further streamline auto-population of tax liability data in returns, an optional facility in GSTR-1A was introduced in August 2024, allowing taxpayers to amend GSTR-1 data before filing GSTR-3B, thereby aligning tax liability discharged in GSTR-3B to that declared by the taxpayer in his GSTR-1.

v. In order to further streamline auto-population of ITC data in returns, the Invoice Management System (IMS) facility has been introduced on the GST portal in late 2024. It allows recipients to accept, reject, or mark invoices as pending when these are saved or filed by their supplier taxpayers helping taxpayers to cross-verify and reconcile invoices reported by suppliers in their GSTR-1, thereby streamlining and strengthening the ITC claim process.

vi. In order to nudge taxpayers in timely filing of returns certain measures have been undertaken, such as:

- Registration can be suspended if a taxpayer has not furnished returns for a continuous period of 6 months in case of regular taxpayer and 2 tax periods months in case of composition taxpayer.
- E-Way Bill generation is blocked automatically when regular taxpayers fail to file GSTR-3B for two consecutive tax periods.

vii. In order to reduce the frequency of filing of returns, various scheme are available to typically small taxpayers such as:

- A scheme of quarterly return filing and monthly payment (QRMP) has been introduced where small taxpayers with turnover up to Rs. 5 crores have an option to file returns on quarterly basis, instead of monthly return.
- Similarly, very small taxpayers, with turnover upto Rs. 1.5 crores (75 Lakhs in special category states), can subject to certain conditions, opt to register under composition scheme, under which return is to be filed on annual basis, along with quarterly payment of tax.

viii. GSTR-1 and GSTR-3B filings has recorded a cumulative increase affirming that the mandating sequential filing of returns has had a measurable and positive impact on taxpayer compliance.
