



# GST in Microsoft Dynamics NAV 2016

Apr 2019



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## **Goods and Services Tax**

This white paper provides detailed insight into development of GST related features in Microsoft Dynamics NAV 2016.

The documentation starts by describing Key Areas of GST and their Impact on the Product Design, GST related fields added in Setups, Master and Documents.

Then it explains the Purchase and Sales scenarios, Advance Payment and Application scenarios, Service Management, Stock Transfers, Service Transfers and Transitional Provisions.

Finally, it explains GST Reconciliation feature, Credit Adjustment Journal and GST Reconciliation.

## Revision History

Release Version	Release	Description of Changes
<b>CU-36</b>	<b>October – 2018</b>	<b>Section 6-E, 11-B</b>
<b>Out-of-Band</b>	<b>November – 2018</b>	<b>Section 5-I, 10-E, 10-J-c, 17</b>
<b>CU-38</b>	<b>December – 2018</b>	<b>Section 10-I-b, 10-L</b>
<b>CU-39</b>	<b>January-2019</b>	<b>Section 5-c &amp; d</b>
<b>CU-40</b>	<b>February-2019</b>	<b>Section 2-m, 6-H</b>
<b>CU-41</b>	<b>March-2019</b>	<b>Section 10-K modified, section 10-M introduced.</b>
<b>CU-42</b>	<b>April-2019</b>	<b>Section 7-A-d and 10-H are modified Section 7-B-c and Section 19-1 &amp; 2 for non-GST are introduced</b>

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# 1.Key Areas of GST – Impact on Product Design

## A. Basics of GST:

### a. Proposed GST:

- Goods and Service Tax (GST) is an indirect tax levied on supply of goods or services or both.
- It is a destination/consumption based tax levy which is payable in the state in which the goods and services are consumed.
- It is levied and collected on value addition at each stage of production or distribution process (all points in supply chain).
- The supplier can avail credit on input tax credit paid on procurement of goods or services.
- It extends to the whole of India except Jammu & Kashmir

### b. Components of GST:

Component	Levied by	Applicable on
<b>Central GST (CGST)</b>	Centre	Intra-state supply of goods or services in India
<b>State GST (SGST)</b>	States	Intra-state supply of goods or services in India
<b>Integrated GST (IGST)</b>	Centre	Inter-state supply of goods or services, Exports and Imports

### c. GST Compensation Cess:

- GST Compensation Cess is leviable on both interstate and intrastate supply of goods. It is also applicable on imports and goods transactions which are subject to reverse charge.

- It is applicable only on notified goods. These goods as on date are pan masala, tobacco and tobacco products, coal, aerated waters, motor cars & motor vehicles and any other supplies.
- GST Compensation Cess is calculated on taxable value. Though it is coined as Cess it is similar to tax. It is independent of IGST, CGST and SGST.
- Input Tax Credit availed on GST Compensation Cess can be utilized only towards discharging Output tax liability of Compensation Cess and not otherwise.

#### **d. Goods outside the gamut of GST:**

- Petroleum products and alcohol for human consumption are proposed to be kept out of GST purview. Petroleum products will be brought into GST network at a later stage.
- Central Excise duty will continue on petroleum products. States will continue to impose sales tax on sale of petroleum products and alcohol for human consumption.

### **B. Provisions of Finalized Law, Draft Rules and Formats and Business Processes Documents pertinent to GST Design**

#### **a. GST Registration Number:**

- Registration Number under GST is called **Goods and Service Tax Payer Identification Number** (GSTIN). It is a state-wise PAN based 15-digit number the structure of which is as follows:

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
State Code	PAN										Entity Code	Default Digit (Z)	Check Digit	

- First two digits represent the State codes.
- The next ten digits should be same as PAN



- The thirteenth digit is numeric and assigned depending on number of registrations a legal entity (having the same PAN) has within one state. (Provided business entities go for vertical wise registrations)
- The fourteenth digit should be 'Z'
- The Fifteenth digit is alphanumeric
- All UN bodies seeking to claim refund of taxes would be required to obtain a **Unique Identification Number** (UID) from GSTN portal. The supplier supplying to these organizations is expected to mention UID in the respective invoices.
- Government authorities/PSUs not making outward supplies of GST goods (and thus not liable to obtain GST registration) but are making inter-state purchases will be allotted **Government Department Unique ID** (GID) from GSTN portal.
- The structure of both UID & GID are uniform across all the states in uniformity with GSTN structure.

#### **Relevance of GST Registration No. in the Product Design:**

- **GST Registration No.** is defined by every state. This **Registration No.** can be selected in the following pages:
  - Company Information
  - Locations Master
- GST Registration No. should be entered in following pages:
  - Vendor Master
  - Customer Master
  - Parties
- Validations are provided to ensure that the **Registration No.** entered is of 15-digits and is of the same format as mentioned above. Moreover, the first two digits of the **Registration No.** shall match with the state code defined in State code. Validation has been provided for these.
- Validation is provided to ensure that PAN entered is same in GST Registration No. from 3<sup>rd</sup> digit to 12<sup>th</sup> digit.
- **GST Registration Type** field in Customer master enables the user to select whether the Registration No. is GSTIN, UID or GID.

## **b. HSN/SAC Codes:**

- Harmonized System Nomenclature (HSN) is applicable for goods whereas Service Accounting Codes (SAC) are applicable for services. These codes are meant to reduce the chances of misinterpretation and helps in assigning correct tax rates to products and services. These HSN codes will be similar to codes, which are being presently used in Central Excise Tariff schedules.
- Goods and Services are to be reported along with HSN and SAC codes in compliance Returns (GSTRs).
- HSN codes comprises of eight digits. The number of digits to be mentioned in the GST Returns is dependent on the turnover. If turnover exceeds five crores, it is mandatory to mention four-digits. In case turnover is between 1.5 to 5 crores, it is mandatory to mention two-digits. For exports and imports, it is mandatory to mention eight-digits. However, a taxpayer irrespective of turnover may opt to use either six-digits or eight-digits.

### **Relevance of HSN/SAC Codes on the product design:**

- A master has been provided where HSN/SAC codes for each GST Group code can be defined.
- HSN/SAC codes must also be selected in Items master, FA master and G/L Account card for each item and service respectively.
- These codes also flow in purchase lines and sales lines, based on the item or service selected. However, the user can edit the codes in the respective documents.

## **c. Place of Supply:**

- Place of Supply is the place where services are deemed to be provided or goods are deemed to be sold as per GST Law. Place of Supply is critical in determining whether a transaction is an interstate sale or intrastate sale.
- Place of Supply can be a Buyer's Location, Seller's Location or any other place where goods are delivered or services are rendered.
- Place of supply provisions are different for goods and services in Model GST law. Within services and goods, they may vary from service to service and goods to goods.



- **Place of Supply for Goods:**

<b>Supply</b>	<b>Place of supply</b>
<b>Involves movement of goods</b>	Where delivery terminates
<b>Does not involve movement of goods</b>	Location of goods at the time of delivery to recipient
<b>Goods assembled or installed at site</b>	Place of such installation or assembly
<b>Goods supplied onboard a conveyance</b>	Location at which such goods are taken onboard
<b>Goods are delivered by the supplier to recipient on direction of a third party (Sale of goods in which three parties are involved)</b>	Principal Place of business of buyer.

- **Place of Supply of Services (General)**

<b>Supply to a</b>	<b>Place of supply</b>
<b>Registered person</b>	Location of such person.
<b>Other than a registered person with address on Record.</b>	Location of such person.
<b>Other than a registered person without address on record.</b>	Location of Supplier.

Apart from the above, **Place of Supply** has been specified in the IGST Draft Law, for Specified services.

- **Significance of Place of Supply**

Place of Supply of goods determines whether a transaction is an inter-state supply or intra-state supply.

<b>Nature of Supply</b>	<b>Condition</b>	<b>Tax Applicable</b>
<b>Intra-state supply of goods</b>	When the location of supplier and place of supply are in the same state.	CGST SGST
<b>Inter-state supply of goods</b>	When the location of supplier and the place of supply are in different states.	IGST

**Impact of Place of Supply on Product design:**

From system perspective, **Place of Supply** can be Bill to Address, Ship to Address or Location Address. **GST Dependency Type** field has been created in Sales & Receivable Setup with above three as a drop down. The option selected shall be construed as **Place of Supply** for sale of all goods and services.

For any GST Group, if the **Place of Supply** is different from what is defined in **GST Dependency Type**, then the same can be defined in GST Group Setup. If for a GST group, **Place of Supply** is defined in **GST Group Setup**, then the same flows to GST **Place of Supply** field in Sales lines. If it is not defined, then **GST Dependency Type** shall flow to GST **Place of Supply** field in Sales lines. This GST **Place of Supply** field in Sales lines is a user editable field.

System validates shipping location state code and place of supply state code with GST configuration setup for any matching line and triggers the tax accordingly.

**Example:** For Advertising Services, if **Place of Supply** is **Ship to Address** and the same is defined in GST Group, then GST **Place of Supply** field in Sales lines is auto-populated with Ship to Address. If the ship to address is, Karnataka and the shipping location is Tamilnadu, and then system checks for matching line in the GST configuration set-up and triggers the tax rate accordingly.

- **Place of Supply** can also be defined for each GST Group. **Place of Supply** is critical in determining whether it is an interstate sale or intrastate sale. **Place of Supply** can be Bill to Address, Ship to Address or Location address.
- If **Place of Supply** is not defined in the GST Group, then system considers GST Dependency type defined in Sales & Receivable Set-up as Place of Supply.
- **Bill to Location - Place Of Supply: In case of Receiving Location is different from Billing Location**

In purchases if receiving location is different from the actual billing location then there is a provision to select Bill-to Location on purchase header.

System will calculate GST based on Bill-to Location State code and Vendor State code or Order Address State code selected on purchase header

Inventory will be posted to location code selected on purchase lines and Item Ledger Entry will also be created with location code selected on purchase lines.

If Bill-to Location code is selected in purchase transaction then system will flow Bill-to Location State code to Detailed GST Ledger Entry table.

Nature of Supply	Receiving Location State Code	Billing Location State Code	Vendor State Code	Tax Applicable
Intra-state supply of goods	MAH	KAR	KAR	CGST SGST
Intra-state supply of goods	KAR	-	KAR	CGST SGST
Inter-state supply of goods	MAH	KAR	MUM	IGST
Inter-state supply of goods	KAR	-	MUM	IGST

#### d. Time of supply:

- Time of supply provisions of Model GST Law contemplates when the liability to pay GST arises. This point in time is different for goods, services and for goods and services which are subject to Reverse charge.
- Time of Supply for goods:** Invoice date or Receipt of Payment whichever is earlier
- Time of Supply for services:**
  - Invoice date if the invoice is issued within the prescribed period of 30 days (45 days for banking and financial institutions) or the payment whichever is earlier.
  - Date of provision of service, if invoice is not issued within the prescribed period.
- Time of Supply for goods subject to reverse charge:**
  - The date of receipt of goods
  - The date of payment
  - The date immediately following thirty days from the date of issue of invoice by the supplier.
- Time of Supply for services subject to reverse charge:**
  - The date of payment
  - The date immediately following sixty days from the date of issue of invoice by the supplier.

- **Time of Supply for Associated Enterprises:**

- The date of entry in the books of account of the recipient
- The date of payment

**Relevance of Time of Supply in product design**

- Time of Supply is relevant for creation of General Ledger entries. It determines when Payable Account shall be credited in accounting entries.
- For Sales transactions, liability to pay tax arises on invoice date or date of payment whichever is earlier. Hence, at the time of receipt of advance, Payable account shall be credited because advance receipt arises before invoice. Payable Account is also credited at the time of invoice, if no advance is applied for such invoice or the advance received is less than the invoice amount.
- For goods that are subject to reverse charge (Purchases from an unregistered vendor), liability to pay tax arises at the time of receipt of goods or at the time of payment whichever is earlier. Hence, at the time of receipt of advance, payable account shall be credited because advance payment arises earlier than receipt of goods. For reverse charge transactions, purchaser has to issue self-invoice and as invoice can be issued only on receipt of goods in system. Payable account shall be credited at the time of invoice provided there is no advance payment application or advance amount applied is less than the invoice value.
- For services that are subject to reverse charge (Services attracting Reverse Charge from an Registered Vendor, Import of services and services from an unregistered vendor), liability to pay tax arises at the time of vendor payment. Hence, payable account is credited at the time of advance payment. It is also credited at the time of payment done to vendor post issuance of invoice, if there is no advance payment or if the advance payment is less than the invoice value. At the time of posting invoice, Payable (Interim) Account is credited to the extent of payment due to vendor. At the time of payment to vendor, the same shall be credited to Payable Account.
- As per notification 38/2017 issued amending the earlier notification providing exemption from reverse charge subject to certain conditions (threshold of 5,000 per day). The amended Notification now provides unconditional exemption from applicability of GST under reverse charge when goods or services are received from unregistered persons. The exemption shall be operative till 31<sup>st</sup> March 2018.

- For import of services from **Associated Enterprises**, the treatment would be same as it is in case of reverse charge for goods.

**e. Invoicing under GST:**

- a. As per finalized GST Law read with draft invoice rules, the following documents are to be issued under GST:

Doc Field	Description of the document
<b>Tax Invoice</b>	A registered taxable person at the time of supplying taxable goods or services.
<b>Self-Invoice</b>	A registered taxable person who is liable to pay tax under reverse charge for goods or services purchased from a person who is not registered under GST Law.
<b>Bill of Supply</b>	A registered taxable person supplying exempted goods or services.
<b>Credit Note</b>	Credit Note is issued by the supplier of goods or services: <ul style="list-style-type: none"> <li>➤ If the taxable value or tax amount in a tax invoice is found to exceed the actual taxable value and tax amount.</li> <li>➤ Return of goods by the purchaser.</li> <li>➤ The recipient finds services deficient.</li> </ul>
<b>Debit Note</b>	The supplier of goods and services issues debit Note. If the taxable value or tax amount in a tax invoice is less than actual taxable value or tax amount.
<b>Supplementary Invoice</b>	The purpose of Debit Note and Supplementary Invoice is the same.
<b>ISD Invoice</b>	ISD Invoice is issued by an Input Service Distributor for distributing credit to locations with the legal entity bearing the same PAN No.
<b>Receipt Voucher</b>	Document given to customer acknowledging receipt of advance payment from him.
<b>Refund Voucher</b>	Subsequent to issuance of receipt voucher, if no supply is made and no tax invoice is issued, the advance payment received from the customer may be refunded against a refund voucher.

- b. All the above documents shall contain details prescribed in Draft Invoice Rules. Further, in case of exports the invoice shall carry an endorsement SUPPLY MEANT FOR EXPORT ON PAYMENT OF IGST OR SUPPLY MEANT FOR EXPORT UNDER BOND WITHOUT PAYMENT OF IGST.
- c. These documents shall contain a consecutive serial number, unique for a financial year.

**Relevance for the product design:**

- d. In purchase documents, a field **Invoice Type** has been created with a drop down of Self Invoice, Debit Note, Supplementary and Non-GST. The user can select the appropriate invoice at the time of posting. If **Invoice Type** is blank, system consider it as a tax invoice. Self-invoices, Supplimentary Invoice and Debit Note Invoices issued from Unregistered Vendor comes with a posted number series which can be defined in **Purchase & Payables Setup/Location** master. Self-invoices, Supplimentary Invoice and Debit Note Invoices issued for Registered Vendor comes with a posted number series which can be defined in **Purchase & Payables Setup/Location** master.
- e. In sales documents, a field **Invoice Type** has been created with a drop down of Taxable Invoice, Bill of supply, Debit Note, Export, Supplementary Invoice and Non-GST. The user can select the appropriate invoice at the time of posting. Separate posted number series can be defined for each of these documents in Locations master.
- f. For Service Management module, separate posted invoice number series can be defined in the **Service Setup**.
- g. The document reports generated for the above invoice types contain the information prescribed in draft invoice rules.

**f. Impact of compliance Returns (GSTRs) on Product Design:**

- Compliance Returns have considerable impact on the product design. The requirements as per the Return and their incorporation in the product design is given in the table below. Please be noted that apart from those elucidated below there are many other areas, which are impacted due to compliance returns. They are covered in the appropriate sections of this document.

Feature	Requirement	Product Design
<b>Non-GST Supplies</b>	The aggregate of Non-GST supplies purchased shall be reported in GSTR-2	An Invoice Type with Non-GST has been created in both purchase and sales documents to capture Non-GST purchase and sales separately.
	The aggregate of Non-GST outward supplies shall be reported in GSTR-1	

Feature	Requirement	Product Design
<b>Bill of Entry Details</b>	For goods imported, Bill of Entry No., date and value shall be reported in GSTR-2	Purchase documents contain Bill of Entry No. Bill of Entry date and Bill of Entry Value fields in Tax Information tab. These fields are mandatory where the vendor type is import and the purchase lines are of items.
<b>Mandatory Address for B2C supplies</b>	The address of the buyer has to be mandatorily reflected in every invoice having a value of Rs. 50000 or more. Invoices less than Rs. 50000 and not having address on record shall be reported as intrastate sales in GSTR-1	To address this issue, address and state code fields are made mandatory in Customer master.
<b>Bill of Export</b>	For goods exported, shipping bill or bill of export No. and date are to be reported in GSTR-1	Sales documents contain Bill of Export No. & Bill of Export date fields in Tax Information tab.

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## 2. GST Setups

### a. **GST Accounting Period:**

- Accounting Periods and sub-periods are created and closed here. Under GST, Fiscal year would be normally from 1st April to 31st March. However, in the year of initiation, it would be probably from 1st July 2017 to 31st March 2018. Sub-Accounting Periods are months.
- Credit Memo Locking Date & Annual Return Filling Date needs to be specified here. This is mandatory for Posting Credit Memo.

### b. **GST Group:**

- Goods and Services of similar nature are grouped here. Each group is assigned a group code.
- **Place of Supply** can also be defined for each GST Group. It is critical in determining whether it is an interstate sale or intrastate sale. **Place of Supply** can be Bill to Address, Ship to address or Location address.
- If **Place of Supply** is not defined in GST Group, then system considers GST **Dependency Type** defined in **Sales & Receivable Setup** as **Place of Supply**.
- **GST Group** for Services from Registered Vendor attracting **Reverse Charge** is defined here.

### c. **GST Component:**

- GST Components along with formula and jurisdiction type are defined here. As of now, there are four GST components – IGST, CGST, SGST and Cess. IGST is applicable on an interstate Purchase or Sale whereas CGST & SGST are applicable on an Intrastate Purchase or Sale. If Cess is applicable in transaction then CESS can be defined for Intrastate and Interstate.
- Jurisdiction type can be intrastate or interstate.
- Component wise non-avilment can be defined here.

### d. **GST Posting Setup:**

- General Ledger Account for each component is defined state-wise here.

#### e. **GST Setup:**

- The percentage and effective date for each GST component is defined state-wise here.
- If GST State Code is blank, then percentage and effective date defined for a GST Component is applicable for all states where there is no specific entry for such GST Group. For example, if Advertising Service has a uniform CGST rate in all states except Delhi, then instead of defining it for each state, it can be defined only once keeping state code as blank. A separate line can be created for Delhi state with Delhi specific percentage.
- GST setup can be defined for different Component Calc. Type such as General, Threshold, Cess %, Cess % + Amount / Unit Factor, Cess % or Amount / Unit Factor whichever is higher and Amount / Unit Factor.
- By default the Component Calc. Type will be General for all GST component and can be changed based on requirement.
- For Threshold Calc. Type user will defined Threshold Amount, Before Threshold % and GST Component % (considered after crossing threshold amount). Note that Threshold amount defined in GST setup for a particular GST Group Code will be applicable line wise.
- For Component Calc. Type 'Threshold or General', user should not select cess related fields.
- If the Cess is applicable for any commodity, based on the GST group code then system will pick the cess % defined on it.
- For Component Calc. Type as 'Cess % + Amount/Unit Factor' system will consider 'Cess %' along with 'Amount/Amount Factor' defined on GST Setup fields i.e. Cess UOM (Unit of Measure), Cess Amount Per Unit Factor and Cess Factor Quantity.
- For Component Calc. Type as 'Cess or Amount/Unit Factor whichever is higher' system will consider 'Cess %' or 'Amount/Amount Factor' whichever is higher based on values defined GST Group Code setup for 'Cess UOM, Cess Amount Per Unit Factor and Cess Factor Quantity'.

- For Component Calc. Type as 'Amount/Unit Factor' system will consider Cess value based on values defined GST Group Code in fields Cess UOM, Cess Amount Per Unit Factor and Cess Factor Quantity.
- Advance payment cannot be calculated for GST Group code having Component Calc. Type as 'Threshold', 'Cess % + Amount / Unit Factor', 'Cess % or Amount / Unit Factor whichever is higher' and 'Amount / Unit Factor'.
- GST Component Calc. Type will flow in Detailed GST Ledger entries along with fields 'Cess UOM', 'Cess Amount Per Unit Factor' and 'Cess Factor Quantity' defined for GST Group Code.
- Component wise non-avilment can be defined here, system will update default value from component master, this is a editable field and user can change based on the requirement.

#### **f. GST Configuration:**

- This setup aids the system in determining the taxable state based upon
  - Dispatching state code and customer state code for Sales
  - Receiving state code and vendor state code for Purchases
- Determining the taxable jurisdiction enables the system to pick up the tax percentage applicable.
- For an export transaction, customer is located outside the country hence customer state code is blank.
- For an import transaction, vendor state code shall be blank, as vendor is located outside the country.

#### **g. GST Registration Nos:**

- This setup contains the **Registration No.** of locations situated in different states.
- The first two-digits of a registration number shall contain the state code to which that number belongs.
- The Registration number for ISD ledger related transactions is defined here.

#### **h. HSN/SAC:**

- HSN/SAC codes for various GST Groups can be defined here.

**i. States:**

- Each state shall have a two-digit code under GST. Those codes can be defined here.

**j. GST Component Mapping Recon:**

- GST Components are mapped with both GST Reconciliation fields and ISD ledger fields here.
- This configuration is mandatory for both GST Reconciliation and ISD ledger features to work.

**k. GST Component Distribution**

- GST Components and their Distribution Components for ISD Ledgers are to be defined here.

This configuration is mandatory for ISD ledger features to work.

**l. Bank Charge Deemed Value Setup**

- This setup is required to estimate the Deemed Value for calculation of GST on foreign exchange purchases.
- This setup can be defined for Bank Charges with foreign Exchange boolean only.
- The user need to define the threshold limit and relevant formula for calculation of Deemed Value
- The threshold can be defined in multiple lines having individual set of **Lower limit and Upper limit** for same bank charge. For each line the **Formula** for calculation of Deemed Value can be different.
- In **Formula** field user can select options as Deemed %/ Fixed/ Comparative/ Fixed+ Deemed%/ Fixed+Comparative. This functionality is explained in detail under Bank Charges Section in Other Functionalities.
- The calculation of Deemed value will be on the basis of formula selected.

There are different Types of Formula that can be used for calculation of Deemed Amount:

**Deemed% :**

- If Deemed% option is selected, then the deemed amount is equal to the Deemed% defined in the setup \* Amount of Supply (Applicable) calculated as above.

Deemed amount = Deemed % \* Amount of Supply (Applicable)

**Fixed :**

- If Fixed option is selected, then deemed amount is equal to the Fixed Value defined in the setup

Deemed amount = Fixed Amount

**Comparative :**

- If Comparative option is selected, then deemed amount is arrived by comparing Min. Deemed Value, Max Deemed Value and Value arrived from Deemed %\* Amount of Supply (Applicable).

Deemed amount =

If {(Deemed %\* Amount of Supply) < (Min. Deemed Value)}  
then Deemed Value is equal to Min. Deemed Value;

Else if {Max. Deemed Value is not equal to zero and {(Deemed %\* Amount of Supply) > (Max. Deemed Value)}} then Deemed Value = Max. Deemed Value;

Else Deemed Value is equal to (Deemed %\* Amount of Supply)}

**Fixed+ Deemed % :**

- If Fixed+Deemed% option is selected, then the deemed amount is equal to the Fixed Amount plus Deemed% defined in the setup \* Amount of Supply (Applicable) calculated as above.

Deemed Amount = Fixed Amount + (Deemed % \* Amount of Supply (Applicable))

**Fixed+ Comparative :**

- If Fixed+Comparative option is selected, then the deemed amount is equal to the Fixed Amount plus Value arrived from comparative calculation

Deemed Amount = Fixed Amount + Amount arrived from  
**Comparative** setup

- This deemed value calculated as per the setup will act as the GST base amount for calculation of GST on foreign exchange transactions
- All Values in this setup must be given in LCY amount.
- This configuration is mandatory for GST calculation in Foreign Exchange Bank Charges.

#### m. GST Rounding

New fields are added in General Ledger Setup for GST Rounding.

Field	Description
<b>GST Inv. Rounding Account</b>	Type: code 20 From G/L Account table
<b>GST Invoice Rounding Precision</b>	Type: Decimal
<b>GST Invoice Rounding Type</b>	Type: Option Options are Nearest, Up, Down

- The above mentioned field are considered for all documents having GST.
- The Invoice level rounding will be done based on GST Invoice Rounding Precision and GST Invoice Rounding Type
- System will post GST Amount rounding differences in G/L Account specified in GST Inv. Rounding Account field.
- GST Invoice Rounding Precision is not mandatory. If given "0" system will not calculate any GST Invoice Rounding. If it is not blank, then it will be applicable for all GST Documents/Journals.
- On posting of GST Journal/Document, if GST Invoice rounding is calculated, then system will check that GST Inv. Rounding Account is not blank.

#### Examples: Purchase Invoice Lines:

Item No.	Quantity	Unit Cost	Line Amount	GST%	GST Amount
<b>Item_A</b>	121	5.25	635.25	18%	114.34
<b>Item_B</b>	11	100	1,100.00	12%	132.00

<b>Item_C</b>	1	10000	10,000.00	12%	1,200.00
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#### Calculation:

Variable	Formula
<b>Total Line Amount (A)</b>	= 635.25 + 1100.00 + 10000.00
<b>Total GST Amount (B)</b>	114.34 + 132.00 + 1200.00
<b>Total Invoice Amount (w/o Rounding) (C)</b>	= <b>(A) + (B)</b> = 11735.25 + 1446.34 = 13181.59
<b>Total GST Amount after Rounding (D)</b> (If GST Rounding Precision= 1)	= Round <b>(B)</b> = 1446
<b>GST Rounding Amount (E)</b>	= <b>(D) – (B)</b> = 1446 – 1446.34 = - 0.34
<b>Amount to Vendor (F1)</b> (If Invoice Rounding Precision= 1)	= Round <b>{(A) + (D)}</b> = Round (11735.25 + 1446) = 13181.00
<b>Invoice Rounding (G1)</b>	= <b>(F1) – (A + D)</b> = 13181.00 - (11735.25 + 1446) = - 0.25

**Note:** The GST Rounding amount will be adjusted against Vendor amount.

#### G/L Entries:

G/L Account Name	Debit Amount	Credit Amount
<b>Purchases Account</b>	11735.25	
<b>SGST Receivable Account</b>	723.17	
<b>CGST Receivable Account</b>	723.17	
<b>GST Rounding Account</b>		0.34
<b>Invoice Rounding Account</b>		0.25
<b>Vendor Account</b>		13181.00

Note: In some cases GST Invoice rounding amount was posting twice (Debit & Credit) to same GST Invoice rounding account, since there was no impact on G/L accounts as Debit and Credit was posting to same account, the creation of these entries have been corrected.



### Detailed GST Ledger Entry:

Entry No.	1	2	3	4	5	6
Entry Type	Initial Entry	Initial Entry	Initial Entry	Initial Entry	Initial Entry	Initial Entry
Transaction Type	Purchase	Purchase	Purchase	Purchase	Purchase	Purchase
Document Type	Invoice	Invoice	Invoice	Invoice	Invoice	Invoice
Document No.	PINV001	PINV001	PINV001	PINV001	PINV001	PINV001
Posting Date	7/1/2017	7/1/2017	7/1/2017	7/1/2017	7/1/2017	7/1/2017
Type	Item	Item	Item	Item	Item	Item
No.	Item_A	Item_A	Item_B	Item_B	Item_C	Item_C
GST Component Code	CGST	SGST	CGST	SGST	CGST	SGST
GST Group Code	G-0989	G-0989	G-2089	G-2089	G-2089	G-2089
GST Jurisdiction Type	Intrastate	Intrastate	Intrastate	Intrastate	Intrastate	Intrastate
GST Base Amount	635.25	635.25	1,100.00	1,100.00	10,000.00	10,000.00
GST %	9	9	6	6	6	6
GST Amount	57.17	57.17	66.00	66.00	600.00	600.00
Reverse Charge	No	No	No	No	No	No

**Note:** GST Invoice Rounding Precision and GST Invoice Rounding Type field values will be updated in transaction header from General Ledger Setup, user will be able to change if required and system consider GST Invoice rounding details from transaction header itself.

## 3. GST Fields in Masters

### a. Item Master/Fixed Asset Master:

GST Related Fields	Description
<b>GST Group Code</b>	GST Group code relevant for the item/Fixed asset shall be selected here. GST Group codes created in GST Group Setup appears as dropdown here. GST Group Type can be selected as Goods as well as Service in Item Master.
<b>GST Credit</b>	GST Credit can be Availment or Non-Availment. This field by default displays Availment. If credit cannot be availed on any item/fixed asset, then Non-Availment shall be selected manually from the drop down.
<b>HSN/SAC Code</b>	All HSN Codes for GST Group code selected above shall be displayed as a dropdown for this field. User has to select appropriate HSN code.
<b>Exempted</b>	This field is checked if the item is exempted from payment of tax.

### b. G/L Account Card/Resource/Item Charges

GST Related Fields	Description
<b>GST Group Code</b>	GST Group code relevant for Service/Resource/Item charge shall be selected here. GST Group codes created in GST Group Setup appears as a dropdown here. GST Group Type can be selected as Goods as well as Service in G/L Account Card/Resource/Item Charges Master.
<b>GST Credit</b>	GST Credit can be Availment or Non-Availment. This field by default displays Availment. If credit cannot be availed on any service, then Non-Availment shall be selected manually from the drop down.
<b>HSN/SAC Code</b>	All SAC Codes for GST Group code selected above shall be displayed as a dropdown for this field. User has to select appropriate SAC code.
<b>Exempted</b>	This field is activated if the Service/Resource/Item charge is exempted from payment of tax.

### c. Vendor Master:

GST Related Fields	Description
<b>GST</b>	<b>Registration No.</b> of vendor shall be entered here. Registration

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<b>Registration No.</b>	number is mandatory if <b>GST Vendor Type</b> is Registered. <b>Registration No.</b> shall be of 15-digits.
<b>GST Vendor Type</b>	GST Vendor type can be Registered, Unregistered, Composite, Import, SEZ or Exempted. User has to select the vendor type from the drop down.
<b>Associated Enterprises</b>	This field is activated only if <b>GST Vendor Type</b> is Import. This is can be used for an import transaction of services/goods from sister concerns located outside India.
<b>Aggregate Turnover</b>	This field can be used only if <b>GST Vendor Type</b> is Unregistered, the available options are: More than 20 lakh, Less than 20 lakh. System will allow interstate supply of services if Less than 20 lakh is selected in this field for unregistered vendor.

#### d. Order Address:

<b>GST Related Fields</b>	<b>Description</b>
<b>State</b>	State code can be selected from dropdown for this field. User has to select appropriate State code.
<b>GST Registration No.</b>	<b>Registration No.</b> of vendor shall be entered here. Registration number is mandatory if <b>GST Vendor Type</b> is Registered on Vendor Card. <b>Registration No.</b> shall be of 15-digits.

#### e. Customer Master:

<b>GST Related Fields</b>	<b>Description</b>
<b>GST Customer Type</b>	Customer type can be Registered, Unregistered, Export, Deemed Export, SEZ Unit, SEZ Development or Exempted. User has to select the appropriate Customer type from the dropdown.
<b>GST Registration Type</b>	Registration type can be GSTIN (Goods and Services Tax Payer Identification Number), UID (Unique Identification Number), and GID (Government Identification Number). Appropriate type shall be selected from the dropdown.
<b>GST Registration No.</b>	The 15-digit GST Registration Number shall be entered here. Registration number is mandatory if <b>GST Customer Type</b> is Registered or Deemed Export.
<b>E-Commerce Operator</b>	This field is activated, if sales are done through an e-commerce operator.

#### f. Company Information:

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<b>GST Related Fields</b>	<b>Description</b>
<b>GST Registration No.</b>	The 15-digit GST Registration Number shall be entered here.

#### g. Service cost

<b>GST Related Fields</b>	<b>Description</b>
<b>GST Group Code</b>	GST Group code relevant for the service shall be selected here. GST Group codes created in GST Group Setup appears as dropdown here.
<b>HSN/SAC Code</b>	All SAC Codes for GST Group code selected above shall be display as dropdown for this field. User has to select appropriate SAC code.
<b>Exempted</b>	This field is activated if the Service is exempted from payment of tax.

#### h. Unit of Measure

<b>GST Related Fields</b>	<b>Description</b>
<b>GST Reporting UQC</b>	<p>This field is required for GSTR Reporting. User has to provide the appropriate GST Reporting UQC for each Unit of Measure Code.</p> <p>One GST Reporting UQC code cannot be used for multiple Unit of Measure code.</p>

#### i. Bank Charges Master:

<b>GST Related Fields</b>	<b>Description</b>
<b>Foreign Exchange</b>	This field specifies the Bank Charges that are applicable on Foreign Exchange Sales/Purchase under GST. For foreign Exchange bank charges, the GST calculation is based on Deemed Value of purchase/sale.
<b>GST Group Code</b>	GST Group code relevant for the Bank Charges shall be selected here. GST Group codes created in GST Group Setup with Group Type Service appears as a dropdown here.
<b>GST Credit</b>	GST Credit can be Availment or Non-Availment. This field by default displays Availment. If credit cannot be availed on any Bank Charges, then Non-Availment shall be selected manually from the drop down.

<b>HSN/SAC Code</b>	All HSN/SAC Codes for GST Group code selected above shall be displayed as a dropdown for this field. User has to select appropriate SAC code.
<b>Exempted</b>	This field is checked if the Bank Charges are exempted from payment of GST

**j. Bank Account Master:**

<b>GST Related Fields</b>	<b>Description</b>
<b>State Code</b>	This field is required for GST calculation in Bank Charges transactions.
<b>GST Registration Status</b>	GST Registration type can be Blank or Registered. If GST registration No. is added in Bank Account Master the status will be updated as Registered.
<b>GST Registration No.</b>	Registration No. of Bank shall be entered here. Registration number is mandatory, if GST Registration Status is Registered. Registration No. comprises 15-digits.

**k. Location Master:**

<b>GST Related Fields</b>	<b>Description</b>
<b>GST Registration No.</b>	The 15-digit GST Registration Number shall be entered here.
<b>Sales Inv. Nos. (Exempt)</b>	This field is used for Sales Invoice Number Series for customer type Exempted
<b>Sales Cr. Memo Nos. (Exempt)</b>	This field is used for Sales Credit Memo Number Series for customer type Exempted
<b>Sales Inv. No. (Export)</b>	This field is used for Sales Invoice Number Series for customer type Export
<b>Sales Cr. Memo No. (Export)</b>	This field is used for Sales Credit Memo Number Series for customer type Export
<b>Sales Inv. No. (Supp)</b>	This field is used for Sales Invoice Number Series for Supplementary Invoice
<b>Sales Cr. Memo No. (Supp)</b>	This field is used for Sales Credit Memo Number Series for Supplementary Invoice
<b>Sales Inv. No. (Debit Note)</b>	This field is used for Sales Invoice Number Series for Debit Note

<b>Serv. Inv. Nos. (Exempt)</b>	This field is used for Service Invoice Number Series for customer type Exempted
<b>Serv. Cr. Memo Nos. (Exempt)</b>	This field is used for Service Credit Memo Number Series for customer type Exempted
<b>Serv. Inv. Nos. (Export)</b>	This field is used for Service Invoice Number Series for customer type Export
<b>Serv. Cr. Memo Nos. (Export)</b>	This field is used for Service Credit Memo Number Series for customer type Export
<b>Serv. Inv. Nos. (Supp)</b>	This field is used for Service Invoice Number Series for Supplementary Invoice
<b>Serv. Cr. Memo Nos. (Supp)</b>	This field is used for Service Credit Memo Number Series for Supplementary Invoice
<b>Serv. Inv. Nos. (Debit Note)</b>	This field is used for Service Invoice Number Series for Debit Note
<b>Sales Inv. Nos. (Non-GST)</b>	This field is used for Sales Invoice Number Series for Non-GST transactions
<b>Sales Cr. Memo Nos. (Non-GST)</b>	This field is used for Sales Credit Memo Number Series for Non-GST Transactions
<b>Posted Serv. Trans. Shpt. Nos.</b>	This field is used for Posted Service Transfer Shipment Number Series
<b>Posted Serv. Trans. Rcpt. Nos.</b>	This field is used for Posted Service Transfer Receipt Number Series
<b>GST Liability Invoice</b>	This field is used for GST Liability Invoice Number Series
<b>GST Input Service Distributor</b>	This field is an automatically activated Field, if <b>Input Service Distributor</b> is activated in <b>GST Registration Nos</b>
<b>Purch. Inv. Nos. (Unreg)</b>	This field is used for Purchase Invoice Number Series for Vendor Type Un-registered.
<b>Purch. Cr. Memo Nos. (Unreg)</b>	This field is used for Purchase Credit Memo Number Series for Vendor Type Un-registered.
<b>Purch. Inv. Nos. (Unreg Supp)</b>	This field is used for Purchase Supplementary Invoice Number Series for Vendor Type Un-registered

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<b>Pur. Inv. Nos.(Unreg Deb.Note)</b>	This field is used for Purchase Debit Note Number Series for Vendor Type Un-registered.
<b>GST Transfer Shipment No.</b>	This field is used for GST Transfer Shipment Number Series in goods transfer
<b>Posted Dist. Invoice Nos.</b>	This field is used for Posted Distribution Invoice Number Series.
<b>Posted Dist. Cr. Memo Nos.</b>	This field is used for Posted Distribution Credit Memo Number Series
<b>Bonded warehouse</b>	This field is to identify Bonded warehouse location
<b>Receipt No. Series for Bonded Loc.</b>	This field is to identity Bonded warehouse Receipt Number Series.
<b>Purch. Inv. Nos. (Reg)</b>	This field is used for Purchase Invoice Number Series for Vendor Type Registered.
<b>Purch. Inv. Nos. (Reg Supp)</b>	This field is used for Purchase Supplementary Invoice Number Series for Vendor Type Registered
<b>Pur. Inv. Nos.(Reg Deb.Note)</b>	This field is used for Purchase Debit Note Number Series for Vendor Type Registered.
<b>Purch. Cr. Memo Nos. (Reg)</b>	This field is used for Purchase Credit Memo Number Series for Vendor Type Registered.

## I. Party Master:

<b>GST Related Fields</b>	<b>Description</b>
<b>GST Party Type</b>	Party Type can be of Blank, Vendor, Customer.
<b>GST Registration No.</b>	The 15-digit GST Registration Number shall be entered here for Party Type Customer and Vendor.
<b>GST Vendor Type</b>	GST Vendor type can be Registered, Unregistered, Composite, Import, SEZ or Exempted. User has to select the vendor type from the drop down
<b>Associated Enterprises</b>	This field is activated only if <b>GST Vendor Type</b> is Import. This is can be used for an import transaction of services/goods from sister concerns located outside India.

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<b>GST Customer Type</b>	Customer type can be Registered, Unregistered, Export, Deemed Export, SEZ Unit, SEZ Development or Exempted. User has to select the appropriate Customer type from the dropdown.
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## 4. GST Fields in Purchase, Sales Documents and General Journals

### a. Purchase Header

Field	Description
<b>Nature of Supply</b>	This field cannot be edited. Nature of Supply can be either B2B or B2C.
<b>GST Vendor Type</b>	This field flows from vendor master and it cannot be edited. GST Vendor Type can be Registered, Unregistered, Composite, Import, SEZ or Exempted.
<b>Invoice Type</b>	Invoice Type can be Self-Invoice, Debit Note, Supplementary or Non-GST. Self-Invoice is applicable only for an unregistered vendor. The user has to select to the invoice type at the time of posting invoice
<b>Associated Enterprises</b>	This field cannot be edited. This flows from the vendor master.
<b>Bill of Entry No.</b>	This is a mandatory field when <b>GST Vendor Type</b> is Import and <b>Type</b> in purchase lines is Item.
<b>Bill of entry Date</b>	This is a mandatory field when <b>GST Vendor Type</b> is Import and <b>Type</b> in purchase lines is Item.
<b>Bill of entry value</b>	This is a mandatory field when <b>GST Vendor Type</b> is Import and <b>Type</b> in purchase lines is Item.
<b>GST Input Service Distribution</b>	This field is automatically activated, if an Input Service Distributor location is selected in Purchase documents
<b>GST Order Address State</b>	This field will be auto populated from Order Address master selected in transaction
<b>Order Address GST Reg. No.</b>	This field will be auto populated from Order Address master selected in transaction
<b>Vendor GST Reg. No.</b>	This field will be auto populated from Vendor master selected in transaction.
<b>Location State Code</b>	This field will be auto populated from Location master selected in transaction, if location code is blank in transaction then system will update this field from State Code field in GST Registration Nos. master on selecting Location GST Reg. No.
<b>Location GST Reg. No.</b>	This field will be auto populated from Location master selected in transaction. If location code is blank in transaction

	then user will be able to select code from GST Registration Nos. master.
<b>Bill to- Location(POS)</b>	If Place of Supply (Receiving Location) is different from Location selected in transaction, then Bill to Location code can be selected from this field.

## b. Purchase Lines

Field	Description
<b>GST Credit</b>	This field flows from product masters (Item, G/L card, Fixed Asset, Resource etc.) This is a user editable field.
<b>GST Group code</b>	This is populated based on GST Group code defined in product masters (Item, Fixed assets, G/L Account etc.). This is a user editable field.
<b>GST Group Type</b>	This field cannot be edited which can be either goods or services. It Flows from the GST Group. User can select any GST Group Code having GST Group Type Goods or Service for any Line Type.
<b>HSN/SAC Code</b>	This is populated based on the HSN/SAC code defined in product masters (Item, Fixed assets, G/L Account etc.). This is a user editable field.
<b>GST Base Amount</b>	This field cannot be edited and it displays the Base Amount on which GST percentage is applied.
<b>Total GST Amount</b>	Displays the cumulative GST amount of all components applicable for the given line.
<b>GST %</b>	Cumulative percentage of all components applicable for the given line as per state and GST Group combination is displayed here.
<b>Exempted</b>	This field is an automatically activated field which activates if Exempted field is activated in masters. This is an editable field.
<b>Custom Duty Amount</b>	Custom Duty Amount to be manually entered in this field for calculating GST on Import purchase transactions
<b>GST Assessable Value</b>	GST Assessable Value to be manually entered in this field for calculating GST on Import purchase transactions

## c. Sales Header:

Field	Description
<b>GST Bill To State code</b>	This non-editable field displays the bill to state code.

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Field	Description
<b>GST Ship To State code</b>	This non-editable field displays the ship to state code.
<b>Location State Code</b>	This non-editable field displays the state code of the location.
<b>Nature of Supply</b>	This field cannot be edited. Nature of Supply can be either B2B or B2C.
<b>GST Customer Type</b>	This field flows from customer master and it cannot be edited. <b>GST Customer Type</b> can be Registered, Unregistered, Export, Deemed Export, SEZ Unit, SEZ Development or Exempted.
<b>Invoice Type</b>	Invoice Type can be Taxable, Bill of Supply, Exports, Debit Note, Supplementary or Non-GST. The user has to select to the invoice type at the time of posting invoice.
<b>GST Without Payment of Duty</b>	System does not compute GST on an export transaction, if this field is activated.
<b>Bill of Export No.</b>	This is a mandatory field when <b>GST Customer Type</b> is Export and <b>Type</b> in Sales lines is Item.
<b>Bill of Export Date</b>	This is a mandatory field when <b>GST Customer Type</b> is Export and <b>Type</b> in Sales lines is Item.
<b>E-Commerce Customer</b>	Select the E-commerce customer. This is available if the e-commerce field is activated in the customer.
<b>E-Commerce Merchant ID</b>	The user can select from the drop down of E-commerce merchant ID table when the sales transaction is through an e-commerce operator.
<b>Location GST Reg. No.</b>	This field will be auto populated from Location master selected in transaction, if location code is blank then GST Reg. No. can be selected by drill down to GST Registration No. master.
<b>Customer GST Reg. No.</b>	This field will be auto populated from Customer master selected in transaction.
<b>Ship-to GST Reg. No.</b>	This field will be auto populated from Ship to Code master selected in transaction.

#### d. Service Header:

Field	Description
<b>Nature of Supply</b>	This field cannot be edited. Nature of Supply can be either B2B or B2C.
<b>GST Customer Type</b>	This field flows from customer master and it cannot be edited. <b>GST Customer Type</b> can be Registered, Unregistered, Export, Deemed Export, SEZ Unit, SEZ Development or Exempted.

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<b>Invoice Type</b>	Invoice Type can be Taxable, Bill of Supply, Export, Debit Note, Supplementary or Non-GST. The user has to select to the invoice type at the time of posting invoice.
<b>GST Without Payment of Duty</b>	System does not compute GST on an export transaction, if this field is activated.
<b>Bill Of Export No.</b>	This is a mandatory field when <b>GST Customer Type</b> is Export and <b>Type</b> in Sales lines is Item.
<b>Bill Of Export Date</b>	This is a mandatory field when <b>GST Customer Type</b> is Export and <b>Type</b> in Sales lines is Item.
<b>GST Bill-to State Code</b>	This field will be auto populated from Customer master selected in transaction.
<b>GST Ship-to State Code</b>	This field will be auto populated from Ship to Code master selected in transaction
<b>Location State Code</b>	This field will be auto populated from Location master selected in transaction, if location code is blank then, on selecting GST Reg. No. system will update it from GST Registration No. master
<b>Location GST Reg. No.</b>	This field will be auto populated from Location master selected in transaction, if location code is blank then GST Reg. No. can be selected by drill down to GST Registration No. master.
<b>Customer GST Reg. No.</b>	This field will be auto populated from Customer master selected in transaction.
<b>Ship-to GST Reg. No.</b>	This field will be auto populated from Ship to Code master selected in transaction.

#### e. Sales Lines

Field	Description
<b>GST Place of Supply</b>	This is a user editable field, which includes Bill to Address, Ship to Address and Location Address.
<b>GST Group code</b>	This is populated based on the GST Group code defined in the product masters (Item, Fixed assets, G/L Account etc.). This is a user editable field.
<b>GST Group Type</b>	This field cannot be edited which can be goods or services. User can select any GST Group Code having GST Group Type Goods or Service for any Line Type.
<b>HSN/SAC Code</b>	This is populated based on the HSN/SAC code defined in the product masters (Item, Fixed assets, G/L Account etc.). This is a user editable field.
<b>GST Base Amount</b>	This non-editable field displays the Base Amount on which GST percentage is applied.

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Field	Description
<b>Total GST Amount</b>	Displays the cumulative GST amount of all components applicable for the given line.
<b>GST %</b>	Cumulative percentage of all components applicable for the given line as per state and GST Group combination is displayed here.
<b>Exempted</b>	This is an automatically activated field which activates if Exempted field is activated in masters

**Note:** Service lines also contain all the above fields except GST Place of Supply

#### f. Transfer Header:

Field	Description
<b>Bill Of Entry Date</b>	This is a mandatory field when <b>Bonded warehouse</b> Boolean is True in location master which is selected in <b>Transfer-from Code</b>
<b>Bill Of Entry No.</b>	This is a mandatory field when <b>Bonded warehouse</b> Boolean is True in location master which is selected in <b>Transfer-from Code</b>
<b>Vendor No.</b>	This is a mandatory field when <b>Bonded warehouse</b> Boolean is True in location master which is selected in <b>Transfer-from Code</b>

#### g. Transfer Lines:

Field	Description
<b>GST Group code</b>	This is populated based on the GST Group code defined in the product masters (Item, Fixed assets, G/L Account etc.). This is a user editable field.
<b>HSN/SAC Code</b>	This is populated based on the HSN/SAC code defined in the product masters (Item, Fixed assets, G/L Account etc.). This is a user editable field.
<b>GST Base Amount</b>	This non-editable field displays the Base Amount on which GST percentage is applied.
<b>Total GST Amount</b>	Shows the cumulative GST amount of all components applicable for the given line.
<b>GST Jurisdiction</b>	This can be either interstate or intrastate.
<b>GST Credit</b>	This is a user editable field, which includes Availment and Non-Availment.

<b>GST Assessable Value</b>	This is a mandatory field when <b>Bonded warehouse</b> Boolean is True in location master which is selected in <b>Transfer-from Code</b>
<b>Custom Duty Amount</b>	This is a mandatory field when <b>Bonded warehouse</b> Boolean is True in location master which is selected in <b>Transfer-from Code</b>

**Note:** Service lines also contain all the above fields except GST Place of Supply. Multiple sales lines may have different place of supply so long as all line result in uniform jurisdiction i.e. either interstate or intrastate but not both.

For example, if place of supply for one sales line is bill to address which is Tamilnadu and for another line it is location address is Karnataka. Here the first line results in an interstate transaction being location address and place of supply are in different states. The second line results in an intrastate transaction as place of supply and location address being in same state i.e. Karnataka. System does not allow you to post these types of combinations.

Assuming in the above example, place of supply for the first line is Karnataka; system allows you to post the transaction, as both lines are intrastate transactions despite place of supply being different.

#### **h. General Journal Lines:**

<b>Field</b>	<b>Description</b>
<b>GST on Advance Payment</b>	This Boolean is to be checked for an Advance payment
<b>GST Credit</b>	This non-editable field displays and the credit flows from the product masters (Item, G/L card, Fixed Asset, Resource etc.)
<b>GST Place of Supply</b>	This is a user editable field, which includes Bill to Address, Ship to Address and Location Address.
<b>GST Group code</b>	This is populated based on the GST Group code defined in the product masters (Item, Fixed assets, G/L Account etc.). This is a user editable field.
<b>GST Group Type</b>	This field cannot be edited, it can be either goods or services. It flows from GST Group.
<b>HSN/SAC Code</b>	This is populated based on the HSN/SAC code defined in the product masters (Item, Fixed assets, G/L Account etc.). This is a user editable field.



Field	Description
<b>GST Base Amount</b>	This non-editable field displays the Base Amount on which GST percentage is applied.
<b>Total GST Amount</b>	Displays the cumulative GST amount of all components applicable for the given line.
<b>GST %</b>	Cumulative percentage of all components applicable for the given line as per state and GST Group combination is displayed here.
<b>Location Registration No.</b>	This field value is generated based upon the selection of Location code.
<b>Adv. Pmt. Adjustment</b>	This field is activated, when a posted advance payment is to be adjusted.
<b>GST Component</b>	This is a transitioning field. The user has to select the GST component for which the balance of old tax is required to be transferred. For example, user can select GST component as CGST, if he wishes to carryforward Service Tax balance as CGST balance under GST.
<b>GST Input Service Distribution</b>	This field is automatically activated one, if an Input Service Distributor location is selected in General Journal lines
<b>Bank Charge</b>	This field is required to be selected while making Bank payment/refund of Bank Charge with GST.
<b>GST Reason Type</b>	This field is required to be selected for Refund and journal Credit memo
<b>Order Address Code</b>	This field can be selected if Vendor is issuing bill from different registered address where GST Registration is different from the one updated in Vendor master
<b>Vendor GST Reg. No.</b>	This field will be auto populated from Vendor master
<b>Associated Enterprises</b>	This field will be auto populated from Vendor master
<b>Purch. Invoice Type</b>	Invoice Type can be Self-Invoice, Debit Note, Supplementary or Non-GST. Self-Invoice is applicable only for an unregistered vendor. The user has to select to the invoice type at the time of posting invoice
<b>Inc. GST in TDS Base</b>	Select this field if GST Amount to be added in TDS Base Amount
<b>GST Credit</b>	This field flows from product masters (Item, G/L card, Fixed Asset, Resource etc.) This is a user editable field.
<b>GST Without Payment of Duty</b>	System does not compute GST on an export transaction, if this field is activated.

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Field	Description
<b>Sales Invoice Type</b>	Invoice Type can be Taxable, Bill of Supply, Exports, Debit Note, Supplementary or Non-GST. The user has to select to the invoice type at the time of posting invoice.
<b>Bill Of Export No.</b>	This is a mandatory field when <b>GST Customer Type</b> is Export and <b>Type</b> in Sales lines is Item.
<b>Bill Of Export Date</b>	This is a mandatory field when <b>GST Customer Type</b> is Export and <b>Type</b> in Sales lines is Item.
<b>e-Commerce Customer</b>	Select the E-commerce customer. This is available if the e-commerce field is activated in the customer.
<b>e-Commerce Merchant Id</b>	The user can select from the drop down of E-commerce merchant ID table when the sales transaction is through an e-commerce operator.
<b>Custom Duty Amount</b>	Custom Duty Amount to be manually entered in this field for calculating GST on Import purchase transactions
<b>GST Assessable Value</b>	GST Assessable Value to be manually entered in this field for calculating GST on Import purchase transactions
<b>Bill of Entry No.</b>	This is a mandatory field when <b>GST Vendor Type</b> is Import and <b>Type</b> in purchase lines is Item.
<b>Bill of Entry Date</b>	This is a mandatory field when <b>GST Vendor Type</b> is Import and <b>Type</b> in purchase lines is Item.
<b>Location GST Reg. No.</b>	This field is auto populated from Location master selected in transaction
<b>Customer GST Reg. No.</b>	This field is auto populated from Customer master selected in transaction
<b>Ship-to GST Reg. No.</b>	This field is auto populated from Ship to Code master selected in transaction
<b>Order Address GST Reg. No.</b>	This field is auto populated from Order Address master selected in transaction
<b>Order Address State Code</b>	This field is auto populated from Order Address master selected in transaction
<b>Bill to- Location(POS)</b>	If Place of Supply (Receiving Location) is different from Location selected in transaction, then Bill to Location code can be selected from this field.

#### i. Vendor Ledger Entry:

Field	Description
<b>GST on Advance Payment</b>	Activate this field, if you want to make an advance payment for this transaction.
<b>HSN/SAC code</b>	HSN/SAC code flows from the transaction.
<b>GST Group Code</b>	GST Group Code flows from the transaction.

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<b>GST Reverse Charge</b>	This field is activated if the posted transaction pertains to reverse charge.
<b>Adv. Pmt. Adjustment</b>	This field is activated when a posted advance payment is adjusted.
<b>GST Input Service Distributor</b>	This field is automatically activated for an Input Service Distribution transaction.
<b>Journal Entry</b>	This is a Boolean field and will be <b>True</b> for transaction (Invoice/Credit Memo) which are posted from Journal

**j. Customer Ledger Entry:**

Field	Description
<b>GST on Advance Payment</b>	Activate this field, if you want to make an advance payment for this transaction.
<b>HSN/SAC code</b>	HSN/SAC code flows from the transaction.
<b>GST Group Code</b>	GST Group Code flows from the transaction.
<b>Adv. Pmt. Adjustment</b>	This field is activated when a posted advance payment is adjusted.
<b>Journal Entry</b>	This is a Boolean field and will be <b>True</b> for transaction (Invoice/Credit Memo) which are posted from Journal

**k. Service Transfer Header:**

Field	Description
<b>No.</b>	Displays the Service Transfer Order No.
<b>Transfer from Code</b>	Service Providing location is to be selected in this field
<b>Ship Control Account</b>	Control Account of Service providing location is to be selected from the drop down.
<b>Shipment Date</b>	Date of providing service is to be entered here
<b>Transfer To code</b>	General Ledger Account of Recipient service is to be selected here.
<b>Receive Control Account</b>	Control Account of Service Recipient location is to be selected from the drop down.
<b>Receipt Date</b>	Date of receipt of service is to be entered here
<b>Department Code</b>	Department is to be selected here
<b>Project Code</b>	Project code is to be entered here
<b>External Document No.</b>	External Document No. is to be entered here.
<b>Assigned User Id</b>	User id is to be selected here

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Field	Description
<b>Status</b>	Status can be either Open or Shipped
<b>Transfer from Name</b>	Name of the service providing Location is auto-populated based on the <b>Transfer from Code</b> selected.
<b>Transfer from Address</b>	Address of the service providing Location is auto-populated based on the <b>Transfer from Code</b> selected.
<b>Transfer from State</b>	State of the service providing Location is auto-populated based on the <b>Transfer from Code</b> selected.
<b>Transfer To Name</b>	Name of the service recipient Location is auto-populated based on the <b>Transfer To Code</b> selected.
<b>Transfer To Address</b>	Address of the service recipient Location is auto-populated based on the <b>Transfer To Code</b> selected.
<b>Transfer To State</b>	State of the service recipient Location is auto-populated based on the <b>Transfer To Code</b> selected.

## I. Shipment Lines:

Field	Description
<b>Transfer from G/L Account No.</b>	G/L Account of providing service is to be selected from the drop down
<b>Transfer Price</b>	The value at which the service is being provided is to be entered here
<b>Shipped</b>	This field is activated when the shipment lines are posted
<b>Ship Control A/c</b>	Control Account of Service providing location is to be selected from the drop down.
<b>GST Rounding off</b>	This field is automatically populated based on rounding-off defined General Ledger Set-up. The Rounding off options are nearest, up and down.
<b>GST Group code</b>	This field is populated based on the GST Group code defined in the product masters (Item, Fixed assets, G/L Account etc.). This is a user editable field.
<b>HSN/SAC Code</b>	This field is populated based on the HSN/SAC code defined in the product masters (Item, Fixed assets, G/L Account etc.). This is a user editable field.
<b>GST Base Amount</b>	This non-editable field displays the Base Amount on which GST percentage is applied.
<b>Total GST Amount</b>	Displays the cumulative GST amount of all components applicable for the given line.
<b>Exempted</b>	This is an automatically activated field which activates if Exempted field is activated in masters. This is a user editable field.

### m. Receipt Lines:

Field	Description
<b>Transfer To G/L Account No.</b>	G/L Account of receiving service is to be selected from the List
<b>Transfer Price</b>	The value at which the service is being provided is to be entered here
<b>Shipped</b>	This field is activated when receipt lines are posted
<b>Ship Control A/c</b>	Control Account of Service recipient location is to be selected from the list
<b>GST Rounding off</b>	This field is automatically populated based on rounding-off defined in the General Ledger Set-up. The options are nearest, up and down.
<b>GST Group code</b>	This field is populated based on the GST Group code defined in the product masters (Item, Fixed assets, G/L Account etc.). This is a user editable field.
<b>HSN/SAC Code</b>	This field is populated based on the HSN/SAC code defined in the product masters (Item, Fixed assets, G/L Account etc.). This is a user editable field.
<b>GST Base Amount</b>	This non-editable field displays the Base Amount on which GST percentage is applied.
<b>Total GST Amount</b>	Displays the cumulative GST amount of all components applicable for the given line.
<b>Exempted</b>	This is an automatically activated field which activates if Exempted field is activated in masters. This is a user editable field.

### n. Sub-Contracting Order Sub-form:

Field	Description
<b>GST Credit</b>	This non-editable field displays and the credit flows from the product masters (Item, G/L card, Fixed Asset, Resource etc.)
<b>GST Group code</b>	This field is populated based on the GST Group code defined in the product masters (Item, Fixed assets, G/L Account etc.). This is a user editable field.
<b>GST Group Type</b>	This field can be either goods or services.
<b>HSN/SAC Code</b>	This field is populated based on the HSN/SAC code defined in the product masters (Item, Fixed assets, G/L Account etc.). This is a user editable field.
<b>GST Base Amount</b>	This non-editable field displays the Base Amount on which GST percentage is applied.

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Field	Description
<b>Total GST Amount</b>	Displays the cumulative GST amount of all components applicable for the given line.
<b>GST %</b>	Displays Cumulative percentage of all components applicable for the given line as per state and GST Group combination
<b>Location Registration No.</b>	This field value is generated based on the selection of Location code.

**o. Delivery Challan Header:**

Field	Purpose of the Field
<b>GST Amount</b>	Displays GST Amount involved in the transaction.

**p. Delivery Challan Line/GST Liability Line**

Field	Purpose of the Field
<b>GST Group code</b>	This field is populated based on the GST Group code defined in the product masters (Item, Fixed assets, G/L Account etc.). This is a user editable field.
<b>HSN/SAC Code</b>	This field is populated based on the HSN/SAC code defined in the product masters (Item, Fixed assets, G/L Account etc.). This is a user editable field.
<b>GST Base Amount</b>	This non-editable field displays the Base Amount on which GST percentage is applied.
<b>GST Liability Created</b>	Displays GST liability for the transaction.
<b>GST Last Date</b>	Displays the last date within which inputs are to be returned.

**Note:** The remaining fields in **Create GST Liability** are similar to fields in **Create Excise Liability** feature.

**q. Jnl Bank Charges**

Field	Purpose of the Field
<b>LCY</b>	If this field is selected as True, then the Currency Code of this line will be treated as LCY and both Amount and Amount LCY will have same Value. The Amount (LCY) gets updated as per the transaction Exchange Rate.
<b>GST Group Code</b>	This field flows from Bank Charges master. This is a user editable field.

Field	Purpose of the Field
<b>GST Group Type</b>	This field cannot be edited as it Flows from the GST Group.
<b>Foreign Exchange</b>	This field flows from the Bank Charges Master and is un-editable.
<b>GST Base Amount</b>	This field cannot be edited and it displays the Base Amount on which GST percentage is applied.
<b>GST %</b>	Cumulative percentage of all components applicable for the given line as per state and GST Group combination is displayed here.
<b>Total GST Amount</b>	Displays the cumulative GST amount of all components applicable for a given line.
<b>HSN/SAC Code</b>	This is populated based on the HSN/SAC code defined in Bank Charges masters. This is a user editable field.
<b>Exempted</b>	This field is an automatically activated field which activates if Exempted field is activated in masters. This is an editable field.
<b>GST Credit</b>	This field flows from Bank Charges masters. This is a user editable field.
<b>GST Jurisdiction Type</b>	This is populated based on GST Configuration setup. If the Location state code and Bank Account State code are same it flows as Intrastate, else as Interstate.
<b>GST Bill-to/Buy From State Code</b>	This field shall flow from State code field defined in Bank Account master.
<b>Location State Code</b>	This field flows from State code field defined in Location selected in Gen. Journal Line.
<b>Location Reg. No.</b>	This field flows from the GSTIN of location.
<b>GST Registration Status</b>	This field flows from the GST Registration status field in Bank Account master.
<b>GST Rounding Precision</b>	This field is automatically populated based on rounding-off defined in General Ledger Set-up.
<b>GST Rounding Type</b>	This field is automatically populated based on rounding-off defined in General Ledger Set-up.
<b>Nature of Supply</b>	This field flows as B2B if GST Registration No. in both Bank Account and Location master are available.
<b>External Document No.</b>	User must enter the external document number for Bank charges with GST.
<b>GST Document Type</b>	User need to select Document Type if Vendor or Customer are included in bank charge transaction.

Note: Same fields are added in Posted Jnl Bank Charges table also.

## 5. GST Ledger Entry, GST Detailed Ledger Entry and Other GST Ledgers

### a. Introduction:

- System shall create below GST entries after posting Advance Payment, Invoice, Credit memo, Transfer Orders involving GST calculations from documents and journals:
  - GST Ledger Entry
  - Detailed GST Ledger Entry
- System shall create GST entries per line in documents and journals. The GST Ledger Entry shall be merge/club the GST Component or Gen. Prod. Posting Group if the same group code is used multiple times in a single transaction.
- In Detailed GST Ledger Entry, system shall create GST Components wise details for sales/purchase lines and journal lines.
- System updates these entries in GST Ledger Entry table and GST Detailed Ledger Entry Table.

### b. GST Ledger Entry:

Field	Description
<b>Entry No.</b>	Displays the entry number.
<b>Gen. Bus. Posting Group</b>	Displays the general business-posting group to which the transaction pertains.
<b>Gen. Prod. Posting Group</b>	Displays general product posting group to which the transaction pertains.
<b>Posting Date</b>	Displays the date on which the transaction is posted.
<b>Document No.</b>	Displays the document number.
<b>Document Type</b>	Displays whether the document type is Payment, Invoice, Credit Memo, Transfer or Refund.
<b>Transaction Type</b>	Displays whether the transaction is a sale or purchase.
<b>GST Base Amount</b>	Displays the base amount on which GST percentage is applied.



Field	Description
<b>Source Type</b>	For sales transaction, <b>Source Type</b> is customer. For purchase transaction, <b>Source Type</b> is vendor. For Bank Charges Transaction, <b>Source Type</b> is Bank account.
<b>Source No.</b>	Displays the vendor number, if <b>Source Type</b> is vendor. If <b>Source Type</b> is customer, the <b>Customer No.</b> is displayed. If Source Type is Bank Account, the <b>Bank Account No.</b> is displayed.
<b>User ID</b>	Displays the user ID of the user who posted the transaction.
<b>Source Code</b>	Displays the source code. Source code can be PURCHASES, SALES, GENJNL, BANKPYMT etc.
<b>Reason Code</b>	Displays the reason code defined in <b>Reason Code</b> table.
<b>Transaction No.</b>	Displays the number of the transaction.
<b>External Document No.</b>	Displays the <b>External Document No.</b> entered in purchase/sales document.
<b>GST Component Code</b>	Displays the GST component code. For an intrastate transaction, it can be either CGST or SGST. For an interstate transaction, it is IGST.
<b>GST Amount</b>	Displays the tax amount computed by applying GST percentage on GST base.
<b>GST on Advance Payment</b>	This field is activated for an advance payment or receipt.
<b>Reverse Charge</b>	This field is activated, if the transaction is reverse charge. Reverse charge is applicable for import of goods and purchases from an unregistered vendor. This field is blank for sales transactions.
<b>Currency Code</b>	Displays the currency code if the transaction is posted in foreign currency.
<b>Input Service Distribution</b>	This field is activated for Input Service distribution transactions.
<b>Payment Type</b>	For Advance Payment it is Advance. For Normal Payment, it is Normal.
<b>Journal Entry</b>	This is a Boolean field and will be <b>True</b> for transaction (Invoice/Credit Memo) which are posted from Journal

### c. Detailed GST Entry:

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Field	Description
<b>Entry No.</b>	Displays the entry number.
<b>Entry Type</b>	Displays whether the entry is an Initial Entry or an Application Entry or an Adjustment Entry.
<b>Transaction Type</b>	Displays whether the transaction is a sale or purchase.
<b>Document Type</b>	Displays whether the document type is Payment, Invoice, Credit Memo, Transfer or Refund.
<b>Document No.</b>	Displays the document number.
<b>Posting Date</b>	Displays the date on which the transaction is posted.
<b>Type</b>	Displays whether the type is G/L Account, Item, Resource, Fixed Asset or Charge (Item).
<b>No.</b>	Displays the Item No. , G/L Account No. etc.
<b>Product Type</b>	The product type is displayed only when <b>Type</b> is Items. It displays whether the Item is a normal item or Capital good.
<b>Source Type</b>	For sales transaction, <b>Source Type</b> is customer. For purchase transaction, <b>Source Type</b> is vendor. For Bank Charges Transaction, <b>Source Type</b> is Bank account.
<b>Source No.</b>	Displays the vendor number, if <b>Source Type</b> is vendor. If <b>Source Type</b> is customer, then the customer number is displayed. If Source Type is Bank Account, the <b>Bank Account No.</b> is displayed.
<b>HSN/SAC Code</b>	Displays the HSN for Items & Fixed Assets. SAC for Services & Resources. For charges, it can be either SAC or HSN.
<b>GST Component Code</b>	Displays the GST component code. For an intrastate transaction, it can be either CGST or SGST. For an interstate transaction, it is IGST.
<b>GST Group Code</b>	Displays the GST Group code of the transaction.
<b>GST Jurisdiction Type</b>	Displays whether the transaction is an interstate or intrastate transaction.
<b>GST Base Amount</b>	Displays the base amount on which GST percentage is applied.
<b>GST %</b>	Displays the GST % applied on base.
<b>GST Amount</b>	Displays the tax amount computed by applying GST percentage on GST base.
<b>GST Credit</b>	This field is blank for a sales transaction. For a purchase transaction, it can be Availment or Non-Availment.

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Field	Description
<b>GST Group Type</b>	GST Group Type can be either goods or service.
<b>External Document No.</b>	Displays the external document number entered in the purchase/sales document/Jnl Bank Charges Line.
<b>Amount Loaded on Item</b>	This field displays the amount if GST Credit is Non-Availment.
<b>Quantity</b>	Displays the quantity.
<b>Paid</b>	This field is activated, if GST is paid to the government through GST Settlement.
<b>GST Without Payment of Duty</b>	This field is activated, for an export sales made without payment of duty. For purchase transaction, this field would be blank.
<b>G/L Account No.</b>	This displays the G/L Account of tax component.
<b>Reversed by Entry No.</b>	Reversal entry number is displayed here. For transactions posted through payment journals, it can be reversed in this field.
<b>Reversed</b>	This field is activated for transactions posted through payment journals when the posted entry is reversed.
<b>User ID</b>	Displays the user ID of the user who posted the transaction.
<b>Item Ledger Entry No.</b>	Displays the item ledger entry number.
<b>Positive</b>	This field is activated if the amounts are positive.
<b>Document Line No.</b>	Displays the document line number.
<b>Item Charge Entry</b>	This field is activated if the entry is an Item charge
<b>Reverse Charge</b>	This field is activated if the transaction is reverse charge. Reverse charge is applicable for import transactions, Associate Enterprise purchases, and SEZ purchases, purchases from an unregistered vendor and purchases of Reverse charge services from Registered Vendor. This field is blank for sales transactions.
<b>GST on Advance Payment</b>	This field is activated for an advance payment or receipt.
<b>Nature of Supply</b>	Displays whether the transaction is B2B supply or B2C supply.
<b>Payment Document No.</b>	This field captures the Settlement Document No. when GST is paid to the government through GST Settlement.
<b>GST Exempted Goods</b>	This field is activated if the goods/services are exempted from GST.

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Field	Description
<b>Location State Code</b>	Displays the state code of location.
<b>Buyer/ Seller State Code</b>	Displays the state code of the customer for a sales transaction. For a purchase transaction, the vendor state code is displayed.
<b>Shipping Address State code</b>	Displays the shipping address state code. This state code flows to GSTR-1 & GSTR-2, if this state code is not same as Buyer/Seller State code.
<b>Location Reg. No.</b>	Displays the GSTIN of location.
<b>Buyer/ Seller Reg. No.</b>	Displays the GSTIN of a customer for a sales transaction. For a purchase transaction, GSTIN of vendor is displayed.
<b>GST Vendor Type</b>	<b>Vendor Type</b> can be Registered, Composite, Unregistered, Import, Exempted or SEZ. This field is blank for Sales.
<b>GST Customer Type</b>	<b>Customer Type</b> can be Registered, Unregistered, Exports, Deemed Exports, SEZ Unit, SEZ Development or Exempted. This field is blank for Purchases.
<b>Reversal Entry</b>	This field is activated if the entry is a reversal entry.
<b>Bill Of Export No.</b>	This field displays the <b>Bill of Export No.</b> for and is applicable for export of goods. This field is for reporting in GSTR-1. For a purchase transaction, this field is blank.
<b>Bill Of Export Date</b>	This field displays the <b>Bill of Export Date</b> and is applicable for export of goods. This field is for reporting in GSTR-1. For a purchase transaction, this field is blank.
<b>e-Comm. Merchant ID</b>	Displays the merchant ID given by the e-commerce operator, if the sales is through an e-commerce operator. This field is for reporting in GSTR-1. For a purchase transaction, this field is blank.
<b>e-Comm. Operator GST Reg. No.</b>	Shows the registration number of an e-commerce operator, if the sales are made through an e-commerce operator. This field is for reporting in GSTR-1. For a purchase transaction, this field would be blank.
<b>Original Invoice No.</b>	Displays the original invoice number.
<b>Original Invoice Date</b>	Displays the original invoice date.
<b>Reconciliation Month</b>	Displays the year in which the transaction is reconciled through GST Reconciliation feature. This field is blank for a sales transaction.

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Field	Description
<b>Reconciliation Year</b>	Displays the year in which the transaction is reconciled through GST Reconciliation feature. This field is blank for a sales transaction.
<b>Reconciled</b>	This field is activated, if a transaction is reconciled through GST Reconciliation feature. This field is blank for a sales transaction.
<b>Credit Availed</b>	This field is activated based on Time of Supply Rules when a Purchase transaction is posted. This field is blank for a sales transaction.
<b>Credit Adjustment Type</b>	This field is blank for sales transactions. This field is meant to display Credit Adjustment type, if any made through Credit Adjustment Journal. The adjustments can be Blank, credit reversal, credit re-availment and permanent reversal.
<b>Adv. Pmt. Adjustment</b>	This field is activated, when an adjustment is made to a posted advance payment.
<b>Original Adv. Pmt. Doc. No.</b>	Displays the original advance payment document number if the same is adjusted.
<b>Original Adv. Pmt. Doc. Date</b>	Displays the original advance payment document date, if the advance payment is adjusted. When an advance payment is revised, then GSTR-1 & GSTR-2 requires original advance payment document number and date to be reported.
<b>Payment Document Date</b>	This field captures the settlement posting date when GST is paid to the government through GST Settlement.
<b>Input Service Distribution</b>	This field is activated for an Input Service Distribution transaction.
<b>Distributed</b>	This field is activated for transactions the credit of which is distributed to other GSTINs.
<b>Distribution Reverse</b>	This field is activated if distribution is reversed for a transaction.
<b>Payment Type</b>	Payment Type is Advance for Advance Payment/Refund. For Normal Payment, is Normal
<b>Liable to Pay</b>	This field is activated based on Time of Supply Rules, when a sales or Purchase transaction is posted. This field gets highlighted when a liability is created. It is applicable for both Sales and Purchase Transaction.
<b>Last Credit Adjustment Date</b>	This field gets updated from last credit adjustment posted for any transaction.

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Field	Description
<b>Component Calc. Type</b>	Displays the Component Calc. Type defined against GST Group such as General, Threshold, Cess %, Cess % + Amount / Unit Factor, Cess % Or Amount / Unit Factor Whichever Higher and Amount / Unit Factor.
<b>Cess Amount Per Unit Factor</b>	Displays the values defined for Component Calc. Type Cess % + Amount / Unit Factor, Cess % Or Amount / Unit Factor Whichever Higher and Amount / Unit Factor.
<b>Cess UOM</b>	Displays the values defined for Component Calc. Type Cess % + Amount / Unit Factor, Cess % Or Amount / Unit Factor Whichever Higher and Amount / Unit Factor.
<b>Cess Factor Quantity</b>	Displays the values defined for Component Calc. Type Cess % + Amount / Unit Factor, Cess % Or Amount / Unit Factor Whichever Higher and Amount / Unit Factor.
<b>Sales Invoice Type</b>	The Invoice Type field flows from Sales Header Options available are: <Blank>, Bill of Supply, Export, Supplementary, Debit Note, Non-GST, Taxable
<b>Purchase Invoice Type</b>	The Invoice Type field flows from Purchase Header Options available are: <Blank>, Self-Invoice, Debit Note, Supplementary, Non-GST
<b>Bank Charge Code</b>	Displays the Bank Charge No.
<b>Bank Charge Entry</b>	This field is activated if the entry is for an Bank Charge transaction
<b>Foreign Exchange</b>	This field is activated if the Bank Charge is for foreign Exchange transaction.
<b>GST Reason Type</b>	This field will be updated from transaction header for Credit note, Debit note for Refund it will be updated from Journal line, available options are: <Blank>, Sales Return, Post Sale Discount, Deficiency in Service, Correction in Invoice, Change in POS, Finalization of Provisional Assessment, Others
<b>Order Address Code</b>	This field will be updated from transaction header
<b>Cr. &amp; Libty. Adjustment Type</b>	This field will be updated from transaction lines, available options are <Blank>, Generate, Reverse
<b>Bill to-Location(POS)</b>	This field will be updated from transaction header

Field	Description
<b>Journal Entry</b>	This field is activated if the transaction is posted from Journal for document type Invoice and Credit Memo
<b>GST Journal Type</b>	This field will be updated from transaction lines, available options are <Blank>, GST Adjustment Journal.
<b>Adjustment Type</b>	This field will be updated from transaction lines, available options are <Blank>, Lost/Destroyed, Consumed
<b>ARN No.</b>	This field captures the Customer/Vendor ARN No.
<b>Location ARN No.</b>	This field captures the Location ARN No.
<b>FA Journal Entry</b>	This field is activated if the transaction is posted from FA Journal
<b>CAJ %</b>	This field is updated from credit adjustment journal line
<b>CAJ Base Amount</b>	This field is updated from credit adjustment journal line, displays the adjusted GST base amount
<b>CAJ Amount</b>	This field is updated from credit adjustment journal line, displays the adjusted GST amount
<b>CAJ % Permanent Reversal</b>	This field is updated from credit adjustment journal line if Adjustment Type is selected as Permanent Reversal
<b>CAJ Amount Permanent Reversal</b>	This field is updated from credit adjustment journal line, displays the GST amount for Adjustment Type Permanent Reversal
<b>Remaining CAJ Adj. Base Amt</b>	This field is updated on posting credit adjustment journal, displays the remaining GST base amount after posting adjustments
<b>Remaining CAJ Adj. Amt</b>	This field is updated on posting credit adjustment journal, displays the remaining GST amount after posting adjustments

Note: **Invoice Type** Field in Detailed GST has been renamed to **Sales Invoice Type**. In Sales Invoice Type <Blank> option string is added as 1<sup>st</sup> option and Taxable is made the last option. To update the existing entries **Sales Invoice Type Update** batch report has been provided.

**Invoice Type** field in Purchase Header has been added in Detailed GST as **Purchase Invoice Type** and a **Purchase Invoice Type Update** batch report has been provided to update the same from Purchase Invoice/Credit Memo header.



These Batch reports can be used for posted documents only. For future entries it will flow while posting the document.

#### d. Detailed Cr. Adjstmnt. Entry:

Field	Description
<b>Entry No.</b>	Displays the entry number.
<b>Posting Date</b>	Displays the date on which the transaction is posted.
<b>Credit Adjustment Type</b>	This field is meant to display Credit Adjustment type when any adjustment is made through Credit Adjustment Journal. The adjustments can be credit reversal, credit re-availment and permanent reversal.
<b>Document No.</b>	Displays the document number.
<b>Adjusted Doc. Entry No.</b>	Displays the entry number of Adjusted Document from Detailed GST Ledger Entry.
<b>Adjusted Doc. Entry Type</b>	Displays the entry Type of Adjusted Document from Detailed GST Ledger Entry.
<b>Adjusted Doc. Transaction Type</b>	Displays the Transaction Type of Adjusted Document from Detailed GST Ledger Entry.
<b>Adjusted Doc. Type</b>	Displays the Document Type of Adjusted Document from Detailed GST Ledger Entry.
<b>Adjusted Doc. No.</b>	Displays the Document No. of Adjusted Document from Detailed GST Ledger Entry.
<b>Adjusted Doc. Line No.</b>	Displays the Document Line No. of Adjusted Document Line from Detailed GST Ledger Entry.
<b>Adjusted Doc. Posting Date</b>	Displays the Posting Date of Adjusted Document from Detailed GST Ledger Entry.
<b>Type</b>	Displays the Item No. , G/L Account No. etc.
<b>No.</b>	Displays the Item No. , G/L Account No. etc.
<b>Product Type</b>	The product type is displayed only when <b>Type</b> is Items. It displays whether the Item is a normal item or Capital good.
<b>Source Type</b>	<b>Source Type</b> will always show vendor.
<b>Source No.</b>	Displays the vendor number.
<b>HSN/SAC Code</b>	Displays the HSN for Items & Fixed Assets. SAC for Services & Resources. For charges, it can be either SAC or HSN.
<b>GST Component Code</b>	Displays the GST component code. For an intrastate transaction, it can be either CGST or SGST. For an interstate transaction, it is IGST.
<b>GST Group Code</b>	Displays the GST Group code of the transaction.



Field	Description
<b>GST Jurisdiction Type</b>	Displays whether the transaction is an interstate or intrastate transaction.
<b>GST Base Amount</b>	Displays the base amount on which GST percentage is applied.
<b>GST %</b>	Displays the GST % applied on base.
<b>GST Amount</b>	Displays the tax amount computed by applying GST percentage on GST base.
<b>Adjustment %</b>	It Displays the percentage of Credit Adjustment. Will be 100% for all adjustments.
<b>Adjustment Amount</b>	Displays the adjustment amount with respect to Adjustment %.
<b>G/L Account No.</b>	This field displays the G/L Account No. in which Credit is posted.
<b>Credit Availed</b>	This field is activated for Credit Adjustment Type <b>Credit Re-Availment</b> .
<b>Liable to Pay</b>	This field is activated for Credit Adjustment Type <b>Credit Reversal</b> .
<b>Paid</b>	This field is activated, if GST is paid to the government through GST Settlement.
<b>Payment Document No.</b>	This field captures the settlement Document No., if GST is paid to the government through GST Settlement.
<b>Payment Document Date</b>	This field captures the settlement posting date, if GST is paid to the government through GST Settlement.
<b>Rem. Amt. Updated in DGLE</b>	This field will be activated on Updating the Remaining CAJ Adjustment Amount in Detailed GST Ledger Entry

**Note:**

1. Only Availment lines from detailed GST will flow in this table as result of Credit Adjustment.
2. Other field in this table flows from Detailed GST and capture original details for the adjusted Documents lines.
3. A new action button "**Update Remaining Credit Adjust**" is added in Posted Cr. Adjustmnt. Entries page for updating Remaining CAJ Adj. Base Amt. and Remaining CAJ Adj. Amt. fields in Detailed GST Ledger Entry table for existing records.

## e. Posted Settlement Entries:

Field	Description
<b>GST Registration No.</b>	Displays the GSTIN for which settlement is posted.
<b>Document No.</b>	Displays the Settlement Document No. posted.
<b>Posting Date</b>	Displays the date on which the Settlement is posted.
<b>GST Component Code</b>	Displays the Component Code for which Settlement is Posted.
<b>Description</b>	Displays the Description of the Component Code.
<b>Payment Liability</b>	This field Shows the total payment Liability, if Positive. The source for Payment Liability are Detailed GST Ledger, Detailed Credit Adjustment Entries and Posted Settlement Entries.
<b>TDS Credit Received</b>	This field will be blank, for now.
<b>TCS Credit Received</b>	This field will be blank, for now.
<b>Net Payment Liability</b>	This field is equal to Payment Liability minus TDS Credit Received and TCS Credit Received.
<b>Credit Availed</b>	This field shows total Credit Availed, if Positive. The source for Credit Availed are Detailed GST Ledger, Detailed Credit Adjustment Entries and Posted Settlement Entries.
<b>Distributed Credit</b>	This field will be blank, for now.
<b>Total Credit Available</b>	This field is equal to Credit Availed plus Distributed Credit.
<b>Credit Utilized</b>	This field auto-populates, however can be edited by User. It shows the amount of Credit that can be utilized against the Net Payment Liability.
<b>Payment Amount</b>	This field auto-populates, however can be edited by User. It shows the amount of payment amount required to set off the Net Payment Liability.
<b>Interest</b>	To be manually entered
<b>Interest Account No.</b>	To be selected manually
<b>Penalty</b>	To be manually entered
<b>Penalty Account No.</b>	To be selected manually
<b>Fees</b>	To be manually entered
<b>Fees Account No.</b>	To be selected manually
<b>Others</b>	To be manually entered
<b>Others Account No.</b>	To be selected manually
<b>Account Type</b>	To be selected manually
<b>Account No.</b>	To be selected manually
<b>Location State Code</b>	State Code of the GST Registration No.

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Field	Description
<b>Surplus Credit</b>	Captures the Surplus Credit Available for Cross credit Utilization.
<b>Surplus Cr. Utilized</b>	Captures the Cross credit Utilized
<b>Carry Forward</b>	Captures the remaining Credit after Utilization. This value will get carry forward for next period settlement.
<b>Period End Date</b>	This captures the Last Date filter for Settlement. It auto-populates as the last date of month from the posting Date.
<b>Bank Reference No.</b>	To be manually entered
<b>Bank Reference Date</b>	To be manually entered
<b>Payment Liability - Rev. Chrg.</b>	This field shows the total Reverse charge Liability. It can be positive or Negative. If negative, will get carry forward for next period settlement and will be added in Payment Liability- Rev. Chrg.
<b>Payment Amount - Rev. Chrg.</b>	This field auto-populates. This is equal to Payment Liability- Rev. Chrg (If positive).
<b>UnAdjusted Credit</b>	This field shows total Credit Aailed, if Negative. The source for Credit Aailed are Detailed GST Ledger Entry, Detailed Credit Adjustment Entries and Posted Settlement Entries. This gets added to the Payment Liability of current period.
<b>Entry No.</b>	Displays the entry number.
<b>UnAdjusted Liability</b>	This field Shows the total payment Liability, if Negative. The source for Payment Liability are Detailed GST Ledger Entry, Detailed Credit Adjustment Entries and Posted Settlement Entries. This value will get carry forward for next period settlement and will be added in Payment Liability.
<b>Total Payment Amount</b>	This field show the total Payment Amount. This equals to Payment Amount + Payment Amount(Rev. Chrg)+ Interest + Penalty + Fees + Others
<b>Dimension Set ID</b>	This field Captures the Dimension set ID of the settlement document.

#### f. Detailed GST Distribution Entries:

Field	Description
<b>Entry No.</b>	Displays the entry number.

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Field	Description
<b>Detailed GST Ledger Entry No.</b>	Displays the DGLE entry number.
<b>Dist. Location Code</b>	Displays the Distributor's Location Code
<b>Dist. Location State Code</b>	Displays the Distributor Location's State Code
<b>Dist. GST Regn. No.</b>	Displays the Distributor's GST Registration No.
<b>Dist. GST Credit</b>	Displays the Distributor's GST Credit Type
<b>ISD Document Type</b>	Displays the Distribution ISD Document Type. For any increase in Credit Document Type is Invoice and For any Reduction in Credit Type is Credit Memo
<b>ISD Document No.</b>	Displays the Distribution ISD Document No.
<b>ISD Posting Date</b>	Displays the Distribution Posting Date
<b>Vendor No.</b>	Displays the ISD Document Vendor No. from DGLE
<b>Supplier GST Reg. No.</b>	Displays the ISD Document Supplier GST Reg. No. from DGLE
<b>Vendor Name</b>	Displays the ISD Document Vendor Name from DGLE
<b>Vendor Address</b>	Displays the ISD Document Vendor Address from DGLE
<b>Vendor State Code</b>	Displays the ISD Document Vendor State code from DGLE
<b>Document Type</b>	Displays the Document Type of the document line which is distributed
<b>Document No.</b>	Displays the Document No. of the document line which is distributed
<b>Posting Date</b>	Displays the Posting Date of the document line which is distributed
<b>Vendor Invoice No.</b>	Displays the Vendor Invoice No. of the document line which is distributed
<b>Vendor Document Date</b>	Displays the Document Date of the document line which is distributed
<b>GST Base Amount</b>	Displays the GST Base amount of the document line which is distributed
<b>GST Group Code</b>	Displays the GST Group code of the document line which is distributed
<b>GST%</b>	Displays the GST% of the document line which is distributed
<b>GST Amount</b>	Displays the GST Amount of the document line which is distributed
<b>Rcpt. Location Code</b>	Displays the Recipient Location Code

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Field	Description
<b>Rcpt. GST Reg. No.</b>	Displays the Recipient GST Registration No.
<b>Rcpt. Location State Code</b>	Displays the Recipient Location State Code
<b>Rcpt. GST Credit</b>	Displays the Recipient GST Credit Type. It can be Availment or Non-Availment depending on the recipient location.
<b>Distribution Jurisdiction</b>	Displays the Distribution Jurisdiction. If the distributor and recipient are in same state then it displays intrastate else Interstate.
<b>Location Distribution %</b>	Displays the Distribution Percentage applicable for the recipient location
<b>Distributed Component Code</b>	Displays the Component code which is being distributed
<b>Rcpt. Component Code</b>	Displays the Distributed as Component code depending upon Distribution Jurisdiction.
<b>Distribution Amount</b>	Displays the Distribution Amount distributed to the recipient location
<b>Pre Dist. Invoice No.</b>	Displays the Dist. Document No. before posting.
<b>Reversal</b>	Displays if the distribution reversal is posted
<b>Reversal Date</b>	Displays the distribution reversal is date
<b>Original Dist. Invoice No.</b>	Displays the Original Distribution document no. against Distribution reversal
<b>Original Dist. Invoice Date</b>	Displays the Original Distribution posting date against Distribution reversal
<b>Paid</b>	This field is activated, if GST is paid to the government through GST Settlement.
<b>Credit Availled</b>	This field is activated for Rcpt. GST Credit Type Availment.
<b>Payment Document No.</b>	This field captures the settlement Document No., if GST is paid to the government through GST Settlement.
<b>Payment Document Date</b>	This field captures the settlement posting date, if GST is paid to the government through GST Settlement.
<b>Invoice Type</b>	Displays the Invoice Type of the document line which is distributed
<b>Service Account No.</b>	Displays the Service account No. of the document line which is distributed

#### g. Posted GST Liability Adj.

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Field	Description
<b>Entry No.</b>	System Generated
<b>Posting Date</b>	Adjustment Journal Posting Date
<b>User ID</b>	Login ID of user posting Adj. Journal
<b>Adjustment Type</b>	Should flow from nature of adjustment type field in Liability. Adj. journal.
<b>Adjusted Doc. Entry No.</b>	Applied entry ID from Detailed GST Ledger Entry table.
<b>Adjusted Doc. Entry Type</b>	Should be Initial Entry
<b>Transaction Type</b>	To flow from Detailed GST Ledger for the adjusted line.
<b>Document Type</b>	To flow from Detailed GST Ledger for the adjusted line.
<b>Document No.</b>	To flow from Detailed GST Ledger for the adjusted line.
<b>Adjusted Doc. Posting Date</b>	To flow from Detailed GST Ledger for the adjusted line.
<b>Type</b>	To flow from Detailed GST Ledger for the adjusted line.
<b>No.</b>	To flow from Detailed GST Ledger for the adjusted line.
<b>Product Type</b>	To flow from Detailed GST Ledger for the adjusted line.
<b>Source Type</b>	To flow from Detailed GST Ledger for the adjusted line.
<b>Source No.</b>	To flow from Detailed GST Ledger for the adjusted line.
<b>HSN/SAC Code</b>	To flow from Detailed GST Ledger for the adjusted line.
<b>GST Component Code</b>	To flow from Detailed GST Ledger for the adjusted line.
<b>GST Group Code</b>	To flow from Detailed GST Ledger for the adjusted line.
<b>GST Jurisdiction Type</b>	To flow from Detailed GST Ledger for the adjusted line.
<b>GST Base Amount</b>	To the extent of remaining GST Base Amount
<b>GST %</b>	To flow from Detailed GST Ledger for the adjusted line.
<b>GST Amount</b>	To the extent of remaining GST Amount
<b>G/L Account</b>	To flow from Detailed GST Ledger for the adjusted line.

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<b>External Document No.</b>	To flow from Detailed GST Ledger for the adjusted line.
<b>Positive</b>	To flow from Detailed GST Ledger for the adjusted line.
<b>Location Reg. No.</b>	To flow from Detailed GST Ledger for the adjusted line.
<b>Buyer/Seller Reg. No.</b>	To flow from Detailed GST Ledger for the adjusted line.
<b>GST Group Type</b>	To flow from Detailed GST Ledger for the adjusted line.
<b>GST Credit</b>	To flow from Detailed GST Ledger for the adjusted line.
<b>GST Rounding Precision</b>	To flow from Detailed GST Ledger for the adjusted line.
<b>GST Rounding Type</b>	To flow from Detailed GST Ledger for the adjusted line.
<b>GST Vendor Type</b>	To flow from Detailed GST Ledger for the adjusted line.
<b>Cess</b>	To flow from Detailed GST Ledger for the adjusted line.
<b>Input Service Distribution</b>	To flow from Detailed GST Ledger for the adjusted line.
<b>Credit Availd</b>	Boolean, Should be True in case of Generating Liability and should be False in case of Reversing Liability.
<b>Liable to Pay</b>	Boolean, Should be True in case of Generating Liability and should be False in case of Reversing Liability.
<b>Paid</b>	Boolean, should be True once settlement is posted for this entry
<b>Payment Document No.</b>	To flow from posted settlement
<b>Payment Document Date</b>	To flow from posted settlement

#### h. GST Tracking Entry :

Field	Description
<b>Entry No.</b>	System Generated
<b>DGL From Entry No.</b>	To flow as the <b>Entry no.</b> of the first <b>Initial Entry</b> line in <b>DGLE</b> having same <b>Document No.</b> and <b>Document Line No.</b>

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Field	Description
<b>DGL From To No.</b>	To flow as the <b>Entry no.</b> of the last <b>Initial Entry</b> line in <b>DGLE</b> having same <b>Document No.</b> and <b>Document Line No.</b>
<b>Item Ledger Entry No.</b>	Shall get updated from the relevant ILE
<b>Quantity</b>	Shall get updated from the relevant ILE
<b>Remaining Quantity</b>	Shall get updated from the relevant ILE

Note: This table will track ILE entry against Detailed GST Ledger Entries, It is required to identify the ILE No. as the adjustment can be posted only if the ILE has any remaining balance

#### i. GST TDS/TCS Entry

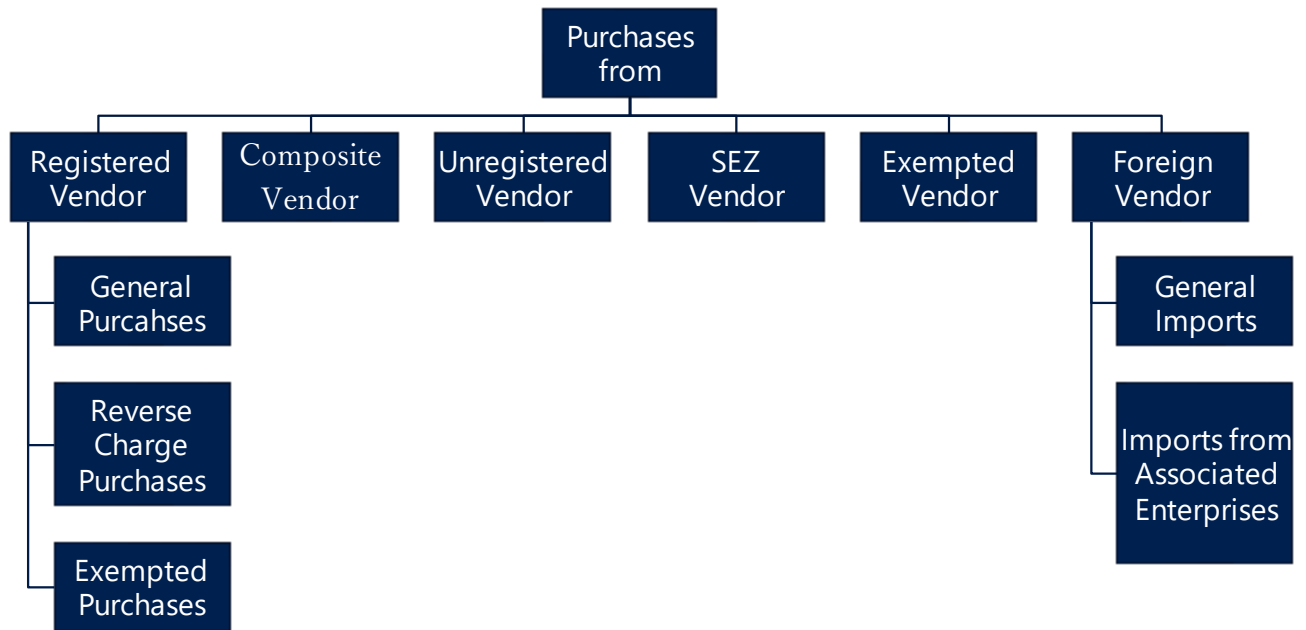
Field	Description
<b>Entry No.</b>	System generated
<b>Type</b>	Displays GST TCS or TCS. Flows from transaction
<b>Line No.</b>	Flows from Transaction
<b>Location GST Reg. No.</b>	Displays Location GST Registration No.
<b>Location State Code</b>	Displays Location State Code.
<b>Location Code</b>	Displays Location Code selected in transaction.
<b>Location ARN No.</b>	Displays Location ARN No.
<b>Buyer/Seller GST Reg. No.</b>	Customer or Vendor GST Registration No. Flows from Transaction
<b>Buyer/Seller State Code</b>	Customer or Vendor State Code. Flows from Transaction
<b>Place of Supply</b>	Based on option selected in transaction. This field will be blank for transactions posted against Vendor
<b>Source Type</b>	Displays Customer or Vendor. Flows from Transaction
<b>Source No.</b>	Customer / Vendor No. Flows from Transaction
<b>Posting Date</b>	From transaction
<b>Document Type</b>	From transaction (Mostly it would be Payment)
<b>Document No.</b>	From transaction
<b>GST Component</b>	Displays the GST component code. For an intrastate transaction, it can be



	either CGST or SGST. For an interstate transaction, it is IGST.
<b>GST TDS/TCS Base Amount (LCY)</b>	Displays the base amount on which GST percentage is applied.
<b>GST TDS/TCS Amount (LCY)</b>	Displays the tax amount computed by applying GST percentage on GST base.
<b>GST TDS/TCS %</b>	Displays applicable %.
<b>GST Jurisdiction</b>	Displays whether the transaction is an interstate or intrastate transaction.
<b>Certificate Received</b>	This field is activated when GST TDS Certificate Received.
<b>Certificate Received Date</b>	Displays GST TDS Certificate Date
<b>Certificate No.</b>	Displays GST TDS Certificate No. Received.
<b>Payment Document Date</b>	This field captures the settlement posting date when GST is paid to the government through GST Settlement.
<b>Payment Document No.</b>	This field captures the Settlement Document No. when GST is paid to the government through GST Settlement.
<b>Paid</b>	This field is activated, if GST is paid to the government through GST Settlement.
<b>Currency Code</b>	From transaction
<b>Currency Factor</b>	From transaction
<b>User ID</b>	Displays the user ID of the user who posted the transaction.
<b>Reversed</b>	This field is activated for transactions posted through payment journals when the posted entry is reversed.
<b>Credit Availed</b>	This field is activated when a GST TCS/TDS is posted against Customer. This field will be blank for GST TCS against Vendor.
<b>Liable to Pay</b>	This field is Blank when a GST TCS/TDS is posted against Customer. This field will be activated when a GST TCS is posted against Vendor.

# 6. Purchases

## A. Purchase Scenarios



### a. Purchases from a Registered Vendor:

- A **Registered Vendor** is a person registered with GST authorities. For a **Registered Vendor**, on the **Vendor Card**, update the following:
  - GST Vendor Type as Registered.
  - GST Registration No.
  - State Code
- The first two digits of the registration number is validated against the State code defined in States Set-up against the Vendor state.
- If the **Location** state code and Vendor's state code are different, then the purchase becomes an interstate purchase and it attracts IGST.

- A purchase becomes an intrastate purchase, if the location and vendor state codes are the same. CGST & SGST are attracted in this case.
- For Purchases from Registered vendors for Services attracting **Reverse Charge**, purchasers themselves has to pay tax to the government.
- For Reverse Charge purchases of Services from Registered Vendor, in **GST Group** the **Reverse Charge** Field is to be selected.
- If Exempted Goods and Services are purchased from Registered Vendor, then no GST is to be paid to Supplier/Government.

#### **b. Composite Vendor:**

- A **Composite Vendor** is a vendor whose aggregate turnover in a financial year does not exceed fifty lakh rupees and has opted for Composition scheme. A composite vendor neither collects tax from the recipient of supplies nor passes on any credit of **Input Tax**. Hence, no GST is computed if the purchases are made from a composite vendor.
- A composite vendor has to register himself with the GST authorities and hence **Registration No.** is mandatory in **Vendor Card**, if the **Vendor Type** is selected as **Composite**. **State Code** is also mandatory.
- A composite vendor cannot be engaged in supply of services and cannot make inter-state supplies of goods. However, system allows interstate purchases from a composite vendor and service purchases.

#### **c. Unregistered Vendor:**

- Persons whose aggregate turnover in a financial year does not exceed twenty lakh rupees are not required to be registered with the GST authorities. Such persons are called **Unregistered Vendors**. Any purchases from unregistered vendors attract **Reverse Charge** i.e. the purchasers themselves has to pay tax to the government.
- Interstate purchases from an unregistered vendor shall not arise, as any person irrespective of his turnover has to register with the authorities, if he is making an interstate sale. Integrated Tax – Notification No. 10/2017 provides exemption from registration to person making inter-state supply of taxable

services whose aggregate turnover in a financial year does not exceed INR 20 lakhs. Aggregate Turnover field is created in Vendor Card for handling this requirement, system will allow interstate supply of taxable services only if this field is set to Less than 20 lakh on vendor master. System will not allow interstate transactions for unregistered vendor for supply of goods.

- **GST Vendor Type** shall be unregistered in **Vendor Card** to handle this scenario. State code and GST Registration numbers are not mandatory fields for an unregistered Vendor.
- The purchasing user has to issue self-invoices under GST, if the purchases are made from an unregistered vendor. The user can issue a self-invoice in the system by selecting self-invoice from the dropdown of Invoice type in **Tax Information** tab of purchase documents.

#### **d. Exempted Vendor:**

- A vendor who is exempted from payment of GST either by Central or State GST authorities is known as **Exempted Vendor**. An exempted vendor neither collects tax from customers nor pays any tax to the government. No GST Ledger Entries are generated in the system, only Detailed GST Ledger Entries are created in system if **GST Vendor Type** is exempted.
- **State Code** and **Registration No.** are not mandatory for the exempted vendor in **Vendor Card**.

#### **e. Import Vendor:**

- Bringing goods to India from a place outside India is import of goods. For Services, if the supplier is located outside India, the recipient is located in India and the place of supply is in India, then it is called Import of services.
- Purchase of goods and/or services from a foreign vendor is subject to **Reverse Charge** i.e. the person importing goods or services has to remit tax to the government. Import of goods are subject to both customs duty and IGST whereas import of services are subject to IGST. There is another scenario of importing services from associated enterprises. Accounting Entries differ in each scenario.

- The Calculation of GST in case of Invoice for GST Group Type Goods will be based on GST Assessable Value + Custom Duty amount on any Purchase Transaction.
- It is mandatory to provide **GST Assessable Value** for Calculation of GST on Import of Goods. However, the **Custom Duty Amount** can be given, if required.
- **Example:** GST Assessable value = 1000, Custom Duty amount = 1000 then GST Base amount will be addition of both i.e. 2000. If user enter GST Assessable Value = 1000 and Custom Duty amount = 0 then GST Base amount will be 1000.
- **GST Vendor Type** shall be **Import** in **Vendor Card** for a foreign vendor. Registration Number and **State Code** are not mandatory and should be blank in **Vendor Card**.

**NOTE:** System will consider **GST Base Amount** in purchase transaction for the Invoicing Quantity i.e. If Quantity entered is 10 and Quantity to invoice is 5 then Custom Duty and GST Assessable Value entered will be considered as GST Base Amount for 5 Quantities

#### **f. SEZ Vendor:**

- New Vendor Type **SEZ** is added in Vendor Master. The Calculations, Transactions and Accounting Entries in SEZ Vendor will be same as Import Vendor.
- SEZ Vendor can not be selected as associated enterprises because associated enterprises can only be selected for Import Vendor.
- Purchase of goods and/or services from a SEZ vendor is subject to **Reverse Charge** i.e. the person importing goods or services has to remit tax to the government. Import of goods are subject to both **Customs Duty** and **IGST** whereas import of services are subject to IGST.
- The SEZ Supply of Goods can be made with cover of bill of entry or without cover of bill of entry.
- If the supplies are made with cover of bill of entry, then Customer Duty amount and IGST amount will be posted to Custom house account. If the supplies are made without cover of bill of entry, then Custom duty amount and IGST amount will be posted to Vendor account.

- An option is provided in purchase transactions for selecting whether the transaction is with cover of bill of entry or without cover of bill of entry.
- **GST Assessable Value** field is mandatory for calculation of GST against Goods although user can enter **Custom Duty Amount** if required.
- The Calculation of GST in case of Invoice for **GST Group Type** Goods will be based on GST Assessable Value + Custom Duty amount on any Purchase Transaction.

**Example:** GST Assessable value = 1000, Custom Duty amount = 1000 then GST Base amount will be addition of both i.e. 2000. If user enter GST Assessable Value = 1000 and Custom Duty amount = 0 then GST Base amount will be 1000.

- **GST Vendor Type** shall be **SEZ** in **Vendor Card** for a SEZ vendors. Registration Number and **State Code** are not mandatory and can be selected in **Vendor Card** but system will calculate IGST in both situation.

**NOTE:** System will consider **GST Base Amount** in purchase transaction for the Invoicing Quantity i.e. If Quantity entered is 10 and Quantity to invoice is 5 then Custom Duty Amount and GST Assessable Value entered will be considered as GST Base Amount for 5 Quantities.

## **B. Input Tax Credit Flow in Purchases:**

- Tax paid on purchase of goods and services is called 'Input Tax'. Such input tax can be CGST & SGST (Intrastate transactions) or IGST (Interstate transactions).
- Under GST, any registered taxpayer is eligible to take credit of input tax paid on inputs and inputs purchased by him, if they are used in the course or furtherance of business.
- This input credit availed by the tax payer can be utilized for adjustment of GST payable on Outward Supplies made by him, subject to certain conditions.

### **a. GST Credit :**

- Credit Availment is always conditional under GST. For example, GST paid on purchase of motor vehicles cannot be availed as credit unless they are used for transportation of passengers, goods or imparting driving training. Similarly,

GST paid on rent-a-cab, health insurance and life insurance cannot be availed as credit.

- Keeping in view of the above, the user has been given flexibility to opt for credit availment or non-availment by creating GST Credit field in **Invoicing** tab of **Item Master**. A similar field is created in the **Posting** tab of the **G/L Account Card**.
- The option selected- Availment or Non-Availment in **GST Credit Field** either in **Item master** or **G/L Account Card** shall flow to purchase documents. The user can change the option in purchase lines, if he desires.
- If GST Credit is selected as Availment for purchases of Normal Goods, Normal Services and Reverse Charge Goods, then the credit amount is posted to **Receivable Account** of the relevant GST component(s).
- If GST Credit is selected as Availment for Reverse charge Services, then credit amount is posted to **Receivable Interim Account** of the relevant GST component(s).
- If GST Credit is selected as Availment for any Reverse charge Services from Import Associate Vendor, then credit amount is posted to **Receivable Account** of the relevant GST component(s).
- If GST Credit is selected as Non-Availment for any Supply of Goods or services, then the **GST Amount** is loaded on purchases **Account** or **Services General Ledger Account** respectively.
- Component wise non-availment can be configured in **GST Setup**.

**b. Credit Flow for Purchases from a Registered Vendor for Normal Purchases, Purchase from Unregistered Vendor for Goods and Purchase from Import Associate Vendor for Services:**

- Four conditions have been stipulated in model GST law for availment of credit. They are:
  - Receipt of goods

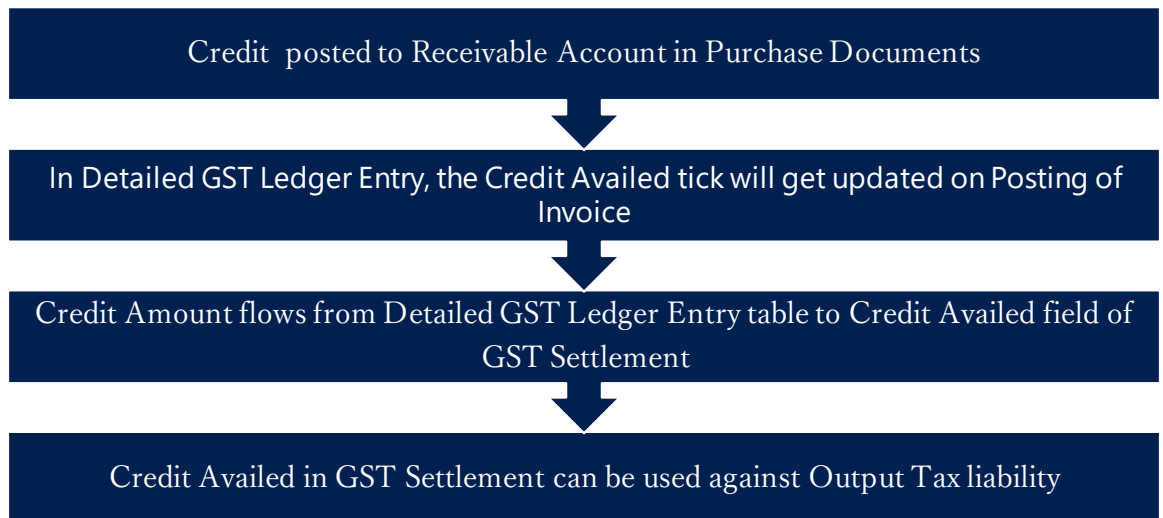
- Receipt of invoice, debit note, supplementary invoice or any other tax-paying document.
- Payment of tax to the government by supplier
- Furnishing GST Return (GSTR-3)

At the time of posting invoice in the system, only two conditions would be satisfied – receipt of goods and receipt of vendor invoice. However, user is entitled to avail provisional credit on receipt of Goods. Hence, credit is posted to the Receivable Account at the time of posting purchase documents.

- The third condition specified above, i.e. payment of tax by the supplier can be ignored as it is difficult to obtain the date of payment from different suppliers on a periodic basis.
- GSTR-1 (Outward Supplies made by the taxpayer) & GSTR-2 (Inward Supplies made by the taxpayer) are the pre-requisites for filing GSTR-3 (GST Return). In other words, GSTR-3 (GST Return) contains auto-populated information from GSTR-1 (Outward Supplies made by the taxpayer), GSTR-2 (Inward Supplies made by the taxpayer), GSTR-6 (Return for Input Service Distributor) and GSTR-7 (TDS Return).
- Based on the invoice level information uploaded by counter party suppliers, GSTR-2A (Inward Supplies made by the taxpayer) of the purchasing user will be auto populated. The user has to reconcile GSTR-2A with posted purchase lines in the system. This can be done by using **GST Reconciliation** feature.
- The availment of Credit and reconciliation are not linked in system as user might use external means for reconciliation.
- If provisional credit availed at the time of posting Invoice is required to be reversed as the invoice is not reconciled then user needs to reverse the credit by using **Credit Adjustment Journal**.

On availment of Credit the **Credit Availed** tick is updated in **Detailed GST Ledger Entry** and the GST Amount for these lines shall flow as **Credit Availed** in **Settlement** screen, which can then be adjusted against Output Payment liability



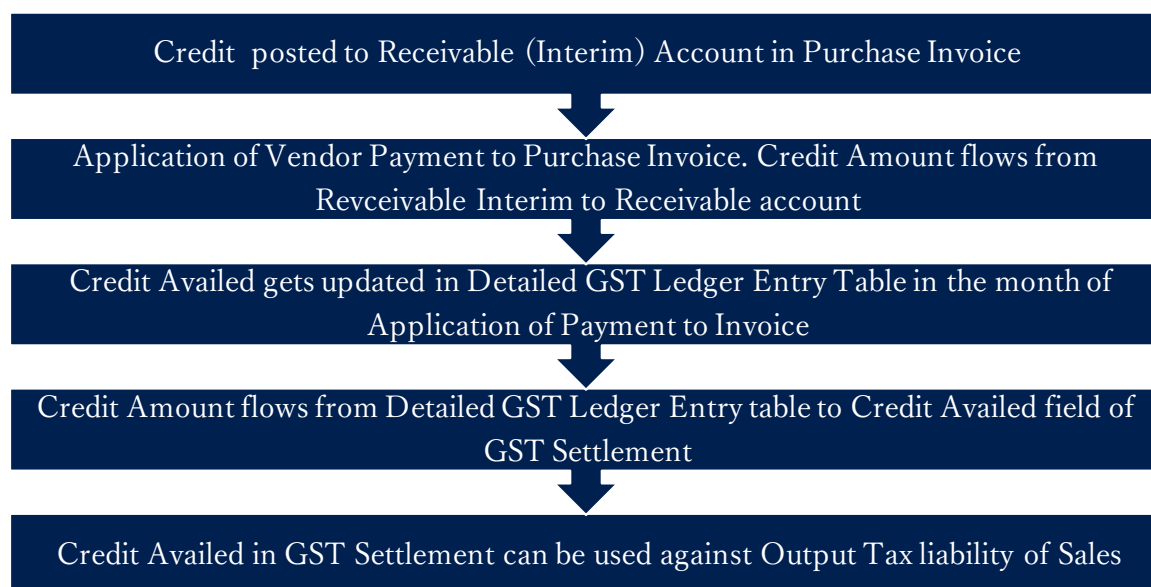


**c. Credit flow for Unregistered Purchases of Services & Import of Services & Registered Vendor Purchases of Reverse Charge Services:**

- Three conditions are to be complied with in order to avail credit under reverse charge. They are receipt of goods, receipt of invoice, and payment of tax to government.
- As services are intangible, there can only be receipt of invoice and payment of tax to the government. As unregistered purchases of services, import of services and Registered Vendor purchases of Reverse Charge Services are subject to reverse charge, tax payment to the government is to be done by the purchaser himself. This is done through GST Settlement of Reverse Charge Liability.
- The user have provision to disclose the amount of credit availed in GSTR-2 on provisional basis.
- Credit can be availed on purchase transactions of Services subject to reverse charge in the month in which the payment to Vendor is made.
- Hence at the time of posting the **Purchase Invoice** of services for an **Unregistered Vendor** or **Import of Services** or **Purchase of Reverse Charge Services from Registered Vendor**, the application posts credit to **Input Tax Credit Receivable Interim Account**. If GST advance payment is made through bank payment voucher and is applied to the invoice, either at the time of

procurement/invoice generation (online) or after the procurement is completed (offline), the application posts credit to **Input Tax Credit Receivable Account**.

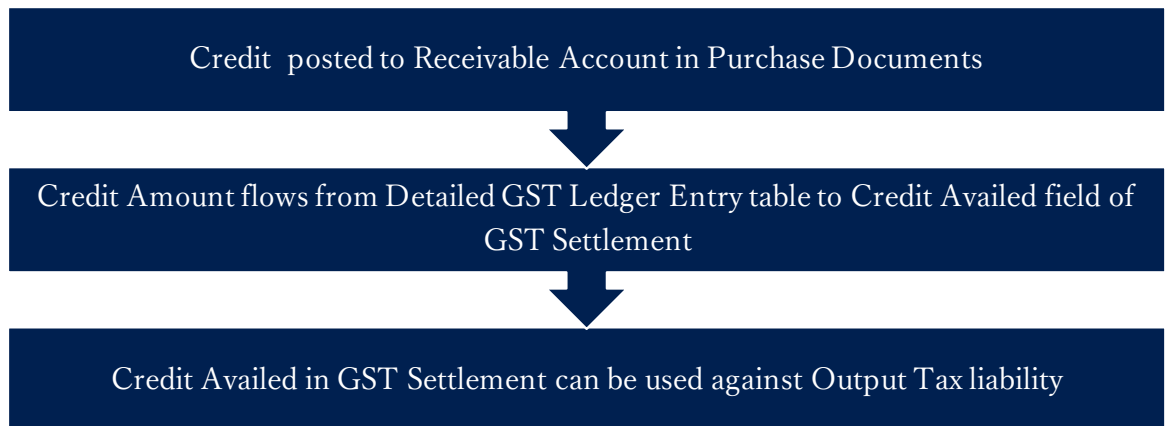
- The credit amount from Detailed GST Ledger Entries with Credit Availment upon application with GST Advance Payment flows to **GST Settlement** and is available for set-off against **Output Tax** liability payable on sales.



- For reverse charge service invoices, GST liability arises the date immediately following 60<sup>th</sup> day from date of issue of supplier invoice if payment is not made against it. System shall create GST Liability and Credit.

#### d. Credit flow for Import of Goods:

- When goods are imported, the purchaser is liable to pay both Customs duty and IGST to the Customs authorities. The goods are cleared to Domestic Tariff Area (DTA), only after the taxes are paid to Customs. Hence, at the time of GRN and thereafter posting Purchase Invoice, the taxes would have been already paid. Hence, Credit is posted to **Receivable Account** directly in case of import of goods.
- The credit flow will remain same for with cover of bill of entry and without cover of bill of entry.



### C. Accounting Entries for Purchase Transactions:

#### a. Entries for Purchases from a Registered Vendor:

Calculation:

Description	Calculation
<b>Base Amount</b>	10000
<b>CGST</b>	1000 (10000*10%)
<b>SGST</b>	1000 (10000*10%)
<b>IGST</b>	2000 (10000*20%)

#### Entry for an Intrastate Purchase of goods with Credit - Availment

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
<b>Purchases Account.....Dr.</b>	10000	
<b>SGST Receivable Account .....Dr.</b>	1000	
<b>CGST Receivable Account .....Dr.</b>	1000	
<b>To Vendor Account</b>		12000

#### Entry for an Intrastate Purchase Credit Memo for goods with Credit - Availment

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
<b>Vendor Account.....Dr.</b>	12000	

To SGST Receivable Account		1000
To CGST Receivable Account		1000
To Purchases Account		10000

#### Entry for Intrastate purchase of goods with Credit – Non -Availment

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
Purchases Account.....Dr.	12000	
To Vendor Account		12000

#### Entry for Intrastate purchase Credit Memo for goods with Credit – Non Availment

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
Vendor Account.....Dr.	12000	
To Purchases Account		12000

#### Note:

1. Entries for purchases of service would be similar except that **Service General Ledger Account** replaces **Purchases Account** in the above entries. Similarly, for fixed assets, **Fixed Assets Account** replaces **Purchases Account**.
2. Entries for interstate transactions would be similar to the above entries except that **CGST & SGST Receivable Account** is replaced by **IGST Receivable Account** wherever applicable.

#### b. Entry for purchases from a Composite Vendor & Exempted Vendor

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
Purchases Account.....Dr.	10000	
To Vendor Account		10000

#### Entry for purchase Credit Memo for a Composite Vendor and Exempted Vendor

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
<b>Vendor Account.....Dr.</b>	10000	
<b>To Purchases Account</b>		10000

**Note:**

1. No GST entries are generated for a composite vendor, as a composite vendor is not entitled to collect any tax from the customers.
2. Similarly, no GST entries are generated for exempted vendor, as an exempted vendor is exempt from payment of GST.

**c. Entry for Import of goods with Credit – Availment:**

**Calculation:**

Description	Calculation
<b>Base Amount</b>	10000
<b>GST Assessable Value</b>	11000
<b>Customs Duty (BCD) (assumed)</b>	1000
<b>IGST</b>	For Invoice: 2400 (12000*20%) For Credit Memo: 2000 (10000*20%)

**Entry for Import of Goods with Credit – Availment**

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
<b>Purchases Account.....Dr.</b>	11000	
<b>IGST Receivable Account.....Dr.</b>	2400	
<b>To Customs House Account</b>		3400
<b>To Vendor Account</b>		10000

**Note:**

1. **Customs House Account** is to be defined in **General Ledger Setup** as **IGST Payable A/c (Import)**.
2. The GST Assessable Value and Custom Duty Amount is used for GST calculation in Import/SEZ Goods Invoice only.

3. In Import/SEZ Goods Credit Memo the GST calculation is on Line amount and not on GST Assessable Value and Custom Duty Amount
4. There will be no G/L entry implication for Assessable Value.
5. The Custom amount will get loaded on Purchase and credited to Customs account along with IGST Payable amount.

#### Entry for Import of Goods with Credit – Non Availment:

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
<b>Purchases Account.....Dr.</b>	13400	
<b>To Customs House Account</b>		3400
<b>To Vendor Account</b>		10000

#### Entry for Purchase Credit Memo for Import of goods with Credit – Availment

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
<b>Vendor Account.....Dr.</b>	10000	
<b>Refund Account .....Dr.</b>	2000	
<b>To IGST Receivable Account</b>		2000
<b>To Purchases Account</b>		10000

#### Entry for Purchase Credit Memo for Import of goods with Credit – Non-Availment

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
<b>Vendor Account.....Dr.</b>	10000	
<b>Refund Account .....Dr.</b>	2000	
<b>To Purchases Account</b>		12000

#### Entry for Import of Goods from an Import Associate Vendor (Availment)

G/L Account Name	Debit Amount	Credit Amount
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<b>Purchases Account.....Dr.</b>	11000	
<b>IGST Receivable Account.....Dr.</b>	2400	
<b>To Customs House Account</b>		3400
<b>To Vendor Account</b>		10000

#### Entry for Import of Goods from an Import Associate Vendor (Non-Availment)

G/L Account Name	Debit (Rs.)	Credit (Rs.)
<b>Purchases Account.....Dr.</b>	13400	
<b>To Customs House Account</b>		3400
<b>To Vendor Account</b>		10000

#### Entry for Purchase Credit Memo of Goods from an Import Associate Vendor (Availment)

G/L Account Name	Debit (Rs.)	Credit (Rs.)
<b>Vendor Account.....Dr.</b>	10000	
<b>IGST Refund Account.....Dr.</b>	2000	
<b>To IGST Receivable Account</b>		2000
<b>To Purchases Account</b>		10000

#### Entry for Purchase Credit Memo of Goods from an Import Associate Vendor (Non-Availment)

G/L Account Name	Debit (Rs.)	Credit (Rs.)
<b>Vendor Account.....Dr.</b>	10000	
<b>IGST Refund Account</b>	2000	
<b>To Purchases Account</b>		12000

#### d. Entry for Purchase of Goods from SEZ Vendor: Calculation:

Description	Calculation
<b>Base Amount</b>	10000
<b>GST Assessable Value</b>	11000
<b>Customs Duty (BCD) (assumed)</b>	1000
<b>IGST</b>	For Invoice: 2400 (12000*20%)  For Credit Memo: 2000 (10000*20%)

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**Entry for Purchase of Goods from SEZ Vendor with Credit – Availment (With cover of Bill of Entry)**

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
Purchases Account.....Dr.	11000	
IGST Receivable Account.....Dr.	2400	
To Customs House Account		3400
To Vendor Account		10000

**Note:** The GST calculation process for SEZ Vendor is same as Import Vendor

**Entry for Purchase of Goods from SEZ Vendor with Credit – Availment (Without cover of Bill of Entry)**

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
Purchases Account.....Dr.	11000	
IGST Receivable Account.....Dr.	2400	
To Vendor Account		13400

**Entry for Purchase of Goods from SEZ Vendor with Credit – Non Availment (With cover of Bill of Entry):**

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
Purchases Account.....Dr.	13400	
To Customs House Account		3400
To Vendor Account		10000

**Entry for Purchase of Goods from SEZ Vendor with Credit – Non Availment (Without cover of Bill of Entry):**

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
Purchases Account.....Dr.	13400	
To Vendor Account		13400



**Bill of Entry will not be raised in case of purchase returns, hence there is no change in accounting entries for credit memo, it will be same as purchase of goods from Import Vendor.**

**e. Entries for purchase of goods from an Unregistered Vendor**

Purchases from an **Unregistered Vendor** attracts reverse charge. i.e. the purchaser himself has to pay tax to the government on such purchases.

As per the Time of supply provisions in **Model GST Law**, liability to pay tax arises at the time of posting invoice, in the system. Hence, GST is posted to **Payable Account** at the time of posting purchase documents.

**Entry for intrastate purchase of goods with Credit - Availment**

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
Purchases Account.....Dr.	10000	
CGST Receivable Account.....Dr.	1000	
SGST Receivable Account.....Dr.	1000	
To CGST Payable Account		1000
To SGST Payable Account		1000
To Vendor Account		10000

**Entry for intrastate Purchase Credit Memo for goods with Credit - Availment**

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
Vendor Account.....Dr.	10000	
CGST Payable Account	1000	
SGST Payable Account	1000	
To CGST Receivable Account		1000
To SGST Receivable Account		1000
To Purchases Account		10000

**Entry for intrastate purchase of goods with Credit – Non Availment**

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
<b>Purchases Account.....Dr.</b>	12000	
<b>To CGST Payable Account</b>		1000
<b>To SGST Payable Account</b>		1000
<b>To Vendor Account</b>		10000

### Entry for intrastate Purchase Credit Memo for goods with Credit – Non Availment

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
<b>Vendor Account.....Dr.</b>	10000	
<b>CGST Payable Account.....Dr.</b>	1000	
<b>SGST Payable Account.....Dr.</b>	1000	
<b>To Purchases Account</b>		12000

#### Note:

Interstate purchases from an unregistered vendor shall not arise and hence entries are not provided for the same.

### Entries for purchase of goods from an Unregistered Vendor with RCM Exempt

Purchases from an **Unregistered Vendor** attracts reverse charge. i.e. the purchaser himself has to pay tax to the government on such purchases. As per new notification GST shall be exempted for supplies received from Unregistered Vendor.

### Entries for purchase of Goods & Services

G/L Account Name	Debit Amount	Credit Amount
<b>Purchase Account.....Dr.</b>	10000	
<b>To Vendor Account</b>		10000

**Note:** Since GST has been exempted, entries remains same for interstate and intrastate

**f. Entries for Import of Services, purchase of services from a SEZ vendor, purchase of services from an Unregistered Vendor and Purchase of Reverse charge services from an Registered Vendor:**

As per **Model GST Law**, the time of supply for services that are subject to reverse charge is the date on which payment to vendor is made. Hence, in the system, GST is credited to **Payable (Interim) Account** at the time posting purchase documents. Once the vendor payment is applied to an invoice, then the same is transferred from **Payable (Interim) Account** to **Payable Account**.

**Entry for purchase of Services from an Unregistered Vendor Credit - Availment**

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
<b>Purchases Account.....Dr.</b>	10000	
<b>CGST Receivable (Interim) Account.....Dr.</b>	1000	
<b>SGST Receivable (Interim) Account.....Dr.</b>	1000	
<b>To CGST Payable (Interim) Account</b>		1000
<b>To SGST Payable (Interim) Account</b>		1000
<b>To Vendor Account</b>		10000

**Entry for purchase credit memo for Services from an Unregistered Vendor Credit - Availment**

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
<b>Vendor Account.....Dr.</b>	10000	
<b>CGST Payable (Interim) Account.....Dr.</b>	1000	
<b>SGST Payable (Interim) Account.....Dr.</b>	1000	
<b>To CGST Receivable (Interim) Account</b>		1000
<b>To SGST Receivable (Interim) Account</b>		1000
<b>To Purchases Account</b>		10000

**Entry for purchase of services with Credit – Non Availment**

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
<b>Purchases Account.....Dr.</b>	12000	
<b>To CGST Payable (Interim) Account</b>		1000
<b>To SGST Payable (Interim) Account</b>		1000
<b>To Vendor Account</b>		10000

#### Entry for purchase credit memo of services with Credit – Non Availment

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
<b>Vendor Account.....Dr.</b>	10000	
<b>CGST Payable (Interim) Account.....Dr.</b>	1000	
<b>SGST Payable (Interim) Account .....Dr.</b>	1000	
<b>To Purchases Account</b>		12000

#### Note:

Interstate purchases from an unregistered vendor shall not arise and hence entries are not provided for the same.

#### Entry for Import of Services with Credit - Availment

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
<b>Purchases Account.....Dr.</b>	10000	
<b>IGST Receivable (Interim) Account.....Dr.</b>	2000	
<b>To IGST Payable (Interim) Account</b>		2000
<b>To Vendor Account</b>		10000

#### Entry for Purchase Credit Memo for Import of Services with Credit - Availment

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
<b>Vendor Account.....Dr.</b>	10000	
<b>IGST Payable (Interim) Account.....Dr.</b>	2000	

<b>To IGST Receivable (Interim) Account</b>		2000
<b>To Purchases Account</b>		10000

#### Entry for Import of Services with Credit – Non Availment

<b>G/L Account Name</b>	<b>Debit Amount (Rs.)</b>	<b>Credit Amount (Rs.)</b>
<b>Purchases Account.....Dr.</b>	12000	
<b>To IGST Payable (Interim) Account</b>		2000
<b>To Vendor Account</b>		10000

#### Entry for Purchase Credit Memo for Import of Services with Credit – Non-Availment

<b>G/L Account Name</b>	<b>Debit Amount (Rs.)</b>	<b>Credit Amount (Rs.)</b>
<b>Vendor Account.....Dr.</b>	10000	
<b>IGST Payable (Interim) Account.....Dr.</b>	2000	
<b>To Purchases Account</b>		12000

#### Entry for Import of Services from Import Associate Vendor with Credit - Availment

<b>G/L Account Name</b>	<b>Debit Amount (Rs.)</b>	<b>Credit Amount (Rs.)</b>
<b>Purchases Account.....Dr.</b>	10000	
<b>IGST Receivable Account.....Dr.</b>	2000	
<b>To IGST Payable Account</b>		2000
<b>To Vendor Account</b>		10000

#### Entry for Purchase Credit Memo for Import of Services from Import Associate Vendor with Credit - Availment

<b>G/L Account Name</b>	<b>Debit Amount (Rs.)</b>	<b>Credit Amount (Rs.)</b>
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<b>Vendor Account.....Dr.</b>	10000	
<b>IGST Payable Account.....Dr.</b>	2000	
<b>To IGST Receivable Account</b>		2000
<b>To Purchases Account</b>		10000

**Entry for Import of Services from Import Associate Vendor with Credit – Non Availment**

<b>G/L Account Name</b>	<b>Debit Amount (Rs.)</b>	<b>Credit Amount (Rs.)</b>
<b>Purchases Account.....Dr.</b>	12000	
<b>To IGST Payable Account</b>		2000
<b>To Vendor Account</b>		10000

**Entry for Purchase Credit Memo for Import of Services from Import Associate Vendor with Credit – Non-Availment**

<b>G/L Account Name</b>	<b>Debit Amount (Rs.)</b>	<b>Credit Amount (Rs.)</b>
<b>Vendor Account.....Dr.</b>	10000	
<b>IGST Payable Account.....Dr.</b>	2000	
<b>To Purchases Account</b>		12000

**Entry for Intrastate purchase of Reverse Charge Services from an Registered Vendor with Credit - Availment**

<b>G/L Account Name</b>	<b>Debit Amount (Rs.)</b>	<b>Credit Amount (Rs.)</b>
<b>Purchases Account.....Dr.</b>	10000	
<b>CGST Receivable (Interim) Account.....Dr.</b>	1000	
<b>SGST Receivable (Interim) Account.....Dr.</b>	1000	
<b>To CGST Payable (Interim) Account</b>		1000
<b>To SGST Payable (Interim) Account</b>		1000
<b>To Vendor Account</b>		10000

**Entry for Intrastate purchase credit memo of Reverse Charge Services from**

### an Registered Vendor with Credit - Availment

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
Vendor Account.....Dr.	10000	
CGST Payable (Interim) Account.....Dr.	1000	
SGST Payable (Interim) Account.....Dr.	1000	
To CGST Receivable (Interim) Account		1000
To SGST Receivable (Interim) Account		1000
To Purchases Account		10000

### Entry for Intrastate purchase of Reverse Charge Services from an Registered Vendor with Credit – Non Availment

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
Purchases Account.....Dr.	12000	
To CGST Payable (Interim) Account		1000
To SGST Payable (Interim) Account		1000
To Vendor Account		10000

### Entry for Intrastate purchase credit memo of Reverse Charge services from Registered Vendor with Credit – Non Availment

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
Vendor Account.....Dr.	10000	
CGST Payable (Interim) Account.....Dr.	1000	
SGST Payable (Interim) Account .....Dr.	1000	
To Purchases Account		12000

### Entry for Interstate purchase of Reverse Charge Services from an Registered Vendor with Credit - Availment

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
------------------	--------------------	---------------------

<b>Purchases Account.....Dr.</b>	10000	
<b>IGST Receivable (Interim) Account.....Dr.</b>	2000	
<b>To IGST Payable (Interim) Account</b>		2000
<b>To Vendor Account</b>		10000

**Entry for Interstate purchase credit memo of Reverse Charge Services from an Registered Vendor with Credit - Availment**

<b>G/L Account Name</b>	<b>Debit Amount (Rs.)</b>	<b>Credit Amount (Rs.)</b>
<b>Vendor Account.....Dr.</b>	10000	
<b>IGST Payable (Interim) Account.....Dr.</b>	2000	
<b>To IGST Receivable (Interim) Account</b>		2000
<b>To Purchases Account</b>		10000

**Entry for Interstate purchase of Reverse Charge Services from an Registered Vendor with Credit – Non Availment**

<b>G/L Account Name</b>	<b>Debit Amount (Rs.)</b>	<b>Credit Amount (Rs.)</b>
<b>Purchases Account.....Dr.</b>	12000	
<b>To IGST Payable (Interim) Account</b>		2000
<b>To Vendor Account</b>		10000

**Entry for Interstate purchase credit memo of Reverse Charge services from Registered Vendor with Credit – Non Availment**

<b>G/L Account Name</b>	<b>Debit Amount (Rs.)</b>	<b>Credit Amount (Rs.)</b>
<b>Vendor Account.....Dr.</b>	10000	
<b>IGST Payable (Interim) Account.....Dr.</b>	2000	
<b>To Purchases Account</b>		12000

#### **D. TDS & GST on Purchase Transactions**

- One new field **Inc. TDS in GST Base** has been added in **Structures Details**. During GST calculation through structure in purchase documents, GST value for purchase



line is considered in TDS base, if this Boolean is checked. If it is unchecked, then GST Amount is not considered in computation of TDS in purchase lines.

**a. TDS computation in Purchase Invoice and Accounting Entries:**

Particulars	Amount (Rs.)
IGST Rate	20%
Base Amount	10000
IGST Amount (10000*20%)	2000
Incl. of GST in TDS Base	TRUE
TDS%	10
TDS Amount (12000*10%)	1200
Incl. of GST in TDS Base	FALSE
TDS Amount (10000*10%)	1000

**Accounting Entry for TDS & GST in Purchase document:**

Particulars	Debit (Rs.)	Credit (Rs.)
Service Account.....Dr.	10000	
IGST Receivable Account.....Dr.	2000	
To Vendor Account		10800
To TDS Payable Account		1200

**Note:**

In the above entry, if TDS is computed excluding GST, then Vendor Account and TDS Payable Account becomes Rs. 11000 and Rs. 1000 respectively.

**b. TDS Computation in Purchase Invoice (Reverse charge) and Accounting Entries:**

Under Reverse charge, GST is payable by the purchaser. Hence the amount that is payable to vendor does not include TDS. Therefore, whether GST is included in GST or not, TDS computation remains the same.

Particulars	Amount (Rs.)
IGST Rate	20%
Base Amount	10000
IGST Amount (10000*20%)	2000
Incl. of GST in TDS Base	TRUE

<b>TDS%</b>	10
<b>TDS Amount (12000*10%)</b>	1200
<b>Incl. of GST in TDS Base</b>	FALSE
<b>TDS Amount (10000*10%)</b>	1000

**Accounting Entry for TDS & GST in purchase document (Reverse charge) -If GST is included in TDS Base**

Particulars	Debit (Rs.)	Credit (Rs.)
<b>Service Account.....Dr.</b>	10000	
<b>IGST Receivable (Interim) Account.....Dr.</b>	2000	
<b>To Vendor Account</b>		8800
<b>To IGST Payable (Interim) Account</b>		2000
<b>To TDS Payable Account</b>		1200

**Accounting Entry for TDS & GST in purchase document (Reverse charge) -If GST is not included in TDS Base**

Particulars	Debit (Rs.)	Credit (Rs.)
<b>Service Account.....Dr.</b>	10000	
<b>IGST Receivable (Interim) Account.....Dr.</b>	2000	
<b>To Vendor Account</b>		9000
<b>To IGST Payable (Interim) Account</b>		2000
<b>To TDS Payable Account</b>		1000

**E. Credit & Liability adjustment for open Reverse Charge Services Invoices**

- For reverse charge service invoices, GST Liability and Credit shall be generated immediately following 60<sup>th</sup> day from date of issue of supplier invoice if payment to supplier is not made against it.
- User can generate GST liability and credit for open reverse charge service invoice with the help of Cr. & Liability Adj. for Open RC Service Inv.
- System will generate lines based on the filters applied by user on the request page.
- User will be able to generate adjustment journal with help of below available fields on request page:

Field Name	Description
<b>Adjustment Document No.</b>	System will generate number from number series assigned in Purchases & Payables Setup
<b>GST Registration No.</b>	System will list only transactions posted with selected GST Registration No.

<b>Posting Date</b>	Adjustment posting date
<b>Liability Date Formula</b>	Enter 60D, system will reverse count 60 days from posting date for arriving Liability Filter Date
<b>Liability Filter Date</b>	System will update automatically (Posting date – Liability Date Formula, Ex: 01-Jan-18- 60D= 02-Nov-17), System will consider all open RC service invoices posted before date updated in this field. (Ex: ..02-Nov-17)
<b>Vendor No.</b>	System will list invoice from this vendor only
<b>Document No.</b>	System will verify only for this document
<b>External Document No.</b>	System will verify only for this document
<b>Nature of Adjustment</b>	User need to select the option, available options: CR&Libty Generate, CR&Libty Reverse

- On posting of Cr. & Liability adjustment, system will update Cr. & Libty Adjustment Type field on Detailed GST Ledger Entry table as **CR&Libty Generate/ CR&Libty Reversed** depending upon the Nature of Adjustment against Initial invoice entries.
- The GST Credit & Liability adjustment amount will be included in settlement.
- Liability adjustments will be added in Payment Liability Rev. Chrg field in settlement.
- Credit adjustments will be added in Credit Availled field in settlement.

#### Accounting Entry for Generating GST Credit and Liability – Availment:

Particulars	Debit (Rs.)	Credit (Rs.)
<b>IGST Receivable Account</b>	600	
<b>IGST Receivable Account (Interim)</b>		600
<b>IGST Payable Account (Interim)</b>	600	
<b>IGST Payable Account</b>		600

#### Accounting Entry for Generating GST Credit and Liability – Non-Availment:

Particulars	Debit (Rs.)	Credit (Rs.)
<b>IGST Payable Account (Interim)</b>	600	
<b>IGST Payable Account</b>		600

#### Accounting Entry for Reversal GST Credit and Liability – Availment:

Particulars	Debit (Rs.)	Credit (Rs.)
<b>IGST Receivable Account</b>		600
<b>IGST Receivable Account (Interim)</b>	600	
<b>IGST Payable Account (Interim)</b>		600
<b>IGST Payable Account</b>	600	

### Accounting Entry for Reversal GST Credit and Liability – Non-Availment:

Particulars	Debit (Rs.)	Credit (Rs.)
<b>IGST Payable Account (Interim)</b>		600
<b>IGST Payable Account</b>	600	

- User can apply normal payment to invoice where GST Liability Adjustment is posted against it. In this case system will not create any application entries in Detailed GST Ledger Entry table as the liability & credit is already generated. On unapplication of such application, system will not create any application entries as they were not created at the time of application.
- If user applies Credit Memo to Invoice where GST Liability Adjustment is posted against it, system will automatically post reversal of GST Liability Adjustment. On unapplication of such credit memo, system will not re-generate the GST Credit & Liability.
- If user applies partial payment to invoice before posting GST Liability Adjustment and unapplying the payment after generating GST Liability Adjustment, then system will create application entries in Detailed GST Ledger Entry table as application entries are created on application.
- GST Liability Adjustment is enhanced with Dimension functionality.

#### a. Validation

- System will generate GST Credit & Liability for Invoice remaining amount (whole amount), system will not allow user to post partial amount of invoice remaining amount.
- In ideal scenario, user should not generate GST Credit & Liability if advance payment available in vendor ledger entry, hence system will not allow user to post advance payment application to invoice if GST Credit & Liability is Generated, until the GST Credit & Liability is Reversed.

### F. Transaction without Location

- New fields are created on Purchase Header for capturing Vendor GST Registration No., Order Address GST Registration No. and Location GST Registration No.
- Location is not mandatory for calculating GST in Purchase transactions, a provision has been provided in purchase header for selecting GST Registration No. and on selecting GST Registration No. in purchase header, system will flow Location State code from GST Registration Nos. master to purchase header.
- System will calculate GST based on Location State code and Vendor State code or Order Address State code available on Purchase header.

- On posting of purchase transactions, system will flow Vendor State Code, GST Registration No. and Location State Code, GST Registration No. from purchase header to Detailed GST Ledger Entry table.

## G. Journal Invoices

- Invoice and Credit memo can be posted from journals
- GST is calculated in purchase transactions posted from below journals
  - Purchase Journals
  - General Journals
  - Recurring Journals
  - Cash & Bank vouchers
  - FA G/L Journals
- GST Calculation logic in journals will be same as GST calculation in documents.
- Journal Entry field will be updated as True for transactions posted from journals.
- Recurring Journal field will be updated as True for transactions posted from Recurring Journal.
- Purchase Scenarios posted from journals
  - Purchase Invoice/Credit Memo from Registered Vendor (Forward/Reverse Charge)
  - Purchase Invoice/Credit Memo from Unregistered Vendor (Reverse Charge)
  - Purchase Invoice/Credit Memo from Import Vendor
  - Purchase Invoice/Credit Memo from Import Vendor – Associated Enterprises
  - Purchase Invoice/Credit Memo from SEZ Vendor
  - Purchase Invoice/Credit Memo from Composite Vendor
  - Purchase Invoice/Credit Memo from Exempted Vendor
  - Purchase transactions with GST and TDS
  - Purchase Invoice Transaction with Party Type as Party
  - Purchase Credit memo with Party Type as Party is not allowed
  - FA Acquisition and Maintenance with GST can be posted from FA G/L Journals where Document Type is Invoice or Credit Memo.
  - FA G/L Journals cannot be posted with Party Type.
- FA Reclass will be treated as transfers and GST will be calculated on reclass entries.
- Transactions posted from journals with GST can be reversed
- The application of advance payment is allowed from journal invoices
- System allows cross application of Invoice and Credit memo,

Invoice From	Credit Memo	Application
Journal Invoice	Journal Credit Memo	Allowed

<b>Journal Invoice</b>	Credit Memo Document	Allowed
<b>Invoice Document</b>	Journal Credit Memo	Allowed
<b>Invoice Document</b>	Credit Memo Document	Allowed

- Accounting entries for journal entries are same as document entries.
- Accounting entries for journal invoice posted with Party Type as Party and GST Party Type as Vendor and GST Vendor Type as Unregistered for GST Group Type as Services are posted to GST Receivable A/c and GST Payable A/c

Particulars	Debit Amount (Rs.)	Credit Amount (Rs.)
<b>Service Account.....Dr.</b>	1000	
<b>SGST Receivable Account.....Dr.</b>	90	
<b>CGST Receivable Account.....Dr.</b>	90	
<b>To Cash/Bank Account</b>		1000
<b>To SGST Payable Account</b>		90
<b>To CGST Payable Account</b>		90

Particulars	Debit (Rs.)	Credit (Rs.)
<b>Service Account.....Dr.</b>	1000	
<b>IGST Receivable Account.....Dr.</b>	180	
<b>To Cash/Bank Account</b>		1000
<b>To IGST Payable Account</b>		180

Registered Vendor(Forward Charge) Party Interstate Purchase Journal Invoice-Goods/Service-Availment

Particulars	Debit Amount (Rs.)	Credit Amount (Rs.)
<b>Service Account.....Dr.</b>	1000	
<b>IGST Receivable Account.....Dr.</b>	180	
<b>To Cash/Bank Account</b>		1180

In detailed GST, **Liable to Pay** shall flow as **False** and **Credit Availd** shall flow as **True**

Registered Vendor(Forward Charge) Party Intrastate Purchase Journal Invoice-  
Goods/Service-Availment

Particulars	Debit Amount (Rs.)	Credit Amount (Rs.)
Service Account.....Dr.	1000	
CGST Receivable Account.....Dr.	90	
SGST Receivable Account.....Dr.	90	
To Cash/Bank Account		1180

In detailed GST, **Liable to Pay** shall flow as **False** and **Credit Availed** shall flow as **True**

Registered Vendor(Forward Charge) Party Interstate Purchase Journal Invoice-  
Goods/Service- Non Availment

Particulars	Debit Amount (Rs.)	Credit Amount (Rs.)
Service Account.....Dr.	1000	
To Cash/Bank Account		1000

In detailed GST, **Liable to Pay** shall flow as **False** and **Credit Availed** shall flow as **False**

Registered Vendor(Forward Charge) Party Intrastate Purchase Journal Invoice-  
Goods/Service- Non Availment

Particulars	Debit Amount (Rs.)	Credit Amount (Rs.)
Service Account.....Dr.	1000	
To Cash/Bank Account		1000

In detailed GST, **Liable to Pay** shall flow as **False** and **Credit Availed** shall flow as **False**

Reverse Charge (Registered/Unregistered/Import/Import Associate/SEZ Vendor)  
Party Interstate Purchase Journal Invoice- Goods/Service-Availment

Particulars	Debit Amount (Rs.)	Credit Amount (Rs.)
Service Account.....Dr.	1000	

<b>IGST Receivable Account.....Dr.</b>	180	
<b>To IGST Payable Account</b>		180
<b>To Cash/Bank Account</b>		1000

In detailed GST, **Liable to Pay** shall flow as **True** and **Credit Available** shall flow as **True**

**Note: Below functions are not available in Journal Invoice/Credit Memo transactions**

- Adjustment Journal – Inventory Write off

#### **H. Place of supply as Vendor's State in purchase transactions.**

As per Section 12(3)(b) of IGST Act 2017 " the place of supply of services by way of lodging accommodation by a hotel, inn, guest house, home stay, club or campsite, by whatever name called, and including a house boat or any other vessel shall be the location at which the immovable property or boat or vessel is located or intended to be located.

As per this rule, a registered vendor can issue a CGST & SGST (intrastate GST) invoice even if Vendor state and Recieipient state are different. To accommodate this in system, a new field (POS as Vendor State) is added in purchase header. On selecting POS as Vendor State field on purchase header, system will calculate intrastate GST on transaction even if Vendor state and location state are different.

User can select POS as Vendor State field only on below conditions:

- Only if Vendor is Registered Vendor.
- Only for GST Group Type as Services
- Only for GST Credit as Non-Availment
- Only for Type as G/L Account
- Should not be ISD Location
- Reverse Charge transactions are not allowed
- Currency Code is not allowed in transaction

There is no change in G/L entries as this is applicable only for non-availment transactions and in non-availment transactions system will load GST amount on G/L Account selected in transaction line. Since it's a non-availment transaction, there is no impact in settlement as well.



On selecting POS as Vendor State field in transactions, system will update Location State Code same as Vendor State Code, however, Location GST Registration number will remain same and will not be changed. System will consider Vendor Order Address State if its selected in transactions, else, system will consider State code from Vendor.

System will update POS as Vendor State field in Detailed GST Ledger Entries table as TRUE from purchase transactions.

# 7. Sales

## A. Sales Scenarios



### a. Business-to-Business Sales (B2B):

- Sales to a registered customer are known as B2B sales. If the Shipping location's state code and place of supply state code are same, then the transaction becomes an intrastate sale and CGST & SGST are payable. If the shipping location's state code and place of supply are in different states, then the transaction become an interstate and IGST is payable.
- For B2B sales, **GST Customer Type** shall be selected as **Registered**. Registration No., State Code and Address are mandatory fields for these transactions.

### b. Business to Customer Sales (B2C):

- Sales to unregistered customer are known as B2C sales. There is no difference is computation of tax for a B2B and B2C sales. However, they are required to be reported in separate tables in GSTR-1.
- For B2C sales, **GST Customer Type** shall be selected as **Unregistered**. State Code and Address are mandatory fields for these transactions.

### c. Exports Sales:

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- Export of goods is defined as taking goods out of India to a place outside India. Export of Services means the supply of services where the supplier of service is located in India, recipient of service is located outside India and the place of supply is outside India.
- Exports can be without Payment of duty or with payment of duty.
- **Exports without payment of duty:** Exports are normally Zero rated transactions and hence no duty is paid on them. Certain procedures need to be complied with, for removing goods without payment of duty, which includes submission of a bond. GST paid on Inputs and Input services can be claimed as refund, if such inputs and input services are meant for exports.
- **Exports with payment of duty:** However, if any exporter has accumulated Input credits and wishes to utilize them then he can opt for payment of duty. The duty paid can be claimed as refund later. IGST is payable on such transactions.

#### **Export transactions :**

- **GST customer Type** shall be selected as **Exports** for Export transactions. State code in Customer master shall be blank for exports. In **GST configuration** setup, **dispatching state code** is the location state code and **Customer state code** is blank. System calculates IGST on such transactions.
- If Export is without payment of duty, then **GST without payment of duty** Boolean is to be checked.
- If **GST Customer Type** is **Export** and **Type** in Sales lines is Item, then **Bill of Export date** and **Bill of Export No.** fields have to be mandatorily filled in Sales header.

#### **d. Deemed Exports:**

- Deemed Exports refer to those transactions in which the goods supplied do not leave India and payment for such supplies is received either in Indian Rupees or in convertible foreign exchange.
- **GST customer Type** shall be selected as **Deemed Exports** in Customer master. If the Shipping location's state code and place of supply state code are same, then the transaction becomes an intrastate sale and CGST & SGST are payable.

If the shipping location's state code and place of supply are in different states, then the transaction become an interstate and IGST is payable.

#### e. **SEZ Unit and SEZ Development:**

- New Customer Type **SEZ** is added in Customer Master. The Calculations, Transactions and Accounting Entries for SEZ Unit and SEZ Development will be same as Exports Customer.
- Address, State Code and GST Registration are required for SEZ Unit and SEZ Development type customer's.
- System will calculate IGST even in case of Supplier and Receiver are in same state. System will not consider the state code specified on the customer master while calculating GST.
- System will check for a combination in GST Configuration which is of Blank state code in Customer/Vendor State Code and Dispatch/Receive State code as respective state code specified in location master which is selected in transaction.

Example:

Type : Customer  
Dispatch/ Receipt State Code : KAR  
Customer/Vendor State Code: " "

GST Jurisdiction Type	: Interstate
GST % State Code	: KAR

- Supply of goods and /or services to an SEZ Developer or SEZ Unit falls under this category.
- **GST customer Type** shall be selected as **SEZ Unit** or **SEZ Development** in Customer master. System calculates IGST on such transactions.

#### f. **Exempt Sales:**

- Sales made to an exempted customer are known as Exempt sales. GST Customer Type shall be selected as Exempted. No GST is computed on such transactions

#### g. **Sales through an e-commerce operator:**

- Sales through an e-commerce operator is similar to normal sales transactions. However, they are required to be reported separately in GSTR-1 along with GSTIN of E-commerce operator and merchant Id assigned by E-commerce operator to the company.
- For this purpose, a check mark by name **E-commerce operator** is created in Customer master. E-commerce operator is created as customer and this Boolean is to be checked at the time of such creation.
- An **E-commerce merchant Id table** has also been created where the user can define the merchant Id and the applicable GSTIN of the location. (Customer master – Navigate)
- Two fields are added on sales header **E-commerce Operator** field for selecting e-commerce operator relevant for the transaction and **E-commerce Merchant Id** field for selecting merchant Id assigned by the E-Commerce operator to the company. All customers checked with E-commerce operator in customer master come as a drop down for **E-commerce operator** field. **E-commerce Merchant Id** table is linked to **E-commerce merchant Id** field so that the user can select the appropriate Id.
- These two fields' flows from sales document flows to Detailed GST Ledger while posting the transaction from which they are reported in GSTR-1

#### **h. Price Inclusive Tax:**

- This is more of a product feature than a tax scenario. This is a scenario where the system reverse calculates tax from the price of the product. This is useful especially in retail industry prices of the product includes tax
- **Price Inclusive of Tax** field on **Item** master shall be true and PIT structure shall be selected for calculating PIT in sales transactions.

#### **i. Finance Charge Memo:**

- Finance charge memo is an instrument issued against interest calculated on unpaid or outstanding amount of customer.
- GST is applicable on Interest amount and HSN/SAC code is different for GST on Interest amount.
- GST calculation process in Finance Charge Memo's will be same as GST calculation in Sales Invoice calculation.
- System will calculate GST only on Interest amount, will not calculate GST on charge amount applied thorough Finance Charge Memo.

- User should use Sales invoice to calculate GST on Charges by selecting G/L Account in Sales Lines, it cannot be posted through Finance charge memos. Only GST on Interest amount will be calculated in Finance Charge Memos.

## B. Accounting Entries:

### Calculation:

Description	Calculation
<b>Base Amount</b>	10000
<b>CGST</b>	1000 (10000*10%)
<b>SGST</b>	1000 (10000*10%)
<b>IGST</b>	2000000*20%)

### a. Normal Sales Entries:

#### Entry for Intrastate Sale to a Registered Customer

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
<b>Customer Account.....Dr.</b>	12000	
<b>To SGST Payable Account</b>		1000
<b>To CGST Payable Account</b>		1000
<b>To Sales Account</b>		10000

#### Entry for Intrastate Sales Credit Memo to a Registered Customer:

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
<b>Sales Account.....Dr.</b>	10000	
<b>SGST Payable Account.....Dr.</b>	1000	
<b>CGST Payable Account.....Dr.</b>	1000	
<b>To Customer Account</b>		12000

### Note:

1. For an Interstate transaction, CGST & SGST Payable Accounts are to be replaced by IGST Payable Account.

2. Entries for Registered Customer and Unregistered Customer are one and the same
3. For Services, Sales Account is replaced by Services General Ledger Account. Fixed Assets Account replaces Sales Account for Fixed Assets.

#### **b. Export Entries:**

##### **Entry for Export of goods with Payment of Duty**

<b>G/L Account Name</b>	<b>Debit Amount (Rs.)</b>	<b>Credit Amount (Rs.)</b>
<b>Customer Account.....Dr.</b>	10000	
<b>IGST Refund Account.....Dr.</b>	2000	
<b>To IGST Payable Account</b>		2000
<b>To Sales Account</b>		10000

##### **Entry for Export of goods without Payment of Duty**

<b>G/L Account Name</b>	<b>Debit Amount (Rs.)</b>	<b>Credit Amount (Rs.)</b>
<b>Customer Account.....Dr.</b>	10000	
<b>To Sales Account</b>		10000

#### **Note:**

1. Entries for Exports, SEZ Unit and SEZ Development Customer are one and the same
2. For Services, Sales Account is replaced by Services General Ledger Account. Fixed Assets Account replaces Sales Account for Fixed Assets

#### **c. Deemed Export Entries:**

##### **Entry for Intrastate Sale of Goods to a Deemed Export Customer with Payment of Duty**

<b>G/L Account Name</b>	<b>Debit Amount (Rs.)</b>	<b>Credit Amount (Rs.)</b>
<b>Customer Account.....Dr.</b>	12000	
<b>To SGST Payable Account</b>		1000

<b>To CGST Payable Account</b>		1000
<b>To Sales Account</b>		10000

**Entry for Intrastate Sale of Goods to a Deemed Export Customer without Payment of Duty**

<b>G/L Account Name</b>	<b>Debit Amount (Rs.)</b>	<b>Credit Amount (Rs.)</b>
<b>Customer Account.....Dr.</b>	10000	
<b>To Sales Account</b>		10000

**Entry for Interstate Sale of Goods to a Deemed Export Customer with Payment of Duty**

<b>G/L Account Name</b>	<b>Debit Amount (Rs.)</b>	<b>Credit Amount (Rs.)</b>
<b>Customer Account.....Dr.</b>	10000	
<b>IGST Refund Account.....Dr.</b>	2000	
<b>To IGST Payable Account</b>		2000
<b>To Sales Account</b>		10000

**Entry for Interstate Sale of Goods to a Deemed Export Customer without Payment of Duty**

<b>G/L Account Name</b>	<b>Debit Amount (Rs.)</b>	<b>Credit Amount (Rs.)</b>
<b>Customer Account.....Dr.</b>	10000	
<b>To Sales Account</b>		10000

**Note:**

1. For Services, Sales Account is replaced by Services General Ledger Account.  
Fixed Assets Account replaces Sales Account for Fixed Assets

**d. Exempted Sales:**

**Entry for Exempted Sales**



G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
<b>Customer Account.....Dr.</b>	10000	
<b>To Sales Account</b>		10000

#### Entry for Sales Credit Memo for Exempted Sales

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
<b>Sales Account.....Dr.</b>	10000	
<b>To Customer Account</b>		10000

### C. GST & TCS in Sales:

- TCS shall be computed inclusive of GST. In other words, it shall be computed on GST Base and GST amount together.

Particulars	Amount (Rs.)
<b>IGST Rate</b>	20%
<b>Base Amount</b>	10000
<b>IGST Amount (10000*20%)</b>	2000
<b>TCS%</b>	1%
<b>TDS Amount (12000*1%)</b>	120

#### Entry including both GST & TCS

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
<b>Customer Account.....Dr.</b>	12120	
<b>To IGST Payable Account</b>		2000
<b>To TDS Payable Account</b>		120
<b>To Sales Account</b>		10000

#### a. Transaction without Location

- New fields are created on sales header for capturing Customer GST Registration No., Ship-to Address GST Registration No. and Location GST Registration No.
- Location is not mandatory for calculating GST in sales transactions, a provision has been provided in sales header for selecting GST Registration No. and on selecting

GST Registration No. in sales header system will flow Location State code from GST Registration Nos. master to sales header.

- System will calculate GST based on Location State code and Customer State code or Ship-to Address State code (Will be based on Place Of Supply selected on Sales Lines) available on Sales Header.
- On posting of sales transactions, system will flow Customer State Code, GST Registration No. and Location State Code, GST Registration No. from sales header to Detailed GST Ledger Entry table.
- Application of advance payment with Sales Invoice is validated based on Customer GST Registration No. and Location GST Registration No.

## **b. Journal Invoices**

- Invoice and Credit memo can be posted from journals
- GST is calculated in Sales transactions posted from below journals
  - Sales Journals
  - General Journals
  - Cash & Bank vouchers
  - FA G/L Journals
- GST Calculation logic in journals will be same as GST calculation logic in documents.
- G/L Entries and Detailed GST Ledger Entries for journal transactions are same document transactions
- Journal Entry field will be updated as True for transactions posted from journals Detailed GST Ledger Entry table.

### **Sales scenarios posted from journals**

- Sales Invoice/Credit Memo from Registered Customer
- Sales Invoice/Credit Memo from Unregistered Customer
- Sales Invoice/Credit Memo from Export Customer
- Sales Invoice/Credit Memo from SEZ Developer Customer
- Sales Invoice/Credit Memo from SEZ Unit Customer
- Sales Invoice/Credit Memo from Deemed Exporter Customer
- Sales Invoice/Credit Memo from Exempted
- Sales transactions with GST and TCS
- Sales Invoice Transaction with Party Type as Party
- Sales Credit memo with Party Type as Party is not allowed
- FA Disposal with GST can be posted from FA G/L Journals where Document Type is Invoice.
- Credit memo are not allowed from FA G/L Journals
- FA G/L Journals cannot be posted with Party Type.

- FA Reclass will be treated as transfers and GST will be calculated on reclass entries.
- Transactions posted from journals with GST and GST + TCS can be reversed
- The application of advance payment is allowed from journal invoices
- System allows cross application of Invoice and Credit memo,

Invoice From	Credit Memo	Application
Journal Invoice	Journal Credit Memo	Allowed
Journal Invoice	Credit Memo Document	Allowed
Invoice Document	Journal Credit Memo	Allowed
Invoice Document	Credit Memo Document	Allowed

## 8. Advance Payment and its Application to Invoice

### A. Advance Payment – Purchases

- GST on **Advance Payment** field needs to be activated in **General Journal Line** for computation of GST on Advance Payment. In addition, GST Group code and GST Place of Supply are to be entered for computation of GST.
- GST on Advance Payment is calculated in the following scenarios:
  - Import of Services
  - Purchase of services from an unregistered person
  - Purchase of Reverse Charge Services from an registered Vendor
  - Purchase of Services from SEZ Vendor
- GST on Advance Payment for GST Group Type Goods is exempted.
- HSN/SAC Codes are not mandatory for GST calculation in advance payment.
- GST on Advance Payment is not calculated in the following scenarios. In other words, system shall not allow you to check GST on Advance Payment in the following scenarios:
  - Normal purchases
  - Import of goods

For the above scenarios, no GST liability is created at the time of advance payment and hence no GST related accounting entries are generated.

Since the GST has been exempted for unregistered vendor, will not be calculated in advance payments for unregistered vendor.

- In case of scenarios that are subject to reverse charge, the purchaser himself has to pay tax to the government. As per **Time of Supply** provisions of Model GST law, liability to pay tax arises at the time of advance payment for reverse charge scenarios. Hence, the system computes tax for import of services, SEZ purchase of Services, purchase of goods and services from an unregistered person and purchase of reverse charge services from a Registered vendor.
- The provisions of Customs Act govern import of goods and as there is no provision for payment of tax on advances under Customs Act, no liability is created at the time of advance payment for import of goods.
- The liability is created for import of services, SEZ purchase of Services, purchases from an unregistered person and purchase of reverse charge services from a Registered vendor by crediting GST to Payable Account.
- There is no Credit Availment or Non-Availment option for advance payment. Hence Receivable (Interim) is by default debited in all cases.
- System will not consider Component wise non-availment while calculating GST in advance payment.
- An advance payment entry can be reversed before the tax is paid to government. If the tax liability is discharged to the government through GST Settlement screen, then paid field in **Detailed GST Ledger Entry** is activated. Then the advance payment cannot be reversed.
- **Calculation of GST on Advance Payment:**

Particulars	Amount (Rs.)
<b>SGST Rate</b>	10%
<b>CGST Rate</b>	10%
<b>Advance Payment</b>	10000
<b>CGST Amount (10000*10%)</b>	1000
<b>SGST Amount (10000*10%)</b>	1000

Advance Payment made to vendor does not include tax payment, as the purchaser

is liable to pay tax under reverse charge. Hence, tax is applied straight away on base.

- **Entry for Advance Payment when GST on Advance Payment is checked:**

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
<b>Vendor Account.....Dr.</b>	10000	
<b>CGST Receivable (Interim) Account.....Dr.</b>	1000	
<b>SGST Receivable (Interim) Account.....Dr.</b>	1000	
<b>To CGST Payable Account</b>		1000
<b>To SGST Payable Account</b>		1000
<b>To Bank Account</b>		10000

**Reversal Entry for Advance Payment when GST on Advance Payment is checked:**

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
<b>Bank Account.....Dr.</b>	10000	
<b>CGST Payable Account.....Dr.</b>	1000	
<b>SGST Payable Account.....Dr.</b>	1000	
<b>To CGST Receivable (Interim) Account</b>		1000
<b>To SGST Receivable (Interim) Account</b>		1000
<b>To Vendor Account</b>		10000

## **B. Advance Payment Application to Purchase Invoice**

- An advance payment made to vendor for a transaction that is subject to reverse charge is to be reported in GSTR-2. As per new rules/formats published by GOI advance payment made to vendor can be applied against invoice which has same GST rate, HSN/SAC code wise application is not mandatory.
- When the advance payment is applied in the same month to an invoice, then the liability for payment arises for both advance payment and invoice in the same month and such applications need not be disclosed in GSTR-2.
- However, if advance payment is paid in a month and is applied to invoice in the subsequent month, then this application is to be reported in GSTR-2. The application/adjustments reported in GSTR 2 should be only rate wise for each component for whole period, not required to specify invoice number and HSN/SAC code against each advance payment received.

- As the GST rate is defined in system against GST Group wise hence, the advance payment application in the system is developed in such a way that the system validates the GST Group code of both invoice and advance payment, and allows applying them only if they are same.
- If an invoice is having a single line or multiple lines with same GST Group code, then system validates at the time of application whether the GST Group code in advance payment matches with that of GST Group code entered in purchase lines. System does not allow you to apply if GST Group in both documents are not the same.
- If an invoice is having multiple lines with multiple GST Group codes, then any of such GST Group codes shall match with GST Group code in Advance Payment. The advance amount is applied to the purchase line amount having same GST Group code. This can be explained with the following example:

#### Advance Payment:

Entry Type	HSN Code	GST Component	GST Group code	GST Base Amount	GST%	GST Amount
Initial Entry	SAC01	CGST	0989	10000	10.00	1000
Initial Entry	SAC01	SGST	0989	10000	10.00	1000
Initial Entry	SAC02	CGST	0989	10000	10.00	1000
Initial Entry	SAC02	SGST	0989	10000	10.00	1000

#### Application of Advance Payment with Invoice:

Entry Type	HSN Code	GST Component	GST Group code	GST Base Amount	GST%	GST Amount
Initial Entry	SAC03	CGST	1989	10000	10.00	1000
Initial Entry	SAC03	SGST	1989	10000	10.00	1000
Initial Entry	SAC01	CGST	0989	15000	10.00	1500
Initial Entry	SAC01	SGST	0989	15000	10.00	1500
Application	SAC01	CGST	0989	-10000	10.00	-1000
Application	SAC01	SGST	0989	-10000	10.00	-1000
Application	SAC01	CGST	0989	-5000	10.00	-500
Application	SAC01	SGST	0989	-5000	10.00	-500

#### Vendor Ledger Entries:

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Document Type	Original Amount	Amount	Remaining amount	GST Group	HSN/SAC Code	GST on Advance Payment
Payment	10000	10000	0	0989	SAC01	Yes
Payment	10000	10000	5000	0989	SAC02	Yes
Invoice	-20000	-20000	-5000	-	-	-

- Credit on tax payable at the time of advance payment can be availed when:
  - The advance payment is applied to the invoice

NOTE: GST on Advance Payment for GST Group Type Goods is exempted, the existing advance payments posted before this release will be allowed to apply to invoice and further posting of advance payments are restricted in system.

- **Calculation Example for Accounting Entries:**

Particulars	Amount (Rs.)
<b>SGST Rate</b>	10%
<b>CGST Rate</b>	10%
<b>Advance Payment</b>	10000
<b>CGST Amount (10000*10%)</b>	1000
<b>SGST Amount (10000*10%)</b>	1000
<b>Invoice Amount</b>	20000
<b>SGST Amount (20000*10%)</b>	2000
<b>CGST Amount (20000*10%)</b>	2000

- **Online Application of an Advance Payment to Invoice - Goods with Credit Availment**

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
<b>Purchase Account.....Dr.</b>	20000	
<b>CGST Receivable Account..... Dr.</b>	2000	
<b>SGST Receivable Account.....Dr.</b>	2000	
<b>To CGST Payable Account</b>		2000
<b>To SGST Payable Account</b>		2000
<b>To Vendor Account</b>		20000
<b>CGST Payable Account.....Dr.</b>	1000	

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
<b>SGST Payable Account.....Dr.</b>	1000	
<b>To CGST Receivable (Interim) Account</b>		1000
<b>To SGST Receivable (Interim) Account</b>		1000

**Note:**

Entries in pink are generated, if advance payment is applied to Invoice offline i.e. through vendor ledger entries.

For Interstate transactions CGST, SGST shall be replaced by IGST.

- **Un-Application of an Advance Payment to Invoice - Goods with Credit Availment**

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
<b>CGST Receivable (Interim) Account..... Dr.</b>	1000	
<b>SGST Receivable (Interim) Account.....Dr.</b>	1000	
<b>To CGST Payable Account</b>		1000
<b>To SGST Payable Account</b>		1000

**Note:**

Un-application entries are same for both online application and offline application. For Interstate transactions CGST, SGST shall be replaced by IGST

- **Online Application of an Advance Payment to Invoice - Goods without Credit Availment**

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
<b>Purchase Account.....Dr.</b>	24000	
<b>To CGST Payable Account</b>		2000
<b>To SGST Payable Account</b>		2000
<b>To Vendor Account</b>		20000
<b>CGST Payable Account.....Dr.</b>	1000	
<b>SGST Payable Account.....Dr.</b>	1000	
<b>To CGST Receivable (Interim) Account</b>		1000
<b>To SGST Receivable (Interim) Account</b>		1000

**Note:**



Entries in pink are created, if advance payment is applied to Invoice offline i.e. through vendor ledger entries.

For Interstate transactions CGST, SGST shall be replaced by IGST.

- **Un-Application of an Advance Payment to Invoice - Goods without Credit Availment**

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
<b>CGST Receivable (Interim) Account..... Dr.</b>	1000	
<b>SGST Receivable (Interim) Account.....Dr.</b>	1000	
<b>To CGST Payable Account</b>		1000
<b>To SGST Payable Account</b>		1000

**Note:**

Un-application entries are same for both online application and offline application. For Interstate transactions CGST, SGST shall be replaced by IGST.

**Online Application of an Advance Payment to Invoice - Services with Credit Availment**

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
<b>Services General Ledger Account.....Dr.</b>	20000	
<b>CGST Receivable (Interim) Account..... Dr.</b>	2000	
<b>SGST Receivable (Interim) Account.....Dr.</b>	2000	
<b>To CGST Payable (Interim) Account</b>		2000
<b>To SGST Payable (Interim) Account</b>		2000
<b>To Vendor Account</b>		20000
<b>CGST Payable (Interim) Account.....Dr.</b>	1000	
<b>SGST Payable (Interim) Account.....Dr.</b>	1000	
<b>CGST Receivable Account.....Dr.</b>	1000	
<b>SGST Receivable Account.....Dr.</b>	1000	
<b>To CGST Receivable (Interim) Account</b>		2000
<b>To SGST Receivable (Interim) Account</b>		2000

**Note:**

Entries in pink are created, if advance payment is applied to Invoice offline i.e. through vendor ledger entries.

For Interstate transactions CGST, SGST shall be replaced by IGST

- **Un-Application of an Advance Payment to Invoice - Services with Credit Availment**

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
<b>CGST Receivable (Interim) Account..... Dr.</b>	2000	
<b>SGST Receivable (Interim) Account.....Dr.</b>	2000	
<b>To CGST Receivable Account</b>		1000
<b>To SGST Receivable Account</b>		1000
<b>To CGST Payable (Interim) Account</b>		1000
<b>To SGST Payable (Interim) Account</b>		1000

**Note:**

Un-application entries are same for both online application and offline application. For Interstate transactions CGST, SGST shall be replaced by IGST.

- **Online Application of an Advance Payment to Invoice - Services without Credit Availment**

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
<b>Services General Ledger Account .....Dr.</b>	24000	
<b>To CGST Payable (Interim) Account</b>		2000
<b>To SGST Payable (Interim) Account</b>		2000
<b>To Vendor Account</b>		20000
<b>CGST Payable (Interim) Account.....Dr.</b>	1000	
<b>SGST Payable (Interim) Account.....Dr.</b>	1000	
<b>To CGST Receivable (Interim) Account</b>		1000
<b>To SGST Receivable (Interim) Account</b>		1000

**Note:**

Entries in pink are created, if advance payment is applied to Invoice offline i.e. through vendor ledger entries. For Interstate transactions CGST, SGST shall be replaced by IGST.

- **Un-Application of an Advance Payment to Invoice - Services without Credit Availment**

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
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<b>CGST Receivable (Interim) Account..... Dr.</b>	1000	
<b>SGST Receivable (Interim) Account.....Dr.</b>	1000	
<b>To CGST Payable (Interim) Account</b>		1000
<b>To SGST Payable (Interim) Account</b>		1000

**Note:**

Un-application entries are same for both online application and offline application. For Interstate transactions CGST, SGST shall be replaced by IGST.

**GST exempted on RC (Reverse Charge) for Unregistered Vendor.**

As per Time of Supply rules, for services that are subject to reverse charge, the liability to pay tax arises at the time of vendor payment. GST will be calculated in service invoices if advance payments posted earlier to RCM exempt period are applied to invoice posted in RCM exempt period. GST will be calculated to the extent of advance payment applied to the invoice.

- **Online Application of an Advance Payment posted earlier to RCM exempt period to Invoice posted within RCM exempt period – Services with Credit Availment**

<b>G/L Account Name</b>	<b>Debit Amount (Rs.)</b>	<b>Credit Amount (Rs.)</b>
<b>Services General Ledger Account.....Dr.</b>	20000	
<b>To Vendor Account</b>		20000
<b>CGST Receivable Account.....Dr.</b>	1000	
<b>SGST Receivable Account.....Dr.</b>	1000	
<b>To CGST Receivable (Interim) Account</b>		1000
<b>To SGST Receivable (Interim) Account</b>		1000

**Note:**

Entries in pink are created, if advance payment is applied to Invoice offline i.e. through vendor ledger entries.

For Interstate transactions CGST, SGST shall be replaced by IGST

- **Un-Application of an Advance Payment to Invoice - Services with Credit Availment**

<b>G/L Account Name</b>	<b>Debit Amount (Rs.)</b>	<b>Credit Amount (Rs.)</b>
<b>CGST Receivable (Interim) Account..... Dr.</b>	1000	
<b>SGST Receivable (Interim) Account.....Dr.</b>	1000	
<b>To CGST Receivable Account</b>		1000

<b>To SGST Receivable Account</b>		1000
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**Note:**

Un-application entries are same for both online application and offline application. For Interstate transactions CGST, SGST shall be replaced by IGST.

- **Online Application of an Advance Payment to Invoice - Services without Credit Availment**

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
<b>Services General Ledger Account .....Dr.</b>	22000	
<b>To Vendor Account</b>		20000
<b>To CGST Receivable (Interim) Account</b>		1000
<b>To SGST Receivable (Interim) Account</b>		1000

**Note:**

Entries in pink are created, if advance payment is applied to Invoice offline i.e. through vendor ledger entries. For Interstate transactions CGST, SGST shall be replaced by IGST.

- **Un-Application of an Advance Payment to Invoice - Services without Credit Availment**

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
<b>CGST Receivable (Interim) Account..... Dr.</b>	1000	
<b>SGST Receivable (Interim) Account.....Dr.</b>	1000	
<b>To Services General Ledger Account</b>		2000

**Note:**

Un-application entries are same for both online application and offline application. For Interstate transactions CGST, SGS shall be replaced by IGST.

**The transactions posted with FCY and if exchange rates are different in Advance payment and Invoice then below entries will be applicable**

**Advance Payment Details:**

Field Name	Value
<b>Currency Code</b>	USD
<b>Exchange Rate Amount</b>	1
<b>Relational Exch. Rate Amount</b>	69

<b>Amount</b>	100
<b>GST Group Type</b>	Service
<b>GST Credit</b>	Availment
<b>GST Base Amount</b>	100 (USD)
<b>GST Amount</b>	18 (USD)
<b>GST %</b>	18

#### G/L Entries

<b>G/L Account Name</b>	<b>Debit Amount (Rs.)</b>	<b>Credit Amount (Rs.)</b>
<b>Vendor Account.....Dr.</b>	6900	
<b>IGST Receivable (Interim) .....Dr.</b>	1242	
<b>To IGST Payable</b>		1242
<b>To Cash</b>		6900

#### Invoice Details:

<b>Field Name</b>	<b>Value</b>
<b>GST Group Type</b>	Service
<b>GST Credit</b>	Availment
<b>GST Jurisdiction Type</b>	Interstate
<b>Currency Code</b>	USD
<b>Exchange Rate Amount</b>	1
<b>Relational Exch. Rate Amount</b>	65
<b>Line Amount</b>	100
<b>GST Base Amount</b>	100 (USD)
<b>GST Amount</b>	18 (USD)

#### G/L Entries

<b>Account</b>	<b>Debit Amount (Rs.)</b>	<b>Credit Amount (Rs.)</b>
<b>Services General Ledger Account.....Dr.</b>	6500	
<b>IGST Receivable (Interim) Account.....Dr.</b>	1170	
<b>To IGST Payable (Interim) Account</b>		1170
<b>To Vendor Account</b>		6500

- **Online Application of an Advance Payment to Invoice - Services with Credit Availment where Advance payment exchange rate is higher**

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than Invoice

Account	Debit Amount (Rs.)	Credit Amount (Rs.)
Services General Ledger Account.....Dr.	6500	
IGST Receivable (Interim) Account.....Dr.	1170	
To IGST Payable (Interim) Account		1170
To Vendor Account		6900
IGST Payable (Interim) Account.....Dr.	1170	
IGST Receivable Account .....Dr.	1170	
To IGST Receivable (Interim) Account		2340
Realized FX Losses Account.....Dr.	400	
IGST Receivable Account .....Dr.	72	
To IGST Receivable(Interim) Account		72

The difference of  $1242 - 1170 = 72$ , this amount to be posted into GST Receivable (Interim) and GST Receivable accounts.

- **Un-Application of an Advance Payment to Invoice - Services with Credit Availment where Advance payment exchange rate is higher than Invoice**

Account	Debit Amount (Rs.)	Credit Amount (Rs.)
Vendor Account .....Dr.	400	
IGST Payable (Interim) .....Dr.	1170	
IGST Receivable (Interim) .....Dr.	2340	
To IGST Receivable (Interim)		1170
To IGST Payable (Interim)		1170
To IGST Receivable		1170
To Realized FX Losses		400
IGST Receivable(Interim) .....Dr.	72	
To IGST Receivable		72

- **Online Application of an Advance Payment to Invoice - Services without Credit Availment where Advance payment exchange rate is**

**higher than Invoice**

Account	Debit Amount (Rs.)	Credit Amount (Rs.)
Services General Ledger Account.....Dr.	7670	
IGST Payable (Interim) .....Dr.	1170	
To IGST Payable (Interim)		1170
To IGST Receivable (Interim)		1170
To Vendor Account		6900
Realized FX Losses.....Dr.	400	
Services General Ledger Account.....Dr.	72	
To IGST Receivable(Interim)		72

- **Un-Application of an Advance Payment to Invoice - Services without Credit Availment where Advance payment exchange rate is higher than Invoice**

Account	Debit Amount (Rs.)	Credit Amount (Rs.)
Vendor Account.....Dr.	400	
IGST Receivable (Interim) .....Dr.	1170	
To IGST Payable (Interim)		1170
To Realized FX Losses		400
IGST Receivable(Interim) .....Dr.	72	
To Services General Ledger Account		72

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
Services General Ledger Account.....Dr.	20000	
CGST Receivable (Interim) Account..... Dr.	2000	
SGST Receivable (Interim) Account.....Dr.	2000	
To CGST Payable (Interim) Account		2000
To SGST Payable (Interim) Account		2000
To Vendor Account		20000
CGST Payable (Interim) Account.....Dr.	1000	
SGST Payable (Interim) Account.....Dr.	1000	
CGST Receivable Account.....Dr.	1000	

<b>SGST Receivable Account.....Dr.</b>	1000	
<b>To CGST Receivable (Interim) Account</b>		2000
<b>To SGST Receivable (Interim) Account</b>		2000

**Note:**

Entries in pink are created, if advance payment is applied to Invoice offline i.e. through vendor ledger entries.

For Interstate transactions CGST, SGST shall be replaced by IGST

- **Un-Application of an Advance Payment to Invoice - Services with Credit Availment**

<b>G/L Account Name</b>	<b>Debit Amount (Rs.)</b>	<b>Credit Amount (Rs.)</b>
<b>CGST Receivable (Interim) Account..... Dr.</b>	2000	
<b>SGST Receivable (Interim) Account.....Dr.</b>	2000	
<b>To CGST Receivable Account</b>		1000
<b>To SGST Receivable Account</b>		1000
<b>To CGST Payable (Interim) Account</b>		1000
<b>To SGST Payable (Interim) Account</b>		1000

**Note:**

Un-application entries are same for both online application and offline application. For Interstate transactions CGST, SGST shall be replaced by IGST.

- **Online Application of an Advance Payment to Invoice - Services without Credit Availment**

<b>G/L Account Name</b>	<b>Debit Amount (Rs.)</b>	<b>Credit Amount (Rs.)</b>
<b>Services General Ledger Account .....Dr.</b>	24000	
<b>To CGST Payable (Interim) Account</b>		2000
<b>To SGST Payable (Interim) Account</b>		2000
<b>To Vendor Account</b>		20000
<b>CGST Payable (Interim) Account.....Dr.</b>	1000	
<b>SGST Payable (Interim) Account.....Dr.</b>	1000	
<b>To CGST Receivable (Interim) Account</b>		1000
<b>To SGST Receivable (Interim) Account</b>		1000

**Note:**

Entries in pink are created, if advance payment is applied to Invoice offline i.e. through vendor ledger entries.



For Interstate transactions CGST, SGST shall be replaced by IGST.

- **Un-Application of an Advance Payment to Invoice - Services without Credit Availment**

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
<b>CGST Receivable (Interim) Account..... Dr.</b>	1000	
<b>SGST Receivable (Interim) Account.....Dr.</b>	1000	
<b>To CGST Payable (Interim) Account</b>		1000
<b>To SGST Payable (Interim) Account</b>		1000

**Note:**

Un-application entries are same for both online application and offline application. For Interstate transactions CGST, SGST shall be replaced by IGST.

**C. Advance Payment, GST & TDS:**

Advance Payment is applicable only for purchase scenarios that are subject to reverse charge. Hence, it shall always exclude GST because Advance Payment under GST does not include GST Amount.

Particulars	Amount (Rs.)
<b>Advance Received</b>	10000
<b>IGST Rate</b>	20%
<b>Base Amount</b>	10000
<b>IGST Amount (10000*20%)</b>	2000
<b>TDS%</b>	10%
<b>TDS Amount</b>	1000
<b>Invoice Amount</b>	20000
<b>IGST (20000*20%)</b>	4000
<b>TDS%</b>	10%
<b>TDS Amount</b>	2000

**Accounting Entry at the time of Advance Payment:**

Particulars	Debit (Rs.)	Credit (Rs.)
<b>Vendor Account.....Dr.</b>	10000	
<b>IGST Receivable (Interim) Account.....Dr.</b>	2000	
<b>To Bank Account</b>		9000
<b>To IGST Payable Account</b>		2000

<b>To TDS Payable Account</b>		1000
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#### Accounting Entry at the time of Invoice (Online Application)

Particulars	Debit (Rs.)	Credit (Rs.)
<b>Services General Ledger Account .....Dr.</b>	20000	
<b>IGST Receivable (Interim) Account.....Dr.</b>	4000	
<b>To Vendor Account</b>		19000
<b>To IGST Payable (Interim) Account</b>		4000
<b>To TDS Payable Account</b>		1000
<b>IGST Payable (Interim) Account.....Dr.</b>	2000	
<b>IGST Receivable Account .....Dr.</b>	2000	
<b>To IGST Receivable (Interim) Account</b>		4000

#### D. TDS calculation in Advance Payment Excluding GST Amount :

TDS should not be calculated on GST amount, in some cases where payment terms is set as 100% advance, full order value has to be paid as advance payment. In such cases, amount paid to vendor will be included of GST and if TDS has to deducted while paying amount to vendor then system should deduct TDS only on base amount and should not calculate TDS on GST amount. Example is illustrated below:

Particulars	Value
Transaction value	1,00,000
GST %	18
Total Transaction Value Incl. of GST	1,18,000
Payment Terms	100% Advance
Vendor Type	Registered

Existing Payment details

Particulars	Value
Amount to Pay	1,18,000
TDS %	2
TDS Base Amount	1,18,000
TDS Amount	2,360

The amount to pay is inclusive of GST, hence system should not calculate TDS on 1,18,000.

A new field has been introduced for capturing amount excluding GST, if this field is not blank, then system will calculate TDS on amount updated in this field. If this field is blank, then system will calculate TDS on Amount field.

#### New Payment details

Particulars	Value
Amount to Pay	1,18,000
TDS %	2
Amount Excl. GST	1,00,000
TDS Base Amount	1,00,000
TDS amount	2,000

#### G/L Entries for payment:

Entry No.	Document Type	G/L Account Name	Debit Amount	Credit Amount
1	Payment	Vendor Account	1,18,000	
2	Payment	TDS Payable		2,000
3	Payment	Cash / Bank Account		1,16,000

#### TDS Entry:

Particulars	Values
Entry No.	1
	Payment
Doc. No.	CP001
	Vendor
Party Code	10000
	CONT
TDS Base	1,00,000
	2
TDS Amt.	2,000
	2,000
Invoice Amount	1,00,000

#### **E. Advance Receipt – Sales:**

- GST on **Advance Payment** field is activated in **General Journal Line** for computation of GST on Advance Receipt. In addition, GST Group code, GST Place of Supply and HSN/SAC Codes are to be entered for computation of GST.
- GST on **Advance Receipt** is calculated in the following scenarios:

- Registered Sales
  - Unregistered Sales
- GST on Advance Payment for GST Group Type Goods is exempted.
  - GST on **Advance Receipt** is not calculated in the following scenarios. In other words, system shall not allow to check GST on **Advance Payment** in the following scenarios:
    - Exports
    - Deemed Export
    - Exempted Sales
    - SEZ Unit
    - SEZ Development

For the above scenarios, no GST liability is created at the time of advance payment and hence no GST related accounting entries are generated.

- As per **Time of Supply** provisions of Model GST law, liability to pay tax arises at the time of advance receipt and hence the system back calculates tax component in advance payment and posts the same to the credit of **Payable Account** and debit of **Payable (Interim) Account**.
- An advance receipt entry can be reversed before the tax is paid to government. If the tax liability is discharged to the government through GST Settlement screen, then paid field in **Detailed GST Ledger Entry** is activated. Then the advance receipt cannot be reversed.
- **Calculation of GST on Advance Payment:**

Particulars	Amount (Rs.)
<b>SGST Rate</b>	9%
<b>CGST Rate</b>	9%
<b>Advance Payment</b>	10000
<b>GST Base Amount (10000*100/118)</b>	8475
<b>CGST Amount (8475* 9%)</b>	762
<b>SGST Amount (8475* 9%)</b>	763

- **Entry for Advance Receipt when GST on Advance Payment is checked:**

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
<b>Bank Account.....Dr.</b>	10000	

<b>CGST Payable (Interim) Account.....Dr.</b>	762	
<b>SGST Payable (Interim) Account.....Dr.</b>	763	
<b>To CGST Payable Account</b>		762
<b>To SGST Payable Account</b>		763
<b>To Customer Account</b>		10000

**Reversal Entry for Advance Receipt when GST on Advance Payment is checked:**

<b>G/L Account Name</b>	<b>Debit Amount (Rs.)</b>	<b>Credit Amount (Rs.)</b>
<b>Customer Account.....Dr.</b>	10000	
<b>CGST Payable Account.....Dr.</b>	762	
<b>SGST Payable Account.....Dr.</b>	763	
<b>To CGST Payable (Interim) Account</b>		762
<b>To SGST Payable (Interim) Account</b>		763
<b>To Bank Account</b>		10000

#### **F. Advance Receipt Application to Sales Invoice**

- An advance received from a customer is to be reported in GSTR-1 with GST Rate wise for whole period, HSN/SAC code is not required to be published for advance payments.
- When the advance receipt is applied in the same month to an invoice, then the liability for payment arises for both advance receipt and invoice in the same month and such applications need not be disclosed in GSTR-1.
- However, if advance receipt is paid in a month and is applied to invoice in the subsequent month, then this application also needs to be reported in GSTR-1. The application/adjustment reported in GSTR-1 should be only rate wise for each component for whole period, not required to specify invoice number and HSN/SAC code against each advance payment received.
- As the GST rate is defined in system against GST Group wise hence, the advance receipt application in the system is developed in such a way that the system validates the GST Group code of both invoice, advance receipt, and allows you to apply only if they are same.
- If an invoice is having a single line or multiple lines with same GST Group code, then system validates at the time of the application whether GST Group code in

advance receipt matches with that of GST Group code entered in purchase lines. System does not allow applying if GST Group code in both documents are not same.

- If an invoice is having multiple lines with multiple GST Group codes, then any of such GST Group codes shall match with GST Group code in advance receipt. The advance amount is applied to the purchase line amount having same GST Group code. This can be explained with the following example:

#### Advance Receipt

Entry Type	HSN Code	GST Component	GST Group code	GST Base Amount	GST%	GST Amount
Initial Entry	SAC01	CGST	0989	8475	9.00	763
Initial Entry	SAC01	SGST	0989	8475	9.00	762
Initial Entry	SAC02	CGST	0989	8475	9.00	763
Initial Entry	SAC02	SGST	0989	8475	9.00	762

#### Advance Receipt Application with Invoice:

Entry Type	HSN Code	GST Component	GST Group code	GST Base Amount	GST%	GST Amount
Initial Entry	SAC03	CGST	1989	10000	9.00	900
Initial Entry	SAC03	SGST	1989	10000	9.00	900
Initial Entry	SAC01	CGST	0989	15000	9.00	1350
Initial Entry	SAC01	SGST	0989	15000	9.00	1350
Application	SAC01	CGST	0989	-8475	9.00	-763
Application	SAC01	SGST	0989	-8475	9.00	-763
Application	SAC01	CGST	0989	-6525	9.00	-588
Application	SAC01	SGST	0989	-6525	9.00	-587

#### Customer Ledger Entries:

Document Type	Original Amount	Amount	Remaining amount	GST Group	HSN/SAC Code	GST on Advance Payment
Payment	-10000	-10000	-	0989	SAC01	Yes
Payment	-10000	-10000	-2300	0989	SAC02	Yes
Invoice	29500	29500	-11800	-	-	-

- **Calculation Example for Accounting Entries:**

Particulars	Amount (Rs.)
<b>SGST Rate</b>	9%
<b>CGST Rate</b>	9%
<b>Advance Receipt</b>	10000
<b>GST Base Amount (10000*100/118)</b>	8475
<b>CGST Amount (8475* 9%)</b>	762
<b>SGST Amount (8475* 9%)</b>	763
<b>Invoice Amount</b>	20000
<b>SGST Amount (20000*9%)</b>	1800
<b>CGST Amount (20000*9%)</b>	1800

- **Online Application of an Advance Receipt to Invoice**

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
<b>Customer Account.....Dr.</b>	23600	
<b>To CGST Payable Account</b>		1800
<b>To SGST Payable Account</b>		1800
<b>To Sales Account</b>		20000
<b>CGST Payable Account.....Dr.</b>	762	
<b>SGST Payable Account.....Dr.</b>	763	
<b>To CGST Payable (Interim) Account</b>		762
<b>To SGST Payable (Interim) Account</b>		763

**Note:** Entries in pink are generated, if advance payment is applied to an invoice offline i.e. through customer ledger entries.

For Interstate transactions CGST, SGST shall be replaced by IGST.

- **Un-Application of an Advance Receipt to Invoice**

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
<b>CGST Payable (Interim) Account..... Dr.</b>	762	
<b>SGST Payable (Interim) Account.....Dr.</b>	763	
<b>To CGST Payable Account</b>		762
<b>To SGST Payable Account</b>		763

**Note:**

Un-application entries are same for both online application and offline application.

For Interstate transactions CGST, SGST shall be replaced by IGST.

An advance receipt and invoice application cannot be unapplied, if the tax liability on both is discharged through GST Settlement Screen.

## G. Advance Receipt, GST & TCS:

Particulars	Amount (Rs.)
<b>Advance Received</b>	10000
<b>IGST Rate</b>	20%
<b>Base Amount (10000*100/120)</b>	8333
<b>IGST Amount (8333*20%)</b>	1667
<b>TCS%</b>	1%
<b>TCS Amount</b>	100
<b>Invoice Amount</b>	20000
<b>IGST (20000*20%)</b>	4000
<b>TCS%</b>	1%
<b>TCS Amount (24000*1%)</b>	240

### Advance Receipt Entry:

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
<b>Bank Account.....Dr.</b>	10000	
<b>IGST Payable (Interim) Account.....Dr.</b>	1667	
<b>To IGST Payable Account</b>		1667
<b>To TCS Payable Account</b>		100
<b>To Customer Account</b>		9900

### Invoice Online Application Entry:

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
<b>Customer Account.....Dr.</b>	24140	
<b>To IGST Payable Account</b>		4000
<b>To Sales Account</b>		20000
<b>To TCS Payable Account</b>		140

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<b>IGST Payable Account.....Dr.</b>	1667	
<b>To IGST Payable (Interim) Account</b>		1667

## H. Advance Payment/Receipt Adjustment

- The user at the time of Advance Payment/Receipt is required to apply some GST Group code for the transaction to determine the tax and make payment/receipt to the government. However, thereafter, it may be necessary for the user to appropriate the advance payment/receipt to an invoice having different GST Group code with same rate or altogether a different rate.
- When an advance payment/receipt is to be applied to an invoice having different GST Group code, then advance payment/receipt is required to be revised with GST Group code of the invoice and any difference in tax liability due to change in rate is to be discharged to the government. This revision also needs to be disclosed in the return subsequent to which the revised advance payment/receipt can be applied to the Invoice.
- System, when applying an advance payment/receipt to an invoice validates the GST Group code and allows them to be applied only when the code is identical in both the documents. When user wants to apply an advance payment/receipt to an invoice having a different GST Group code, the same can be done by revising the advance payment/receipt through this functionality.
- The advance payment adjustment shall be processed by posting a refund entry and by posting a new advance payment with refund amount.
- The advance payment adjustment shall be posted manually through **Payment Journal** and **Cash Receipt Journal**.
- User need to create a refund entry and apply with original advance payment entry. In addition, the user needs to create advance payment entry with same document number along with the refund entry.
- **Adv. Pmt. Adjustment** field in **General journal Line** is to be activated for the purpose of this adjustment.
- While posting adjustment entry, system posts both entries together. System validates the refund entry amount with advance payment entry amount and ensures that the amount in both entries are equal.

- On posting of the adjustment entry, system creates a customer/vendor ledger entry, which contains an adjustment entry flag.
- System will not allow the user to reverse the adjustment entry.
- Advance payment adjustment is used for adjusting advance payment with different GST Groups and HSN/SAC. Application of advance payment to Invoice is not allowed if different GST Groups are selected in both documents, hence user need to adjust advance payment with same GST Group selected in Invoice so that it can be applied.
- The Adjustment of advance payment shall be disclosed in GSTR 1, user can publish adjustment details with the help of ATA report from GSTR 1 File formats,
- The ATA report of GSTR 1 file format consists adjustment details of advance payments posted in earlier period.
- ATA report publishes Original Period, Place Of Supply (State), GST rate wise details of advance payment posted in earlier period along with adjustment posted in current period against them.
- The adjustments entries posted within same period will be part of AT report of GSTR 1 file format.

Note: The details published in ATA report for adjustment of adjustment scenario is not handled in this release, this will be delivered in upcoming releases.

## 9. Normal Payment and its Application to Invoice

- **Normal Payment application** is applicable only for Services that are subject to reverse charge. System triggers reverse charge if the **Vendor Type** is **Unregistered** or **Import or SEZ or Registered Vendor(Rev. Chrg. Services)**. Thus, if services are either imported or procured from SEZ or procured from an unregistered vendor or any Reverse Charge service is purchased from Registered Vendor, then this functionality is applicable. In case of Import associate this functionality is not applicable as liability arises at time of Invoice/payment whichever is earlier so the liability is created at time of normal payment. In all other scenarios, application of normal payment to vendor does not result in generation of any tax liability and GST entries.
- As per GST law, the 'Time of Supply' for services that are subject to reverse charge arises on the date of payment to vendor. Hence for reverse charge services, at the time of posting invoice, the tax liability is posted to **Payable Interim Account**. When normal payment is applied to an Invoice, then the liability is transferred from **Payable Interim Account** to **Payable Account**.
- Also, if credit can be availed on the services then, at time of posting invoice, the credit is posted to **Receivable Interim Account**. When normal payment is applied to an Invoice, then the credit is transferred from **Receivable Interim Account** to **Receivable Account**.
- Normal Payment can be applied to an invoice from Payment vouchers or Invoice can be applied to Payment in invoice itself. Alternatively invoice can be applied to payment or vice-versa through **Vendor Ledger Entry**.
- For unregistered, Import vendor and Reverse charge purchase of service from Registered vendor, user has to post a separate invoice for goods and services in the system. No GST calculation is done at the time of application. Based on the normal payment applied to invoice, system proportionately posts the liability from **Payable Interim Account to Payable Account** and credit(if applicable) from **Receivable Interim Account to Receivable Account**. This can be explained with the following example:

HSN Code	GST Component	GST Group code	GST Base Amount	GST%	GST Amount	Vendor Amount
SAC01	CGST	ADV	10000	10.00	1000	10000
SAC01	SGST	ADV	10000	10.00	1000	10000
SAC02	CGST	CA	20000	8.00	1600	20000
SAC02	SGST	CA	20000	8.00	1600	20000
SAC03	CGST	CAB	30000	9.00	2700	30000
SAC03	SGST	CAB	30000	9.00	2700	30000

Entry Type	GST Base Amount
Total GST Base	60000
Invoice Total CGST Amount	5300
Invoice Total SGST Amount	5300

Particulars	Amount & Formulae	GST Base Amount
Normal Payment Applied		10000
SGST Amount	Invoice Total SGST amount * (Normal Payment Applied/Total Base Amount)	$5300 * (10000/60000) = 883$
CGST Amount		$5300 * (10000/60000) = 883$

#### Accounting Entry for Application of Invoice to Normal Payment:

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
Vendor Account.....Dr.	10000	
CGST Payable (Interim) Account.....Dr.	883	
SGST Payable (Interim) Account.....Dr.	883	
CGST Receivable Account.....Dr.	883	
SGST Receivable Account.....Dr.	883	
To CGST Payable Account		883
To SGST Payable Account		883
To CGST Receivable (Interim) Account		883
To SGST Receivable (Interim) Account		883
To Bank Account		10000

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When normal payment is unapplied to an Invoice, then the following General Ledger entry is generated:

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
<b>CGST Payable Account.....Dr.</b>	883	
<b>SGST Payable Account.....Dr.</b>	883	
<b>CGST Receivable (Interim) Account.....Dr.</b>	883	
<b>SGST Receivable (Interim) Account.....Dr.</b>	883	
<b>To CGST Payable (Interim) Account</b>		883
<b>To SGST Payable (Interim) Account</b>		883
<b>To SGST Receivable Account</b>		883
<b>To SGST Receivable Account</b>		883

#### **RC Exempt transactions:**

If normal payments posted within RC exempted period applied to invoices which are posted earlier to RC exempt period, in such cases system should reverse GST interim entries posted at the time of invoice posting.

#### **Entry for Availment**

G/L Account Name	Debit Amount	Credit Amount
<b>IGST Payable (Interim) Account .....Dr.</b>	200	
<b>To IGST Receivable (Interim) Account</b>		200

#### **Entry for Non-Availment**

G/L Account Name	Debit Amount	Credit Amount
<b>IGST Payable (Interim) Account .....Dr.</b>	200	
<b>To Purchase Account</b>		200

# 10. Other Functionalities

## A. Service Management:

- There is no change in the functionality of Service Management. Necessary fields are added in Service Cost, Service Header and Service Lines to enable computation of GST in **Service Order** and **Service Invoice**. Accounting entries are similar to accounting entries generated for sales transactions.

## B. Stock Transfers:

### a. Background:

- Stock transfers between locations having different registration numbers are taxable under GST. If the shipment location and recipient location both are in the same state, then CGST and SGST are levied. IGST is payable if the shipment and recipient locations are in different states. Transfers between locations in the same state with same registration numbers are not liable to be taxed.
- Transfer is an Outward supply for shipment location. Hence GST becomes payable on such transactions and the same is to be reported in GSTR-1. Once the shipment location uploads GSTR-1 into GSTN portal, the transfer reflects in GSTR-2A of the recipient location.

### b. Stock Transfers functionality :

- The existing **Transfer Orders** can be used to execute stock transfers between locations. User is required to select GST related Structure in transfer order for calculating GST.
- GST is calculated if **GST Registration No.** specified in both locations are different. If **GST Registration No.** is not mentioned in location master, then GST will not be calculated on such transfer.
- Transfer involves two events – Shipment from Shipment location and Receipt by Recipient location.
- At the time of posting a transfer order, user has to select either Shipment or Receipt. On selecting and posting, the status of the transfer order changes to

released. Once the other option is also selected and posted, the transfer order is deleted from Transfer Order List page.

- If Shipment is selected at the time of posting and if the transfer is interstate, then the following entry is generated:

G/L Account Name	Debit Amount	Credit Amount
Unrealized Profit Account .....Dr.	200	
To IGST Payable Account		200
Inventory Adjustment Account .....Dr.	1000	
To Inventory Account		1000

**Note:**

If the transfer is intrastate, then in the above entry, IGST is replaced by CGST and SGST.

- The above **Payable Amount** shall be reflected in **GST Settlement** when the nature of liability is selected as Sales.
- If **Receipt** is selected at the time of posting and if the transfer is interstate, then the following entry is generated:

G/L Account Name	Debit Amount	Credit Amount
IGST Receivable Account .....Dr.	200	
To Unrealized Profit Account		200
Inventory Account .....Dr.	1000	
To Inventory Adjustment Account		1000

**Note:**

If the transfer is intrastate, then in the above entry, **IGST Receivable** is replaced by **CGST Receivable Account** and **SGST Receivable Account**.

- As the transaction is a purchase for the Recipient location, it reflects in GSTR-2A of that location once the shipment has included the transfer in GSTR-1. The credit amount from Detailed GST Ledger Entry with Credit Availment will be available as Credit in GST Settlement screen for adjusting against Output tax liability.

**c. Bonded warehouse transfers functionality :**  
**Background:**

The purchase order will be created with location as bonded warehouse and the material will be received at bonded warehouse while posting purchase order. Bonded warehouse transfers are transfers made from customs warehouse to company warehouse, this scenarios occurs when material is store at customs warehouse before moving it to company's warehouse, in this case the customs duty will be paid only when material is moved from bonded warehouse. In this case GST will not be calculated in purchase order, GST will be calculated (similar to import purchases) while posting of transfer receipts. User need to update Bill Of Entry date and Number in header and GST Assessable value and Custom Duty Amount on transfer order line (Same as values updated in purchase lines for calculating GST).

- The existing transfer orders will be used to execute this transaction. User is required to update Bonded Warehouse Boolean on Location master for identifying the locaion as bonded warehouse.
- User will select bonded warehouse location in Transfer-from Code and company warehouse location in Transfer-to Code field in transfer orders. User need to select GST structure in transfers for calculating GST in transaction.
- User need to enter Bill of Entry Number and Date in transfer order header and GST Assessable Value and Custom Duty Amount in transfer order lines (Similar to Import Purchases )
- System will calcualte GST on GST Assessable Value and Custom Duty Amount only (Similar to import purchase), not on transaction line amount.
- User need to select Vendor Code on transfer order header for system to identify the purchase account for posting non-avilment cost and Vendor details will be updated in Detailed GST Ledger Entry.
- System will not calculate GST and will not create any Detailed GST Ledger Entry while posting Shipment from bonded warehouse transfers, GST will be calculated and Detailed GST Ledger Entry will be creatd similar to Import purchase transaction while posting transfer receipt.
- If the bonded warehouse location is selected in Transfer-from Code, then system will calcualte GST on GST Assessable Value and Custom Duty Amount, else system will calculate GST on transaction line amount only.
- GST Registration No. is not mandatory in Bonded warehouse location.

## **C. Service Transfers:**

### **a. Background:**

- Service transfers are services provided between two locations of a same legal entity but having different registration numbers. Such transfers can be within the state (if the business verticals within the state are registered separately) or



interstate. Service transfers between two locations having separate registration numbers, whether interstate or intrastate, are taxable under GST.

- If the service providing location and recipient location both are in the same state, then CGST and SGST are levied. IGST is payable if the providing location and recipient location are in different states. Transfers between locations in the same state with same registration numbers are not liable to be taxed.
- Transfer is an Outward supply for providing location. Hence GST becomes payable on such transactions and the same is to be reported in GSTR-1. Once the providing location uploads GSTR-1 into GSTN portal, the transfer reflects in GSTR-2A of the recipient location.

## b. Service Transfer Functionality :

- In the system, Service transfers are treated differently when compared to transfer of goods. This is due to the reason that goods transfers affect the inventory records in the system where as service transfers involve mere transfer of service value from one location to another location.
- Service transfers can be done through **Service Transfer Order** in the system. Service Shipment and Recipient are to be done separately in the same page. Service Transfer order contains the following:
  - **General:** This is the header part where the details of the providing and recipient locations along with the corresponding General ledger accounts, shipment and receipt dates etc. can be entered/selected.
  - **Shipment lines:** In lines information such as **Transfer from G/L Account No.**, Transfer Price, GST Group Code, SAC, GST Base Amount, GST Amount etc. can be entered/selected.
  - **Receive lines:** Information such as **Recipient G/L Account No.**, Transfer Price, GST Group Code, SAC, GST Base amount, GST Amount etc. can be entered/selected
- On posting of service transfer shipment, system creates the following GST entries:

G/L Account Name	Debit Amount	Credit Amount
Inter-location Control Account .....Dr.	12000	
To CGST Payable Account		1000

<b>To SGST Payable Account</b>		1000
<b>To Services General Ledger Account</b>		10000

**Note:**

If the transfer is intrastate, then in the above entry, **CGST Payable Account** and **SGST Payable Accounts** are replaced by **IGST Payable Account**.

- On posting of service transfer receipt, system should create GST entries similar to the sales transactions.

<b>G/L Account Name</b>	<b>Debit Amount</b>	<b>Credit Amount</b>
<b>Services General Ledger Account.....Dr.</b>	10000	
<b>CGST Receivable Account .....Dr.</b>	1000	
<b>SGST Receivable Account .....Dr.</b>	1000	
<b>To Inter-location control Account</b>		12000

**Note:**

If the transfer is interstate, then in the above entry, **CGST Receivable** and **SGST Receivable** accounts are replaced by **IGST Receivable Account**.

- Impact on Reconciliation:** The service transfer receipt entries are treated as normal purchase entries and are shown in the **GST Reconciliation** page along with the normal purchase.
- Impact on Settlement:** The service transfer shipment process is similar to the normal sales shipment process and the GST liability is included in **Payment liability** under **GST Settlement**.

#### **D. Transitional Provisions:**

- GST is a new regime of tax. The closing credit balances of taxes in old regime such as Central Excise, Service Tax and VAT are to be brought forward as opening balances under GST regime. The transitional provisions of Model GST Law guide this transition.
- In the system, the existing **General Journals** are enhanced to handle this migration.
- User is required to do final settlement of credit available with the payment liability under different taxes.
- A new field **Tax Type** has been created for this purpose. The user has to select the appropriate tax from the drop down of **Tax Type** field. In addition, the

respective **Receivable Account** is to be selected from the drop down of **Balance Account No.** field.

- GST component code to which the transferring balance accrues to also need to be selected in **General Journal** lines.
- Amount entered shall be considered as tax amount and it shall be positive. Additionally for Excise duty, Excise Type is required to be selected from the drop down.
- Once the transactions is generated, the system creates **General Ledger** entry and **Detailed Ledger Entries** along with the **Accounting Entries**. The entries posted can also be reversed.

## E. Opening Balances

- In the course of new implementation, GST opening balances shall be created in Microsoft Dynamics NAV from old/legacy systems.
- New options has been added in Tax Type field in journal line table for accommodating opening balances for specific tax type, available options are as follows:
  - GST Credit
  - GST Liability
  - GST TCS Credit
  - GST TDS Credit
- On selecting **Tax Type** and **GST Component Code** in journal line, system will auto update **Account No.** from **GST Posting Setup**.
- The GST Cess is not applicable for GST TCS & TCS, hence system will not allow user to select Cess component in opening balances transactions.
- If user selects the Tax Type as Credit (any type of credit) then, system will update respective **Receivable Account**, if user selects Tax Type as Liability (any type of liability) then, system will update respective **Payable Account** from **GST Posting Setup**.
- User need to select the Balance Account No. manually.
- Only positive amount is allowed while posting credit opening balances.
- Only negative amount is allowed while posting liability opening balances.

## F. Exempted Goods and Services:

- Exempted goods and services are taxed at nil rate and hence no tax liability arises for transactions involving such goods and services. Bill of

Supply is required to be issued for exempted transactions.

- If an item, service or fixed asset is exempted from payment of GST, then the user can activate **Exempted** field in respective masters. Even if Exempted field is not activated in masters, the user can do so in purchase lines or sales lines. System computes GST but with zero values for these lines.
- A purchase document, sales document, warehouse stock transfers and service transfer can have both exempted lines and taxable lines. For lines which are taxable, system computes GST at appropriate percentages. System calculates GST at zero amount for exempted lines.
- GST Ledger Entry and GST Detailed Ledger Entry is also generated for exempted lines with zero amounts.
- When an advance payment is applied to an invoice consisting of both exempted as well as taxable goods/services for purchase/sales, then the lines with exempted field set true are excluded from such an application. System does not post any application, if all lines in a purchase or sales document are exempted.

## G. Sub-Contracting:

### a. Background:

- As per GST Law, a registered person can send inputs to a sub-contractor without payment of GST if the goods are returned within one year their being sent out from the place of business.
- If the goods are not returned within the stipulated period of time, it shall be deemed that such inputs are supplied to sub-contractor on the day of they being sent out to job worker and GST liability is required to be discharged along with interest.

### b. Inputs Sent to Sub-Contracting:

- The process of inputs sending for sub-contracting remains more or less the same under GST regime.
- While shipping inputs to Sub-Contracting location (Generating Delivery Challan), system updates **GST Last Date** field in **Delivery Challan Line** table by calculating (adding) **Delivery Challan Date** field in **Purchase Line** table with the value mentioned in field **Job Work Return Period** in the **Inventory Setup** table.

- Example: Delivery Challan Date (01-Nov-2016) + Job Work Return Period (180) = GST Last Date (30-Apr-2016)
- Currently system updates **Last Date** field in **Delivery Challan Line** table with the same logic.
- GST entries will not be created at this stage of the transaction.

**c. Receipt of Inputs from Sub-Contractor within stipulated time:**

- The receiving / consumption from sub-contracting vendor will not be changed in GST regime.

**d. Non-Receipt of Inputs from Sub-Contractor within stipulated time:**

- GST liability is generated against the transaction which are not returned within the due date.
- **Create GST Liability** which is similar to **Create Excise Liability** has been created for generating the GST Liability.
- System in **Create GST Liability** screen lists only those transactions/delivery challan lines which have GST Last Date in lines.
- **Liability Date** and **Liability Document No.** are required to be updated before creating the GST liability.
- On clicking the **Create GST Liability** function, system creates **GST Liability Lines** and calculates GST.
- System calculates GST based on material sending location state code and sub-con vendor state code. The GST group available in line is considered for calculation.
- System considers vendor state code as **Customer/Vendor State Code** and material sending location state code as **Dispatch/Receiving State Code** field in **GST Configuration** table. Since this is an outward supply system picks combinations from **GST Configuration** table where **Type** is 'Customer'.

- On posting of the GST liability system creates entries in **Posted GST Liability Line** table. The following GST entries are created on posting of the GST liability.

G/L Account Name	Debit Amount	Credit Amount
<b>GST Interim Account.....Dr.</b>	1000	
<b>To IGST Payable Account</b>		1000

The above GST liability is displayed as Payment liability in GST Settlement screen. The same is required to be disclosed in GSTR-1 also.

#### e. Inputs Received from Sub-contractor after creating the GST Liability:

- The consumption entry / material receipt entry from sub-contractor both current regime and GST regime are same. There is no change in the process.
- The GST entries shall be created at the time of posting the sub-contract receipt if the GST liability is generated for the input items which are selected in the delivery challan.

#### General Ledger Entry when Inputs are received back:

G/L Account Name	Debit Amount	Credit Amount
<b>IGST Receivable Account.....Dr.</b>	1000	
<b>To GST Interim Account</b>		1000

- When goods are returned, they are treated as normal purchase entries and are shown in the GST Reconciliation screen along with the normal purchase.

## H. Bank Charges:

### a. Background:

- As per GST Law, GST is applicable on Bank Charges and ITC can be availed for specified services.
- As per Rule 54(2) of CGST Rules, 2017, Banks shall issue a tax invoice or any other document in lieu of tax invoice. In case if an invoice is not provided by

the bank, then the bank statement shall be deemed to be an invoice.

- Such document shall be construed as Tax invoice even if it is not serially numbered and whether or not it contains the address of recipient of taxable service.
- Bank charges can be interstate or Interstate. CGST & SGST are applicable if the bank and customer are located in the same state. IGST is applicable if both are in different states
- The place of supply is for bank charges is governed by Section 12(12) and Section 13(8) of the IGST Act. Section 12 is applicable if the supplier and recipient both are India. Section 13 is applicable if either of the supplier or recipient is located outside India.
- As per Section 12(2), the place of supply of banking and other financial services to any person shall be the location of the recipient of services on the records of the supplier of services. If the location of recipient of services is not on the records of the supplier, the place of supply shall be the location of the supplier of services.
- As per Section 13(8), the place of supply of banking and other financial services shall be the location of the supplier of services.
- If any services are received from a foreign bank by an Indian customer, then the place of supply for such services becomes the place where the foreign bank is located i.e. outside India and hence any charges collected towards such services are not subject to India GST

#### **b. Bank Charges Functionality :**

- The existing **Bank Charges** functionality can be used to book bank charges applicable for a specific transaction. The Jnl. Bank Charge is enhanced for calculation of GST. User is required to select GST related details in Jnl. Bank charges lines for calculating GST.

Specification of **GST Registration No.** in locations and Bank Account Master is a pre-requisite for computation of GST. No GST can be calculated if the same is not specified in the said masters.

- If the **Location** state code and Bank account's state code are different, then the transaction becomes an interstate purchase and if the location and Bank Account state codes are the same. Then the transaction becomes an intrastate purchase.
- Bank Charges transactions are treated as Purchase transactions and Bank as a Vendor in GST ledgers.

- The Place of Supply for Bank Charges is the Receiving location i.e. Location state code.
- The calculation related to GST for bank charges is in Jnl. Bank Charges line
- The GST Group, GST Credit, HSN/SAC, and other details are required to be entered in Jnl Bank Charges line.
- There are various scenarios where GST on Bank Charges can be calculated:
  - Bank Payment for Bank Charges with GST
  - Bank Payment for Journal Transaction and related Bank Charges with GST
  - Bank Payment for Foreign Exchange Transaction and related Bank Charges with GST

#### **a. Bank Payment for Bank Charge with GST**

- In the existing system, user can post bank charges against a payment journal transaction. Without Payment Journal transaction, bank charges cannot be posted through Jnl Bank Charges.
- This feature has been enhanced thereby enabling the users to book bank charges with GST without any payment Journal transaction
- For posting Bank payment for Bank Charges with GST in Jnl Bank Charges, user must create Bank Charge Master and attach the relevant G/L Account.
- User must create Bank Payment Journal line for applicable charge amount against the **G/L account** selected in Bank charge master and **Bank Account** as balancing account.
- User must select **Bank charge** boolean in Bank Payment Journal line before entering GST details in Jnl. Bank charges. If this boolean is ticked, user is not required to enter any amount in Jnl Bank Charge line. The Gen. Journal Line amount will be considered as amount for Bank Charges.
- In Jnl Bank Charges, user must select the **Bank Charge Code** and enter other GST details like **GST Group Code, GST Credit Type**, etc.
- Once the details are updated to calculate GST user must click on **Calculate GST** function in Jnl bank Charge
- On posting this transaction, only entries related to Bank charges and GST will be posted

#### **Entries:**

**In the below Entries, the following are assumed:**



Description	Calculation
Bank Charge Amount (Rs.)	10000
CGST Rate	9%
SGST Rate	9%
IGST Rate	18%
Bank Account	GIRO
Bank Charge G/L Account	8249

The following Entry is generated if Intrastate Bank Payment for Bank Charges with GST is posted with – Credit Availment

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
Bank Charges .....Dr.	10000	
SGST Receivable Account.....Dr.	900	
CGST Receivable Account.....Dr.	900	
To Bank Account		11800

The following Entry is generated if Interstate Bank Payment for Bank Charges with GST is posted with – Credit Availment

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
Bank Charges .....Dr.	10000	
IGST Receivable Account.....Dr.	1800	
To Bank Account		11800

The following Entry is generated if Intrastate Bank Payment for Bank Charges with GST is posted with – Credit Non Availment

G/L Account Name	Debit Amount	Credit Amount
Bank Charges .....Dr.	11800	
To Bank Account		11800

#### b. Bank Payment for Journal Transaction and relevant Bank Charge with GST

- User can create a normal Payment transaction for purchase from any Vendor

and select the applicable Bank Charges in Jnl Bank Charge lines.

- The amount for Bank Charges shall be entered in Jnl Bank Charge and other GST details like GST Group Code, GST Credit, HSN/SAC details etc must be entered for calculation of GST.
- Once the details are updated to calculate GST, user must click on **Calculate GST** function in Jnl Bank Charge
- On Posting this transaction, the entries for Journal transactions will get posted as default along with bank charge and GST details

#### **c. Bank Payment for Foreign Exchange Transaction and related Bank Charge with GST**

- Bank Payment for Foreign Exchange transaction shall be booked in a similar manner as Bank Payment for Journal Transaction is booked, as described above.
- The Amount (LCY) in the Bank Payment Journal is the Value of Supply for which the Bank charges are defined in Jnl. Bank Charges. The Balancing account Type must be Bank Account for this Line.
- User must select the Bank charges with Foreign Exchange boolean in Jnl Bank charge against the Journal Transaction and enter other GST details like **GST Group Code, GST Credit Type**, etc.
- If foreign exchange bank charge is selected, user is not required to enter any amount in Jnl Bank Charge line.
- Once the details are updated to calculate GST, user must click on **Calculate GST** function in Jnl Bank Charge
- On clicking this function, if the Foreign Exchange Boolean is True in Jnl Bank Charges line, then the GST Base amount shall get updated as the Deemed Value calculated from the Bank Charge Deemed Value Setup. GST will be calculated on this deemed Value.
- On Posting this transaction the entries for Journal transactions are posted as default along with GST details. The deemed value will not be posted to Bank Charge account.

#### **Deemed Value Calculation for GST Base Amount in Foreign Exchange Transactions**

There are two parts of Calculation:

- Identifying the Amount of Supply on which the Deemed Value is

- required to be calculated
- Calculation of Deemed Value i.e. GST Base amount

**The calculations are explained below with examples:**

**Bank Charge Deemed Value Setup:**

Bank Charge Code	Lower limit	Upper limit	Formula for Deemed Value	Min. Deemed Value	Max Deemed Value	Deemed %	Fixed Amount
BC_1	0	100000	Comparative	250		1%	
BC_1	100000	1000000	Fixed + Deemed %			0.5%	1000
BC_1	1000000	100000000	Fixed+Comparative		60000	0.1%	5500
BC_2	0	1000000	Deemed %			10%	
BC_2	1000000	100000000	Fixed				10000
BC_3	0	100000000	Comparative	100	10000	10%	

**Calculation of Amount of Supply applicable for calculation of Deemed Value:**

Case No.	Bank Charge	Value of Supply(INR)	Description	Applicable Amount of Supply
1	BC_1	500	<ul style="list-style-type: none"> <li>➤ In this case the Value of Supply is 500 which is less than Upper Limit of <b>1Lakh</b> defined in 1<sup>st</sup> Line for code <b>BC_1</b></li> <li>➤ The <b>lower Limit</b> is given as <b>Zero</b></li> </ul>	=500-0 =500

2	BC_1	100000	<ul style="list-style-type: none"> <li>➤ In this case the Value of Supply is 1lakh which is equal to the Upper Limit of <b>1Lakh</b> defined in 1<sup>st</sup> Line for code <b>BC_1</b></li> <li>➤ The <b>lower Limit</b> is given as <b>Zero</b></li> </ul>	$=100000-0$ $=100000$
3	BC_1	100001	<ul style="list-style-type: none"> <li>➤ In this case the Value of Supply is 1lakh one rupee which is less than the Upper Limit of <b>10Lakh</b> defined in 2nd Line for code <b>BC_1</b></li> <li>➤ The <b>lower Limit</b> is given as <b>1Lakh</b></li> </ul>	$=1000001-100000$ $=1$
4	BC_1	1050000	<ul style="list-style-type: none"> <li>➤ In this case the Value of Supply is 10lakh Fifty thousand rupee which is less than the Upper Limit defined in 3rd Line for code <b>BC_1</b></li> <li>➤ The <b>lower Limit</b> is given as <b>10Lakh</b></li> </ul>	$=1050000-1000000$ $=50000$
5	BC_1	6998016	<ul style="list-style-type: none"> <li>➤ In this case the Value of Supply is 6998016.00 rupee which is less than the Upper Limit defined in 3rd Line for code <b>BC_1</b></li> <li>➤ The <b>lower Limit</b> is given as <b>10Lakh</b></li> </ul>	$=6998016-1000000$ $=5998016$
6	BC_2	1000000	<ul style="list-style-type: none"> <li>➤ In this case the Value of Supply is 1000000 which is equal to the Upper Limit of <b>1Lakh</b> defined in 1<sup>st</sup> Line for code <b>BC_2</b></li> <li>➤ The <b>lower Limit</b> is given as <b>Zero</b></li> </ul>	$=1000000-0$ $=1000000$
7	BC_2	1000001	<ul style="list-style-type: none"> <li>➤ In this case the Value of Supply is 1000000 which is less than the Upper Limit in 2<sup>nd</sup> Line for code <b>BC_2</b></li> <li>➤ The <b>lower Limit</b> is given as <b>1000000</b></li> </ul>	$=1000001-1000000$ $=1$

<b>8</b>	BC_2	10050000	<ul style="list-style-type: none"> <li>➤ In this case the Value of Supply is 10050000 which is less than the Upper Limit in 2<sup>nd</sup> Line for code <b>BC_2</b></li> <li>➤ The <b>lower Limit</b> is given as <b>1000000</b></li> </ul>	= 10050000 -1000000 = 9050000
<b>9</b>	BC_3	50	<ul style="list-style-type: none"> <li>➤ In this case the Value of Supply is 50 which is less than the Upper Limit defined in 1<sup>st</sup> Line for code <b>BC_3</b></li> <li>➤ The <b>lower Limit</b> is given as <b>Zero</b></li> </ul>	= 1000000 -0 = 50
<b>10</b>	BC_3	50000	<ul style="list-style-type: none"> <li>➤ In this case the Value of Supply is 50000 which is less than the Upper Limit defined in 1<sup>st</sup> Line for code <b>BC_3</b></li> <li>➤ The <b>lower Limit</b> is given as <b>Zero</b></li> </ul>	= 50000 -0 = 50000
<b>11</b>	BC_3	1050000	<ul style="list-style-type: none"> <li>➤ In this case the Value of Supply is 1050000 which is less than the Upper Limit defined in 1<sup>st</sup> Line for code <b>BC_3</b></li> <li>➤ The <b>lower Limit</b> is given as <b>Zero</b></li> </ul>	= 1050000 -0 = 1050000

#### Calculation of Deemed Value/GST Base Amount:

Case No.	Bank Charge	Value of Supply (INR)	Amount of Supply	Formula	Description	Deemed Amount
<b>1</b>	BC_1	500	500	Comparative	Min. Deemed Value= 250 Maximum Deemed Value = 0 Deemed%*Amount of Supply= 1%*500 = 5	=250
<b>2</b>	BC_1	100000	100000	Comparative	Min. Deemed Value= 250 Maximum Deemed Value = 0 Deemed%*Amount of Supply= 1%*100000 = 1000	=1000

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3	BC_1	100001	1	Fixed + Deemed%	Fixed Value = 1000 Deemed%*Amount of Supply= $0.5\%*1 = 0.005$	= 1000 + 0.005 =1000.005
4	BC_1	1050000	50000	Fixed+ Comparative	Fixed Value = 5500 Min. Deemed Value= 0 Maximum Deemed Value = 60000 Deemed%*Amount of Supply= $0.1\%*50000 = 50$	=5500+50 =5550
5	BC_1	6998016	5998016	Fixed+ Comparative	Fixed Value = 5500 Min. Deemed Value= 0 Maximum Deemed Value = 60000 Deemed%*Amount of Supply= $0.1\%* 5998016 = 5998.016$	=5500+59 98.016 =11798.02
6	BC_2	1000000	1000000	Deemed%	Deemed%*Amount of Supply= $10\%*1000000 = 100000$	=100000
7	BC_2	1000001	1	Fixed	Fixed Value = 10000	=10000
8	BC_2	10050000	9050000	Fixed	Fixed Value = 10000	=10000
9	BC_3	50	50	Comparative	Min. Deemed Value= 100 Maximum Deemed Value = 10000 Deemed%*Amount of Supply= $10\%* 50 = 5$	=100
10	BC_3	50000	50000	Comparative	Min. Deemed Value= 100 Maximum Deemed Value = 10000 Deemed%*Amount of Supply= $10\%* 50000 = 5000$	=5000
11	BC_3	1050000	1050000	Comparative	Min. Deemed Value= 100 Maximum Deemed Value = 10000 Deemed%*Amount of Supply= $10\%* 1050000 = 105000$	=10000

### Entries:

**In the below Entries, the following are assumed:**

Description	Calculation
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Jnl Bank Charges Details	
CGST Rate	9%
SGST Rate	9%
IGST Rate	18%
Bank Charge BC_1 G/L Account(Foreign Exchange)	8249
Bank Charge BC_4 G/L Accent(Normal)	8410
Bank Charge Amount for BC_1	0
Bank Charge Amount for BC_2 (Say Commission)	300 (LCY)
Gen. Journal Line Details	
Bank Account	GIRO
Currency Purchase Account	10000
Amount	108,800.00
Currency	USD
Value of Purchase in INR	6,998,016.00
Calculated Values	
Deemed Value for BC_1	11,498.02
GST Amount FOR BC_1	2,069.64
GST Amount FOR BC_4	54

The following Entry is to be generated if Intrastate Bank Payment for Foreign Exchange Bank Charges with GST is posted with – Credit Availment

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
Currency Purchase Account.....Dr.	6,998,016.00	
Commission Charges .....Dr.	300.00	
SGST Receivable Account.....Dr.	1061.82	
CGST Receivable Account.....Dr.	1061.82	
To Bank Account		7,000,439.64

The following Entry is to be generated if Interstate Bank Payment for Foreign Exchange Bank Charges with GST is posted with – Credit Availment

G/L Account Name	Debit Amount(Rs.)	Credit Amount (Rs.)
Currency Purchase Account.....Dr.	6,998,016.00	
Commission Charges .....Dr.	300.00	
IGST Receivable Account.....Dr.	2123.64	
To Bank Account		7,000,439.64

The following Entry is to be generated if Intrastate/Intrastate Bank Payment for Foreign Exchange Bank Charges with GST is posted with – Credit Non Availment

G/L Account Name	Debit Amount(Rs.)	Credit Amount(Rs.)
Currency Purchase Account.....Dr.	7,000,085.64	
Commission Charges.....Dr.	354.00	
To Bank Account		7,000,439.64

**Note:**

- Reversal of Bank Charge with GST can be posted from Bank Receipt Voucher. The process of refund is same as that of the payment.

All the Bank Charge transactions are considered as purchase for the Recipient location and reflects in GSTR-2A of that location, once the payment is posted. The credit amount from Detailed GST Ledger Entry with Credit Availment will be available as Credit in GST Settlement screen for adjusting against Output tax liability.

**Enhancement of bank charge feature**

Existing

User can post bank charge invoice from bank payment voucher, similarly, user can post bank charge credit memo from bank receipt voucher.

Enhancement:

User can post bank charge invoice from bank receipt voucher where customer or vendor are involved in transaction by selecting GST Document Type field as Invoice in journal bank charges



Similarly, user can post bank charge credit memo from bank payment voucher where customer or vendor are involved in transaction by selecting GST Document Type field as Credit Memo in journal bank charges

The GST Document Type is not required for bank charges where Customer or Vendor are not selected. Example: direct bank charges where Bank Charge field is selected in bank payment or bank receipt vouchers.

**New bank charge entries where Customer /Vendor are selected along with bank charges:**

**Sample values considered for creating G/L entries:**

Transaction Amount	10,000
Bank Charges	1,000
CGST	09
SGST	09
IGST	18
Total GST Amount on Bank charges	180

**G/L entries for Bank Receipt Voucher as Payment and GST Document type as Invoice (Intrastate GST with Credit Availment)**

Entry No.	Document Type	G/L Account Name	Debit Amount	Credit Amount
1	Payment	Other Charges	1000	
2	Payment	SGST Receivable Account	90	
3	Payment	CGST Receivable Account	90	
4	Payment	Customer		10000
5	Payment	Bank Account	8820	

**G/L entries for Bank Payment Voucher as Refund and GST Document type as Credit Memo (Intrastate GST with Credit Availment)**

Entry No.	Document Type	G/L Account Name	Debit Amount	Credit Amount
1	Refund	Other Charges		1000
2	Refund	SGST Receivable Account		90
3	Refund	CGST Receivable Account		90
4	Refund	Customer	10000	
5	Refund	Bank Account		8820

**G/L entries for Bank Receipt Voucher as Payment and GST Document type as Invoice (Interstate GST with Credit Availment)**

Entry No.	Document Type	G/L Account Name	Debit Amount	Credit Amount
1	Payment	Other Charges	1000	
2	Payment	IGST Receivable Account	180	
3	Payment	Customer		10000
4	Payment	Bank Account	8820	

**G/L entries for Bank Payment Voucher as Refund and GST Document type as Credit Memo (Interstate GST with Credit Availment)**

Entry No.	Document Type	G/L Account Name	Debit Amount	Credit Amount
1	Refund	Other Charges		1000
2	Refund	IGST Receivable Account		180
3	Refund	Customer	10000	
4	Refund	Bank Account		8820

**G/L entries for Bank Receipt Voucher as Payment and GST Document type as Invoice (Intrastate GST with Credit Non Availment)**

Entry No.	Document Type	G/L Account Name	Debit Amount	Credit Amount
1	Payment	Other Charges	1180	
2	Payment	Customer		10000
3	Payment	Bank Account	8820	

**G/L entries for Bank Payment Voucher as Refund and GST Document type as Credit Memo (Intrastate GST with Credit Non Availment)**

Entry No.	Document Type	G/L Account Name	Debit Amount	Credit Amount
1	Refund	Other Charges		1180
2	Refund	Customer	10000	
3	Refund	Bank Account		8820

**G/L entries for Bank Receipt Voucher as Payment and GST Document type as Invoice (Interstate GST with Credit Non Availment)**

Entry No.	Document Type	G/L Account Name	Debit Amount	Credit Amount
1	Payment	Other Charges	1180	
2	Payment	Customer		10000
3	Payment	Bank Account	8820	

**G/L entries for Bank Payment Voucher as Refund and GST Document type as Credit Memo (Interstate GST with Credit Non Availment)**

Entry No.	Document Type	G/L Account Name	Debit Amount	Credit Amount
1	Refund	Other Charges		1180
2	Refund	Customer	10000	
3	Refund	Bank Account		8820

**G/L entries for Bank Payment Voucher as Payment and GST Document type as Credit Memo (Intrastate GST with Credit Availment)**

Entry No.	Document Type	G/L Account Name	Debit Amount	Credit Amount
1	Payment	Other Charges		1000
2	Payment	SGST Receivable Account		90
3	Payment	CGST Receivable Account		90
4	Payment	Vendor	10000	
5	Payment	Bank Account		8820

**G/L entries for Bank Receipt Voucher as Refund and GST Document type as Invoice (Intrastate GST with Credit Availment)**

Entry No.	Document Type	G/L Account Name	Debit Amount	Credit Amount
1	Refund	Other Charges	1000	
2	Refund	SGST Receivable Account	90	
3	Refund	CGST Receivable Account	90	
4	Refund	Vendor		10000
5	Refund	Bank Account	8820	

**G/L entries for Bank Payment Voucher as Payment and GST Document type as Credit Memo (Interstate GST with Credit Availment)**

Entry No.	Document Type	G/L Account Name	Debit Amount	Credit Amount
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1	Payment	Other Charges		1000
2	Payment	IGST Receivable Account		180
3	Payment	Vendor	10000	
4	Payment	Bank Account		8820

**G/L entries for Bank Receipt Voucher as Refund and GST Document type as Invoice (Interstate GST with Credit Availment)**

Entry No.	Document Type	G/L Account Name	Debit Amount	Credit Amount
1	Refund	Other Charges	1000	
2	Refund	IGST Receivable Account	180	
3	Refund	Vendor		10000
4	Refund	Bank Account	8820	

**G/L entries for Bank Payment Voucher as Payment and GST Document type as Credit Memo (Intrastate GST with Credit Non Availment)**

Entry No.	Document Type	G/L Account Name	Debit Amount	Credit Amount
1	Payment	Other Charges		1180
2	Payment	Vendor	10000	
3	Payment	Bank Account		8820

**G/L entries for Bank Receipt Voucher as Refund and GST Document type as Invoice (Intrastate GST with Credit Non Availment)**

Entry No.	Document Type	G/L Account Name	Debit Amount	Credit Amount
1	Refund	Other Charges	1180	
2	Refund	Vendor		10000
3	Refund	Bank Account	8820	

**G/L entries for Bank Payment Voucher as Payment and GST Document type as Credit Memo (Interstate GST with Credit Non Availment)**

Entry No.	Document Type	G/L Account Name	Debit Amount	Credit Amount
1	Payment	Other Charges		1180
2	Payment	Vendor	10000	
3	Payment	Bank Account		8820

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**G/L entries for Bank Receipt Voucher as Refund and GST Document type as Invoice (Interstate GST with Credit Non Availment)**

Entry No.	Document Type	G/L Account Name	Debit Amount	Credit Amount
1	Refund	Other Charges	1180	
2	Refund	Vendor		10000
3	Refund	Bank Account	8820	

**NOTE:** The entries will be same even if the bank charges are posted from payment journal

**Exceptions:**

Currently the GST Document Type is enhanced for LCY transactions only, it will be enhanced for FCY transaction in future releases.

**I. GST Adjustment Journal – (Inventory Writeoff):**

**GST Adjustment Journal** is designed to handle certain **Credit Reversal** arising on inventory adjustment in case of lost, stolen, destroyed or consumed for non-business purposes. These adjustments are explained in the table given below:

**a. Need for Adjustment**

- ITC has to be reversed for the items which are Lost, Stolen, Destroyed, Written-off or Disposed off by the way of gift or free sample.
- The adjustment journal helps user to poste ITC reversal for various reasons.

**b. Types of Adjustment Journal**

S. No.	Nature of Adjustment	Purpose of Adjustment
1	Lost/Destroyed	This Adjustment can be used for posting of Inventory lost/destroyed, stolen, write off or disposed off by the way of gift or free samples.  Entry will be posted to Detailed GST Ledger Entry with <b>Adjustment Type</b> as 'Lost/Destroyed', <b>Reversed by Entry No.</b> will be updated with initial entry number and <b>Reversed</b> will be updated as 'True'
2	Consumed	This adjustment can be used for material consumed for non-business usage.

S. No.	Nature of Adjustment	Purpose of Adjustment
		Entry will be posted to Detailed GST Ledger Entry with <b>Adjustment Type</b> as 'Consumed', <b>Reversed by Entry No.</b> will be updated with initial entry number and <b>Reversed</b> will be updated as 'True'

- Adjustment can be done for Type 'Item' and 'G/L Account' where the GST Group Type is 'Goods'.
- System will create GST Tracking entries for tracking Item Ledger Entry number against Detailed GST ledger Entry.
- The adjustment journal can be posted multiple times so, once the adjustment is posted, system will allow adjustment for the remaining quantity only. The remaining quantity is updated in GST Tracking entries.
- On posting of adjustment journal, system will create negative adjustment entry in Item Ledger Entry with adjusted quantity.
- Value entry will be created for GST amount which will be loaded on inventory. If any transactions has avilment and non-avilment lines, in such cases system will post only avilment amount on inventory as non-avilment amount is already posted on inventory at the time of initial entry.
- For Line Type G/L Account, system will not create Item Ledger Entry and Value Entry, only G/L entries will be created.

### Enhancement

- Provided a provision for selecting item tracking details in adjustment journals, user can select Lot No. or Serial No. while executing Adjustment Journal.

### c. Accounting Entries:

#### G/L entries for Line Type – Item (Avilment)

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
Purchase A/c .....Dr.	400	
To GST Payable Account		400

#### G/L entries for Line Type – G/L Account (Avilment)

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
Service A/c .....Dr.	400	

<b>To GST Payable Account</b>		400
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## **J. Transactions with ARN:**

Application Reference No. (ARN) will be issued on enrolment of GST, the actual GST Registration No. will be issued on completion of registration process with validation from application date.

### **a. Need for ARN in Microsoft Dynamics NAV**

- GST Registration No. is mandatory if GST Customer or GST Vendor Type is selected as Registered. Since the customer / vendor are treated as registered party from the date of enrolment, GST shall be calculated as registered party.
- Until GST Registration No. is available, user can update ARN in customer/vendor/party masters and select GST Customer/GST Vendor Type as Registered and calculate GST as registered party.

### **b. Transactions with ARN**

- GST Registration No. or ARN is mandatory if GST Customer / GST Vendor Type is selected as Registered in customer/vendor/party masters.
- ARN updated against customer/vendor/party will not be flown to transactions.
- On posting of transactions, if customer/vendor/party is registered and GST Registration No. is not available then, system will flow ARN from master to Detailed GST Ledger Entry table for reference.
- On receipt of GST Registration No., user need to update the same in transaction, posted transaction and Detailed GST Ledger Entry table. A batch process has been provided to update GST Registration No. from masters to transaction, posted transaction tables and Detailed GST Ledger Entry table.
- The transactions posted with ARN, will not be part of settlement process. Until the GST Registration No. is updated in Detailed GST Ledger Entry table, these transactions will not be considered for settlement and Input Service Distribution process

### **c. ARN No. in Location and Company Information**

- A new field is created in Location master and company information master.
- System will allow user to calculate GST in transactions if GST Registration No.

or ARN No. is available in Company information.

- If Company Information is updated with ARN No. then system will not allow user in transaction if Location master has GST Registration No. User need to update GST Registration No. in company information master if available.
- User can calculate GST in transaction if Company information has GST Registration No. and location master has an ARN No.
- In transfer orders, if both locations has same ARN No. then system will not calculate GST. If both has different ARN No. or one ARN No. and other GST Registration No. then system will calculate GST in transfers orders.
- User can update GST Registration No. in posted transactions with the help of batch job
- On executing batch job, system will update GST related tables, posted and unposted transactions for each location code wise.
- The entries for which GST Registration No. is not updated in GST Related tables will not be part of settlement.

#### **K. Credit Memo application to closed Invoice:**

In current design, invoice application is mandatory for posting a credit memo. The application of invoice to credit memo has additional validation, such as only one invoice can be applied to credit memo, only open invoice can be applied to credit memo, etc... The Original Invoice No. and Original Invoice Date fields in Detailed GST Ledger Entry table will be updated by invoice details which is applied to credit memo.

As per new design, the credit memo can be posted without any application and can be applied to multiple invoices as well.

A new process has been introduced for capturing Original Invoice No. and Original Invoice Date in Detailed GST Ledger Entry table. A new field (Reference Invoice No.) has been added in purchase and sales transactions (Invoice and Credit Memo), user can select a posted invoice number from customer ledger (Customer/Vendor) of bill-to Customer / Pay-to Vendor. System will flow invoice details into Original Invoice No. and Original Invoice Date in Detailed GST Ledger Entry table.

The Reference Invoice No. field has been added in Invoice and Credit Memo, this field is mandatory for Credit Memo and Invoices which has Invoice Type as Debit Note and Supplementary.



User will be able to select closed invoices in Reference Invoice No. field, the validation applied on Invoice application with Credit memo will be levied on Reference Invoice No. field.

#### Change in Reference Invoice No.

The existing rule allows user to issue credit note or debit note against single invoice only, as per new amendment in rules allow user to issue single credit note or debit note against multiple invoices.

Below changes are made in system to accommodate the provision to issue single credit / debit note against multiple invoice

- The existing Reference Invoice No. field is been removed from documents and journals, but the field will still available in posted documents for previous transactions.
- New table & pages are created for capturing multiple reference invoice numbers against single credit / debit note.
- New page (Update Reference Invoice No) is linked in documents and journals, user can select multiple reference invoice number in it.
- The validation that are applied on Reference invoice No. field are applied in new page and its mandatory to select at least single record in new page for credit / debit note transaction.
- The Update Reference Invoice No. page is also linked in customer and vendor ledger entries page, user can rectify the reference invoices from this page after posting the transaction.
- Posted Reference Invoice No. page is available in posted documents, user can only view the reference invoices in this page.
- This feature is not applicable on retrospective effect, hence the reference invoice which is selected in posted transaction before applying this change will not be available in new pages.

## **L. Creating Invoice & Credit Memo in case of Rate Change:**

As per GST Rule, section 14 of CGST Act describes the Time of supply of transaction in case of change in rate of tax in respect of supply of goods or service.

- A. In case the goods or services or both have been supplied before the change in rate of tax,—

- I. where the invoice for the same has been issued and the payment is also received after the change in rate of tax, the time of supply shall be the date of receipt of payment or the date of issue of invoice, whichever is earlier; or
  - II. where the invoice has been issued prior to the change in rate of tax but payment is received after the change in rate of tax, the time of supply shall be the date of issue of invoice; or
  - III. where the payment has been received before the change in rate of tax, but the invoice for the same is issued after the change in rate of tax, the time of supply shall be the date of receipt of payment;
- B. In case the goods or services or both have been supplied after the change in rate of tax,—
- I. where the payment is received after the change in rate of tax but the invoice has been issued prior to the change in rate of tax, the time of supply shall be the date of receipt of payment; or
  - II. where the invoice has been issued and payment is received before the change in rate of tax, the time of supply shall be the date of receipt of payment or date of issue of invoice, whichever is earlier; or
  - III. where the invoice has been issued after the change in rate of tax but the payment is received before the change in rate of tax, the time of supply shall be the date of issue of invoice;

Provided that the date of receipt of payment shall be the date of credit in the bank account if such credit in the bank account is after four working days

Interpretation of the rule: user should pick GST rate based on the majority of the events, in this case there are 3 events that are:

- Invoice Date (Posting Date of transaction)
- Payment Date (New field)
- Supply Finish Date (New field)

Illustrate matrix for applicable rate:

Supply Finish Date	Payment Date	Invoice Date	Applicable Rate of Tax
Before Change	Before Change	After Change	Before Change
Before Change	After Change	After Change	After Change
Before Change	After Change	Before Change	Before Change
After Change	Before Change	After Change	After Change

After Change	After Change	Before Change	After Change
After Change	Before Change	Before Change	Before Change

To accommodate rate change feature in system, new fields has been added in order/invoice and return order/credit memo pages.

1. Rate Change Applicable
2. Payment Date
3. Supply Finish Date

If user wish to create an invoice where rate change is applicable, user need to select Rate Change Applicable field on transaction.

On selecting Rate Change Applicable field on transaction, system will enable Payment Date and Supply Finish Date fields on transaction, these fields are option fields and user need to select weather this date is falling Before Rate Change or After Rate Change.

The Posting date is considered as Invoice date, system considers Invoice date as after rate change if it is after the latest effective date of the GST Group selected in transaction, else it is considered as before rate change.

System will pick the applicable GST rate based on the majority of the events, the logic is as shown in illustrate matrix.

#### Business process:

If user has issued an invoice and at later point of time has identified that one or more GST group selected in transaction has a rate change.

In such cases, user need to identify weather Invoice which is already issued is correct or incorrect. If Invoice is issued incorrectly, then user need to issue credit memo against that invoice (make sure, credit memo is issued only for specific lien or GST group which has new rate, not required to issue credit memo for whole invoice).

User need to issue a new invoice by selecting Rate Change Applicable field in transaction and has to select Payment Date and Supply Finish Date as Before Rate Change or After Rate Change for calculating desired GST rate. System will pick the GST rate based on the options selected on these fields.

If the Invoice is issued correctly, then there is no requirement for rate change feature in this transaction.

Similarly, the rate change feature is also provided in credit memo, if user has posted a rate change invoice incorrectly, user can create a credit memo with same details for nullifying the invoice.

**NOTE:** The rate change feature is only a provision for user to accommodate the rate change process. User should have clarity on whether Invoice to be reissued or not, if the invoice is to be reissued, then user can use rate change function for calculating GST rate (Before or After).

System will compare posting date of the transaction with latest effective date of GST group selected in transaction line and identifies whether posting date to be considered as Before Rate Change or After Rate Change.

If majority of the events are of Before Rate Change then system will pick GST rate which is before of the posting date.

If the majority of the events are of After Rate Change then system will pick GST rate which is after posting date.

Examples:

Before Rate Change 12%      Rate Change      After Rate Change 18%

Supply Finish Date	Invoice Date	Payment Date	01-Apr- 18	Supply Finish Date	Invoice Date	Payment Date	Applicable Rate	Document to be corrected
		15-Mar- 18		30-Apr- 18	30-Apr- 18		18%	Payment to be adjusted
	01-Mar- 18			30-Apr- 18		10-May- 18	18%	Invoice to be re-issued
31- Mar-18		01-Mar- 18			01-Apr- 18		12%	Invoice to be re-issued

- The payment can be adjusted with the help of payment adjustment feature (This is an existing feature)
- The Invoice can be adjusted with the help of rate change feature.

## M. Load Unrealised Profit amount on Inventory:

### a. Background:

- On selecting item in transfer order (TO), system will update transfer price from item master, if the transfer price is different from actual unit cost of the item, then system will create G/L Entries for differential amount and post the values to G/L Account specified Unrealized Profit Account field in Inventory Posting Setup table.

- If user wish to update item cost as transfer price, user need to post a revaluation journal manually.

**d. Load Unrealised Profit amount on Inventory functionality :**

New Boolean field (Load Unreal Prof Amt on Invt.) is provided in transfer order header, on selecting this field, system will post revaluation journal for the amount that is posted in Unrealized Profit Account.

Below are G/L entries for reference:

Scenario:

User is transferring item A from Delhi location to Blue location.

On creating transfer line, system has update transfer price as 150, the unit cost of the item is 100 (as per Item ledger entry)

On posting the transfer order below G/L entries are created in system.

Document No.	G/L Account No.	G/L Account Name	Debit	Credit
NDTSHPT/001	7270	Inventory Adjmt., Raw Mat.	100	
NDTSHPT/001	2134	Delhi RM		-100
NDTSHPT/001	2135	Out-Log RM	100	
NDTSHPT/001	7270	Inventory Adjmt., Raw Mat.		-100
BLTRCPT/001	7270	Inventory Adjmt., Raw Mat.	100	
BLTRCPT/001	2135	Out-Log RM		-100
BLTRCPT/001	2133	Blue RM	100	
BLTRCPT/001	7270	Inventory Adjmt., Raw Mat.		-100

Document No.	G/L Account No.	G/L Account Name	Debit	Credit
NDTSHPT/001	9323	Out-Log Unrealized Profit	50	
NDTSHPT/001	9322	Delhi Unrealized Profit		-50
BLTRCPT/001	9321	Blue Unrealized Profit	50	
BLTRCPT/001	9323	Out-Log Unrealized Profit		-50

If the revaluation is posted manually, below entries are posted:

Document No.	G/L Account No.	G/L Account Name	Debit	Credit
T04001	2133	Blue RM	50	
T04001	9321	Inventory Adjmt., Raw Mat.		-50

New G/L entries where revaluation journal is posted along with transfer receipt

Document No.	G/L Account No.	G/L Account Name	Debit	Credit
NDTSHPT/001	7270	Inventory Adjmt., Raw Mat.	100	
NDTSHPT/001	2134	Delhi RM		-100
NDTSHPT/001	2135	Out-Log RM	100	
NDTSHPT/001	7270	Inventory Adjmt., Raw Mat.		-100
BLTRCPT/001	7270	Inventory Adjmt., Raw Mat.	100	
BLTRCPT/001	2135	Out-Log RM		-100
BLTRCPT/001	2133	Blue RM	100	
BLTRCPT/001	7270	Inventory Adjmt., Raw Mat.		-100
BLTRCPT/001	2133	Blue RM	50	
BLTRCPT/001	9321	Inventory Adjmt., Raw Mat.		-50

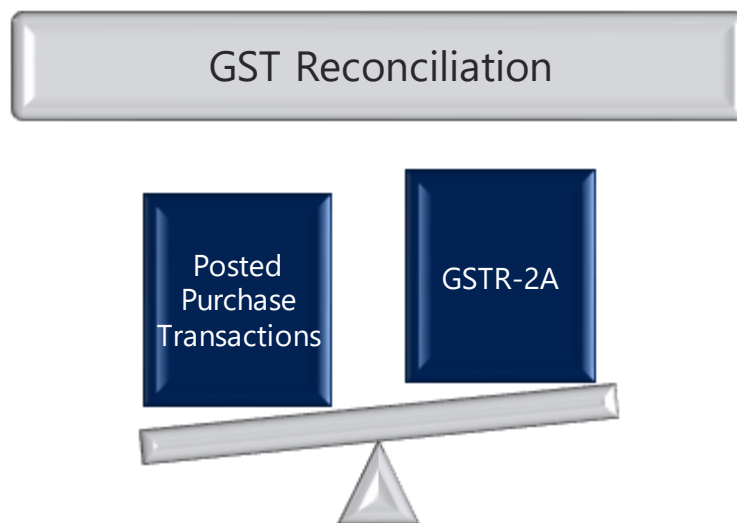
Document No.	G/L Account No.	G/L Account Name	Debit	Credit
NDTSHPT/001	9323	Out-Log Unrealized Profit	50	
NDTSHPT/001	9322	Delhi Unrealized Profit		-50
BLTRCPT/001	9321	Blue Unrealized Profit	50	
BLTRCPT/001	9323	Out-Log Unrealized Profit		-50

# 11. GST Reconciliation & Credit Adjustment Journal

## A. GST Reconciliation:

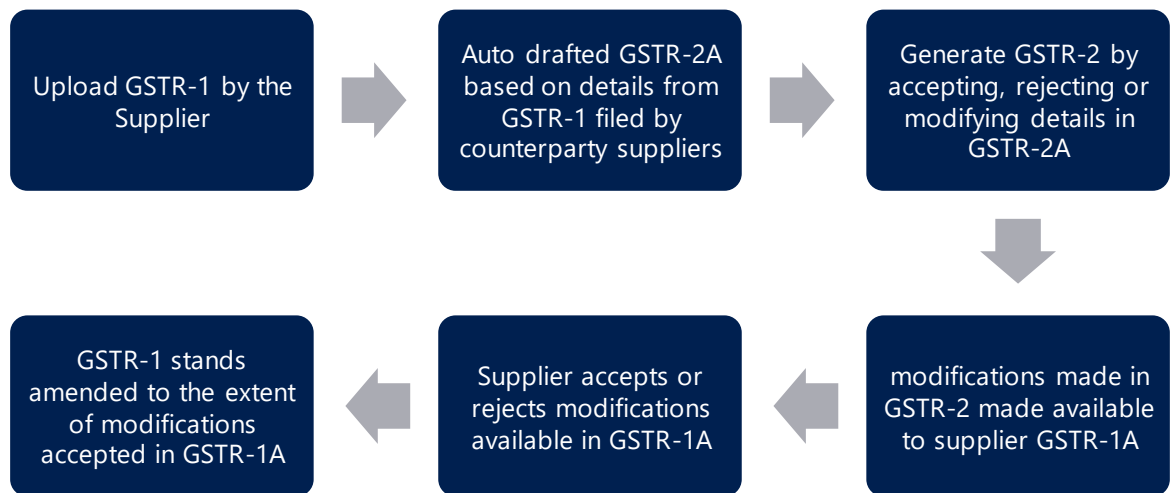
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**a. Purpose of Reconciliation:**

- Line wise details of all invoices, supplementary invoices, debit notes and credit notes issued by a vendor/supplier towards Outward supplies made during a month shall be reported in GSTR-1 by 10<sup>th</sup> of the succeeding month.
- Sales uploaded by the supplier/vendor in GSTR-1 are auto-reflected in GSTR-2A and GSTR-2 of the buyer as Inward supplies. For example, if the buyer purchases goods or services from 100 vendors in a month, the details of all such purchases will be reflected in GSTR-2A & GSTR-2 of the buyer, provided all 100 vendors have uploaded their sales in GSTR-1.
- Purchase transactions posted in the system for a month shall be reconciled with the supplier-uploaded information in GSTR-2A. This is because, certain discrepancies may arise between the two due to the following reasons:
  - Any supplier or suppliers may ignore to upload invoice details in their GSTR-1
  - Supplier entering wrong GSTIN of the buyer
  - Omission of entering any invoice by the buyer
  - Invoice No. & Date, Tax Amounts may be wrongly entered by the buyer in his ERP/books of account.
- The buyer can add, modify and delete the auto-populated information in GSTR-2. Such information is made available to supplier in GSTR-1A. The supplier can accept or reject the modifications made by the buyer and supplier's GSTR-1 shall stand amended to the extent of modifications accepted by him.



- Buyer can avail credit with respect to invoice lines matched with the information in GSTR-2A. Though buyer can avail mismatched credit on a provisional basis, the same will get auto-reversed, if the supplier fails to upload invoices.
- To summarize, Reconciliation feature is required to:
  - Identify the purchase transactions, which are matched/unmatched with GSTR-2A.
  - To ascertain the modifications required to be made in GSTR-2 and follow up the supplier to accept the same
  - Monitor unmatched transaction lines, if credit is availed on a provisional basis.
- Hence, every month before uploading GSTR-2 by the buyer, the purchases as per the books of account of buyer shall be matched with the supplier-uploaded information in GSTR-2A.

#### **b. GST Reconciliation :**

- Mapping GST Reconciliation fields with GST Components in GST Recon. Mapping is a pre-requisite for GST Reconciliation. Unless it is done, the user cannot do Reconciliation.



- Reconciliation feature enables the user to reconcile the posted purchase transactions with GSTR-2A downloaded from GSTN portal.
- Purchase Transactions with Vendor Type – Unregistered, Imports and Composite are excluded from Reconciliation. [This is due to the reason that unregistered and import vendors are not registered with GSTN authorities and hence will not upload their upload supplies in GSTR-1. Hence the same are not reflected in GSTR-2]
- Invoice having multiple lines are clubbed together and shown as one line in GST Reconciliation feature i.e. Total Taxable amount and Tax Amounts (CGST, SGST, IGST).
- Periodic GSTR-2A can be downloaded in Excel or XML format. The following fields in GSTR-2A is matched with that of GST Reconciliation lines
  - External Document No.
  - Tax Amounts (IGST, CGST, SGST)
  - Vendor Invoice Date
  - GSTIN of the Supplier
  - Document Date
- Mismatched lines are displayed with error type so that the same can be rectified. If due to any reason, External Document is wrongly entered in the system, the same can be altered by using **Update Invoice Details** feature.
- GSTR-2A can be downloaded and reconciled with existing **GST Reconciliation** lines multiple times, but posting can be done only once in a month.
- For a given month, **GST Reconciliation** include lines pertaining to purchase transactions (Registered Vendor including Reverse Charge) posted during the month and the lines, which are posted and unmatched during the previous months.
- **GST Reconciliation lines** shown in GST Reconciliation page are coming from following transactions:
  - Registered Vendor (Including Reverse Charge Posting Group)
  - Sub-Contracting Invoices (Registered Vendor)
  - Service Transfers
  - Transfer Orders

- GST Reconciliation Lines shown in the selected month are having purchase transaction (**Invoice & Credit Memo**) till the **End Date** for selected month.
- System will **Exclude Exempted Purchase Lines** from GST Reconciliation. For example if a invoice is having 2 lines, one is exempted and other is taxable than system will only consider **Taxable line** in GST Reconciliation.
- Once the **GST Reconciliation** lines are posted, System will not generate any accounting entries and Detailed GST Ledger entries in all GST lines will get updated with '**Reconcile**' Boolean, **Reconciliation Month** and **Reconciliation Year** GST Reconciliation lines which are **Reconciled** will not be considered again for reconciliation

## B. Credit Adjustment Journal:

**Credit Adjustment Journal** is designed to handle certain **Credit Adjustments** arising on reconciliation. These adjustments are explained in the table given below:

### a. Purpose of Credit Adjustments

S. No.	Nature of Adjustment	Purpose of Adjustment
1	<b>Credit Reversal</b>	<p>This adjustment enables the users to reverse the availed credit for posted transactions.</p> <p>Detailed GST Ledger entries and Detailed Cr. Adjustment entries will be updated with <b>Credit Adjustment type</b> as 'Credit Reversal'. <b>Detailed Cr. Adjustment Entries</b> will be created and updated with 'Credit Availed' as <b>FALSE</b> and 'Liable to Pay' as <b>TRUE</b>.</p>
2	<b>Credit Re-Availment</b>	<p>This Adjustment allows the users to re-avail the reversed credit for posted transactions.</p> <p>Detailed GST Ledger entries and Detailed Cr. Adjustment entries will be updated with <b>Credit Adjustment type</b> as 'Credit Re-Availment'. <b>Detailed Cr. Adjustment Entries</b> will be created and updated with 'Credit Availed' as <b>TRUE</b> and 'Liable to Pay' as <b>FALSE</b>.</p>
3	<b>Permanent Reversal</b>	<p>This adjustment allows the user to reverse a transaction permanently.</p>

S. No.	Nature of Adjustment	Purpose of Adjustment
		Detailed GST Ledger entries and Detailed Cr. Adjustment entries will be updated with <b>Credit Adjustment type</b> as 'Permanent Reversal'. <b>Detailed Cr. Adjustment Entries</b> will be created and updated with 'Credit Availled' as <b>FALSE</b> and 'Liable to Pay' as <b>FALSE</b> .

## b. Need for Adjustment

Nature of Adjustment	Need for Adjustment
<b>Credit Reversal</b>	If Provisional Credit is availed and credit remains unmatched, then after a prescribed period, the credit gets auto-reversed in Credit ledger of GSTN Portal. This adjustment enables the user reverse such credit availment in the books of account and posted to respective GST mismatch account.
<b>Credit Re-Availment</b>	In the above scenario, credit is reversed due to the reason that vendor payment is not made within ninety days or for any other reason. Subsequently, if the vendor payment is made, then the reversed credit can be re-availed. Hence, this adjustment allows the user to re-avail the credit and post it to respective GST Receivable account.
<b>Permanent Reversal</b>	If the user is certain that the vendor will never upload the invoice information in GSTN portal, then the user can reverse the credit posted to respective GST Mismatch Account and post the same into respective GST expense account.

## c. Accounting Entries:

Nature of Adjustment	Document Type	Debit	Credit
<b>Credit Reversal</b>	Invoice	GST Credit Mismatch Account	GST Payable Account
	Credit Memo	GST Payable Account	GST Credit Mismatch Account
<b>Credit Re-Availment</b>	Invoice	Receivable Account	GST Mismatch Account
	Credit Memo	GST Mismatch Account	Receivable Account

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Nature of Adjustment	Document Type	Debit	Credit
<b>Permanent Reversal</b>	Invoice	GST Expense Account	GST Mismatch Account
	Credit Memo	GST Mismatch Account	GST Expense Account

**Note:** User can post GST Credit Adjustment Journal selecting nature of adjustment type as **Credit Re-Availment** and **Permanent Reversal** after posting GST Adjustment Journal for Type **Credit Reversal**.

If the **GST Credit Adjustment Journal** is posted with Nature of Adjustment as 'Permanent Reversal' then system will not consider these entries again for posting via adjustment type as 'Credit Reversal' or 'Credit Re-Availment'.

**Credit Adjustment Journal** functionality is enhanced for adjusting reverse charge transactions where GST Group Type is Service. This functionality is designed to handle certain adjustments arising on selecting GST Credit Type incorrectly at the time of transaction. These adjustments are explained in the table given below:

#### d. Purpose of Credit Adjustments for Reverse charge transactions

S. No.	Nature of Adjustment	Purpose of Adjustment
1	<b>Credit Reversal</b>	<p>This adjustment enables the users to reverse the availed credit for posted transactions.</p> <p>Detailed GST Ledger entries and Detailed Cr. Adjustment entries will be updated with <b>Credit Adjustment Type</b> as 'Credit Reversal'. <b>Detailed Cr. Adjustment Entries</b> will be created and updated with 'Credit Availed' as <b>FALSE</b> and 'Liable to Pay' as <b>TRUE</b>.</p>
2	<b>Credit Re-Availment</b>	<p>This adjustment allows the users to re-avail the reversed credit for posted transactions.</p> <p>Detailed GST Ledger Entries and Detailed Cr. Adjustment entries will be updated with <b>Credit Adjustment Type</b> as 'Credit Re-Availment'. <b>Detailed Cr. Adjustment Entries</b> will be created and updated with 'Credit Availed' as <b>TRUE</b> and 'Liable to Pay' as <b>FALSE</b>.</p>

S. No.	Nature of Adjustment	Purpose of Adjustment
3	<b>Credit Availment</b>	<p>This adjustment enables user to avail credit which is not availed in posted transactions.</p> <p>Detailed GST Ledger Entries and Detailed Cr. Adjustment entries will be updated with <b>Credit Adjustment Type</b> as 'Credit Re-Availment'. <b>Detailed Cr. Adjustment Entries</b> will be created and updated with 'Credit Availed' as <b>TRUE</b> and 'Liable to Pay' as <b>FALSE</b>.</p>
4	<b>Reversal of Availment</b>	<p>This adjustment enables user to reverse the availed credit in above scenario.</p> <p>Detailed GST Ledger Entries and Detailed Cr. Adjustment entries will be updated with <b>Credit Adjustment Type</b> as 'Permanent Reversal'. <b>Detailed Cr. Adjustment Entries</b> will be created and updated with 'Credit Availed' as <b>FALSE</b> and 'Liable to Pay' as <b>FALSE</b>.</p>

#### e. Need for Adjustment

Nature of Adjustment	Need for Adjustment
<b>Credit Reversal</b>	If GST Credit is selected as Availment in transactions and later point of time realized it has been incorrectly selected, this adjustment allows user to reverse credit and post it to respective GST Payable Account.
<b>Credit Re-Availment</b>	<p>Credit Re-availment will be used to reverse the entries posted for Credit Reversal.</p> <p>System will Re-Avail Credit and post it to respective GST Receivable Account.</p>
<b>Credit Availment</b>	If GST Credit is selected as Non-Availment in transactions and later point of time realized it has been incorrectly selected, this adjustment allows user to Avail Credit and post it to respective GST Receivables Account.
<b>Reversal of Availment</b>	<p>Reversal of Availment will be used to reverse the entries posted for Credit Availment.</p> <p>System will Re-Avail Credit and post it to respective GST Receivable Account.</p>

## f. Accounting Entries:

Nature of Adjustment	Document Type	Line Type	Debit	Credit
<b>Credit Reversal</b>	Invoice	G/L Account	G/L Account selected in transaction	GST Payable Account
	Invoice	Item	Respective Purchase Account	GST Payable Account
	Invoice	FA	FA Acquisition Account	GST Payable Account
<b>Credit Re-Availment</b>	Invoice	G/L Account	Receivable Account	G/L Account selected in transaction
	Invoice	Item	Receivable Account	Respective Purchase Account
	Invoice	FA	Receivable Account	FA Acquisition Account
<b>Credit Availment</b>	Invoice	G/L Account	Receivable Account	G/L Account selected in transaction
	Invoice	Item	Receivable Account	Respective Purchase Account
	Invoice	FA	Receivable Account	FA Acquisition Account
<b>Reversal of Availment</b>	Invoice	G/L Account	G/L Account selected in transaction	GST Payable Account
	Invoice	Item	Respective Purchase Account	GST Payable Account
	Invoice	FA	FA Acquisition Account	GST Payable Account

**Note:** User can post GST Credit Adjustment Journal selecting nature of adjustment type as **Credit Re-Availment** after posting GST Adjustment Journal for Type **Credit Reversal**.

User can post GST Credit Adjustment Journal selecting nature of adjustment type as **Reversal of Availment** after posting GST Adjustment Journal for Type **Credit Availment**

**Permanent Reversal** is not applicable for reverse charge transactions.

User need to select **Reverse Charge** Boolean on **GST Credit Adjustment** page for adjusting reverse charge transactions.

The Credit Adjustment for reverse charge transactions can be executed only for **GST Group Type** as **Service**. The GST Credit and Liability for reverse charge transactions where **GST Group Type** is **Service** are realized only on application

of payment, hence system will filter only application entries in **GST Credit Adjustment Journal** for reverse charge scenarios.

If credit adjustment is posted against any application, system will not allow user to un-apply payment with invoice until reversal of credit adjustment is posted. Ex: If **Credit Adjustment** is posted for **Credit Availment**, then system will not allow user to un-apply payment with invoice until **Reversal of Availment** is posted against the application entry. Similarly If **Credit Adjustment** is posted for **Credit Reversal**, then system will not allow user to un-apply payment with invoice until **Credit Re-Availment** is posted against the application entry.

The services received from Import Associates Vendor are treated similar to GST Group Type Goods and GST amount is posted to GST Receivable and Payable Accounts on posting of purchase invoice, hence these transactions will not be part of this Credit Adjustment Journal.

Credit Adjustment functionality has been enhanced with Dimension functionality

User can select Dimension in Credit Adjustment for each line.

As per enhancement, provision has been provided to post partial amount in Credit Adjustment

User can select applicable % (1% to 100%) on Credit Adjustment request page, based on the applicable % system will create lines and provision has been provided to user on line to modify the %.

If user is trying to post Credit Adjustment for invoice second time (could be multiple times also) system will update transaction wise Available % and Available Amount for reversal on the line and will not allow user to post more than Available % or Available amount.

System creates single line per document for Credit Adjustment for normal transaction (apart from Reverse Charge transactions). As per new enhancement, System will create multiple lines (provided document also has multiple lines) per document for Credit Adjustment for normal transactions also, this will help user to select specific line in document which they want to reverse. System creates Credit Adjustment entries as document line wise for Reverse charge transactions.

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# 12. GST Settlement

## A. Background:

- Settlement refers to discharge of tax liability to the government. Tax liability arises under below scenarios:
  - Outward Supplies (Sales, Transfers)
  - Inward Supplies that are subject to Reverse charge (Purchases, inward transfers)
  - Credit Reversal Adjustments
  - Negative credit from Purchase Transactions
  - Negative Credit for ISD Distributions
- This tax liability on both interstate transactions (IGST) and intrastate transactions (SGST, CGST) is to be discharged on a monthly basis to the government. GST paid on purchase transactions can be taken as credit subject to certain conditions. Such credit can be offset against the tax payable on Sales.
- Hence, GST payable on sales transactions can be discharged by payment of cash or utilization of credit or both. Credit utilized can be credit pertaining to the same component or different components. As per Model GST Law, credit of IGST, CGST and SGST shall be claimed in the chronological order as given below:

Credit of	To be Adjusted against
IGST	✓ IGST ✓ CGST ✓ SGST
CGST	✓ CGST ✓ IGST
SGST	✓ SGST ✓ IGST

- **Claim Setoff Table:** In order to permit users to define cross credit utilization, **Claim Setoff** table has been provided (GST Components – Actions). For each component of tax, the cross credit component and its priority can be assigned in this table. To illustrate, for discharging IGST liability, credits of CGST and SGST can be used. Similarly, CGST liability and SGST liability can be offset with IGST liability. This can be claimed in the **Claim Setoff** table as given below:

GST Component	GST Component	Set-off	Priority
IGST	CGST		1
IGST	SGST		2
CGST	IGST		1
SGST	IGST		1

The first priority for any component would be that component itself. This logic is inbuilt. The above table is setting priorities for other components.

- Reverse charge Liability shall always be discharged in cash. Credit can be availed in the month of tax remittance to the government.
- For Outward supplies, GSTR-1 is to be filed monthly by 10<sup>th</sup> of the succeeding month. Based on the transactions reported in the return, Output liability is determined. GSTR-2 is the inward supply return, which is required to be filed by the 15<sup>th</sup> of the succeeding month. This return determines the credit that can be availed. Three ledgers are maintained on the GSTN portal – Liability ledger, Credit Ledger and Payment ledger. Liability ledger is updated based upon GSTR-1 filed, Credit ledger is updated based upon GSTR-2 filed and Cash ledger is updated on tax payment made in cash.
- As on date, it is not clear, whether the taxpayer has to offset the available credit compulsorily or liability can be discharged in his own way either utilizing credit fully or partly or discharging entire liability in cash, despite availment of credit. GSTR-3 does not contain any tables where this sort of tax planning can be done.
- Hence there should be some mechanism in the system where by user can record the Tax Liability, Credit availed, Credit utilized and cash payment made in cash, which is called Settlement. In a word to say, system should replicate the settlement process done in GSTN portal but in a bit different way.
- For GSTN portal, the returns filed becomes the source for accomplishing the process. As the transactions are posted in the system itself, the tax entries generated by posted transactions becomes the source for accomplishing the process of settlement and **GST Settlement** screen becomes the venue where such process is accomplished.

## B. Sources of Settlement:

### a. Sales Liability :

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The net liability from below Sources are shown in Payment Liability:

- 1. Detailed GST Leder entry:** Liability from below transactions having Liabile to Pay true in Detail GST Ledger entry will be shown in Liability for current period
  - Advance Receipt
  - Refund
  - Reversal of Advance Receipt
  - Transactions posted through Sales/Service documents
  - Warehouse Transfer Shipments
  - Service Transfer Shipments
  - Subcontracting Liability
- 2. Detailed Credit Adjustment entry:** Credit Reversals from Credit Adjustment Journal are shown in Liability
- 3. Posted Settlement Entry:** Any negative Liability from previous period settlement which were not adjusted are shown in Liability for Current period
- 4. If net Credit Availed** for this period is negative then it will be added in the current period Liability

**b. Reverse Charge Liability:**

The Net Liability of the following transactions that are subject to Reverse charge are shown in Payment Libaility- Rev. Chrg.:

- Advance Payments
- Refund
- Reversal of Advance Receipt
- Transactions posted through Purchase documents

**c. Credit Availed :**

The net Credit from below sources are shown in Credit Availed for Settlement.

- 1. Detailed GST Leder entry:** Credit from below transactions having Credit Availed true in Detail GST Ledger entry will be shown in Liability for current period
  - Transactions posted through Purchase documents
  - Warehouse Transfer Receipts
  - Service Transfer Receipts
  - Subcontracting Receipts and Invoice
  - Transitional Provision Transactions
- 2. Detailed Credit Adjustment entry:** Credit Re-availment entries from Credit Adjustments are shown in Credit Availed.

3. **Posted Settlement Entry:** Any unutilized credit from previous period will get added in Credit Available for Current period
4. **Distributed Credit:** Credit received after ISD distribution to the Receipients will get added to Credit Available.

## C. Process of Settlement

### a. Settlement of Net Payment Liability

- System auto-populates the net Payment Liability and the Total Credit availed in settlement Screen for the given period
- Credit Utilized shall be auto populated by the system based on the priorities set out in Claim Set-off table. However, the user can edit the same.
- The auto population of credit utilization shall be based on the assumption that unless the credit availed – both own credit (Credit of the component itself) and cross credit (credit of other components) is utilized fully, cash payment for a particular component shall not arise.
- **Examples for auto-population of Credit Utilized field in GST Settlement Settlement entirely through Credit (System auto-populates credit utilized as given in the example)**

GST Component	Tax Liability	Credit Available	Credit Utilized	Tax Liability
IGST	20000	10000	20000	0
CGST	10000	15000	10000	0
SGST	15000	20000	15000	0

Assuming the priority set out in **Claim Set-off** table given above, each component's credit is utilized first for that component itself. Any balance left over can be utilized for discharging tax liability of other components.

In the given example, SGST Tax liability is Rs.15000 and Credit Available is Rs. 20000. The credit is utilized for discharging SGST liability first. Balance Credit of Rs. 5000 (20000-15000) is used for discharging IGST liability.

CGST Tax liability is Rs.10000 and Credit Available is Rs. 15000. The credit is utilized for discharging CGST liability first. Balance Credit of Rs. 5000 (15000-10000) is used for discharging IGST liability.

IGST Tax liability is Rs.20000 and Credit Available is Rs. 10000. The credit utilized

becomes Rs. 20000, which is sum of IGST Credit – Rs. 10000, CGST balance Credit 5000 and SGST balance credit Rs. 5000.

**Settlement through partly credit and partly cash: (System auto-populates credit utilized as given in the example)**

<b>GST Component</b>	<b>Tax Liability</b>	<b>Credit Available</b>	<b>Credit Utilized</b>	<b>Tax Liability</b>
<b>IGST</b>	30000	10000	15000	5000
<b>CGST</b>	10000	15000	10000	0
<b>SGST</b>	25000	20000	20000	5000

In the given example, SGST Tax liability is Rs.25000 and Credit Available is Rs. 20000. After utilizing credit, the balance amount of Rs. 5000 is to be payable by cash.

CGST Tax liability is Rs.10000 and Credit Available is Rs. 15000. The credit is utilized for discharging CGST liability first. Balance Credit of Rs. 5000 (15000-10000) is used for discharging IGST liability.

IGST Tax liability is Rs.20000 and Credit Available is Rs. 10000. The credit utilized becomes Rs. 15000, which is sum of IGST Credit – Rs. 10000 and CGST balance credit 5000. After utilizing credit, the balance amount of Rs. 5000 is to be payable by cash.

- As said earlier, auto-populated credit utilized field can be edited by the user. However, if credit availed for any component is less than or equal to the tax liability and if the credit availed is not utilized in full, then the same cannot be utilized for other components. It will be carried forward to next month.
- If credit availed for any component is greater than the tax liability and the credit is not utilized in full for that component, then the credit that can be carried forward to the cross components would be **Credit Available – Tax Liability**. Remaining credit shall be carried forward to the next month.
- Examples if the user edits Credit Utilized field manually:

<b>GST Component</b>	<b>Tax Liability</b>	<b>Credit Available</b>	<b>Credit Utilized</b>	<b>Payment</b>	<b>Carried forward to next month</b>
<b>IGST</b>	20000	10000	15000	5000	0
<b>CGST</b>	10000	15000	5000	0	0
<b>SGST</b>	15000	10000	5000	5000	5000

In the given example, SGST is having Tax Liability of Rs. 15000 and the Credit Available is Rs. 10000. Here Credit Availment is less than the tax liability and the user is utilizing only Rs. 5000 credit. Hence, the remaining credit cannot be utilized for other components but the same will be carried forward to next month.

Tax Liability of CGST is Rs. 10000 and Credit Available is Rs 15000. This is the case where credit Available is more than Tax Liability. However, credit utilized is Rs. 5000. The difference between Tax Liability and Credit Available is Rs. 5000 (15000-10000) which is used against IGST liability. The difference between Tax Liability and Credit Utilized will be carried forward to next month.

- Other Validations:
  - Credit cannot be utilized for payment of interest, penalty, fees and others. They shall always be paid in cash.
  - Credit Utilized and Payment amount shall not exceed tax liability.
  - Total Credit utilized for a particular component shall not exceed total credit available of that components plus Surplus credit of other components prioritized in claim-set off table for such component.
  - **Account No.** and **Account Type** shall be the same for all tax components. However, Interest Account, Fees Account, Penalty Account and Others Account can be defined differently for different tax components.
  - Credit cannot be utilized for payment of Reverse Charge Liability. The entire liability is to be discharged in cash. Once settlement is done for any Payment/Refund document, the same cannot be reversed in system.

- **Example for Accounting Entry:**

<b>GST Component</b>	<b>Tax Liability</b>	<b>Credit Available</b>	<b>Credit Utilized</b>	<b>Payment</b>
----------------------	----------------------	-------------------------	------------------------	----------------

<b>IGST</b>	20000	10000	15000	5000
<b>CGST</b>	10000	15000	10000	0
<b>SGST</b>	15000	10000	10000	5000

#### Accounting Entry:

Particulars	Debit (Rs.)	Credit (Rs.)
<b>IGST Payable Account.....Dr.</b>	20000	
<b>CGST Payable Account.....Dr.</b>	10000	
<b>SGST Payable Account.....Dr.</b>	15000	
<b>To Bank Account</b>		10000
<b>To IGST Receivable Account</b>		10000
<b>To CGST Receivable Account</b>		15000
<b>To SGST Receivable Account</b>		10000

- **Example for Accounting Entry when Credit Availed is Negative:**

GST Component	Tax Liability	Credit Availed	Credit Utilized	Payment
<b>IGST</b>	20000	-10000	5000	25000
<b>CGST</b>	10000	15000	10000	0
<b>SGST</b>	15000	10000	10000	5000

#### Accounting Entry:

Particulars	Debit (Rs.)	Credit (Rs.)
<b>IGST Payable Account.....Dr.</b>	30000	
<b>CGST Payable Account.....Dr.</b>	10000	
<b>SGST Payable Account.....Dr.</b>	15000	
<b>IGST Receivable Account.....Dr.</b>	10000	
<b>To Bank Account</b>		30000
<b>To CGST Receivable Account</b>		15000
<b>To SGST Receivable Account</b>		10000
<b>To IGST Payable Account</b>		10000

In case of negative Credit, the same will be treated as our Liability and needs to be paid in the current period settlement.

- **Example for Accounting Entries in case of Reverse Charge Liability:**

<b>GST Component</b>	<b>Tax Liability (Reverse Charge)</b>	<b>Credit Aailed</b>	<b>Credit Utilized</b>	<b>Payment</b>
<b>IGST</b>	20000	0	0	20000
<b>CGST</b>	10000	0	0	10000
<b>SGST</b>	15000	0	0	15000

#### **Accounting Entry when the liability on Invoice is discharged**

<b>Particulars</b>	<b>Debit (Rs.)</b>	<b>Credit (Rs.)</b>
<b>IGST Payable Account.....Dr.</b>	20000	
<b>CGST Payable Account.....Dr.</b>	10000	
<b>SGST Payable Account.....Dr.</b>	15000	
<b>To Bank Account</b>		45000

- After posting the entry, Payment Document No., Payment Document Date and Paid field in **GST Detailed Ledger Entry** of Advance Payment & Invoice shall be updated.

#### **D. Posted Settlement Entries**

- Posted Settlement Entries table will get updated with **Credit Utilized** and **Carry Forward** fields.
- The carry forward amount will be used as credit for the next settlement period
- Unutilized Liability(If any) and Payment Liability(If negative) will be carried forward and will be adjusted in Payment Liability for the next settlement period



# 13. GST Input Service Distribution

## A. Initial Set-ups and Transaction flow for Input Service Distribution:

### a. Purpose:

- Input Service Distributor (ISD) is an office of the supplier which distributes credit pertaining to Input Services (CGST, SGST and/IGST) to various locations of the supplier.
- The recipient locations can be inter-state or intra-state, but they should have the same PAN as that of the Distributing location.
- **GST Input Service Distribution** functionality can be used to distribute CGST & SGST/IGST paid on Input services (Input Tax Credit) to other locations.
- This functionality as of now is applicable only for Services.

### b. Out of Scope:

- The following remains out of scope or unaffected by Input Service Distribution. They are:
  - Sub-contracting
  - Service Management
  - Warehousing
  - Service Transfers
- System does not allow posting any sales transactions, if the **Location** contains the Registration No. for which field **GST Input Service Distribution** is activated.
- Also, no credit adjustments Journal can be posted for any ISD transaction. For any adjustment the user must reverse the distribution through Distribution reversal functionality and then redistribute the credit.

### c. Initial Set-ups:

- The user has to activate **Input Service Distributor** field in **GST Registration Nos.** Set-up to enable this functionality for a particular GSTIN. System allows the user to activate this field for multiple GSTIN Nos.
- In **GST Posting Set-Up, Receivable Distribution (Interim) Account** and **Receivable Distribution Account** are to be defined by the user for each component of GST (IGST, CGST, SGST and GST Compensation Cess)
- If GST Registration No. with GST Input Service Distributor checked is selected in GSTIN, then **GST Input Service Distributor** field is automatically activated in **Location** master. Such a field is an un-editable field.
- Field **GST Input Service Distributor** is automatically activated, if any **Location** with **GST Input Service Distributor** field activated, is selected in Purchase Documents.
- GST Components and their Distribution Components for ISD Ledgers are to be defined in **GST Component Distribution**

#### d. ISD Process:

- Input Service Distribution is applicable for Registered Vendor only, **reverse charge transactions are not allowed against ISD enabled location.**
- This is applicable when **GST Group Type** is **Service**.
- Only Line Type **G/L Account** can be used for ISD transactions.
- The workflows that are applicable for normal transactions apply to Input Service Distribution as well. Additionally, **Input Service Distribution** check mark automatically flows to **Tax Information** tab of purchase headers.
- General ledger entries are similar to normal transactions except for credit entries. **GST Credit** is posted to **Receivable Account (Distribution)**.
- The Input Credit posted to Receivable account (Dist.) on distribution will be posted to **Receivable Account**.
- General Ledger entries for Non-Availment are different from normal transactions. The in-eligible credit needs to be expensed in the Recipient location for ISD transaction. The In-eligible Credit thus is posted to GST Expense account instead of loading on the Actual Expense account at time of invoicing

from ISD location.

- The ineligible credit posted in **GST expense Account** on distribution will be loaded on the actual expense account in recipient location.
- However, user has option to distribute eligible credit as ineligible to the recipient or vice versa. The credit distributed as availment will get posted in the **Receivable Account**. and the credit distributed as non-availment will get loaded on the **Actual expense/Service Account**.

#### e. Accounting Entries for Purchase Transactions:

##### Entry for an Intrastate Purchase of services with Credit - Availment

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
General Ledger Account.....Dr.	10000	
SGST Receivable Account (Dist.).....Dr.	1000	
CGST Receivable Account (Dist.).....Dr.	1000	
To Vendor Account		12000

##### Entry for an Intrastate Purchase of services with Credit – Non-Availment

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
General Ledger Account.....Dr.	10000	
SGST Expense Account .....Dr.	1000	
CGST Expense Account .....Dr.	1000	
To Vendor Account		12000

##### Entry for Interstate purchase of services with Credit – Availment

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
General Ledger Account.....Dr.	10000	
IGST Receivable Account (Dist.).....Dr.	2000	
To Vendor Account		12000

##### Entry for Interstate purchase of services with Credit – Non -Availment

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
General Ledger Account.....Dr.	10000	

<b>IGST Expense Account .....Dr.</b>	2000	
<b>To Vendor Account</b>		12000

**Entry for an Intrastate Purchase Credit Memo for services with Credit - Availment**

<b>G/L Account Name</b>	<b>Debit Amount (Rs.)</b>	<b>Credit Amount (Rs.)</b>
<b>Vendor Account.....Dr.</b>	12000	
<b>To SGST Receivable Account (Dist.)</b>		1000
<b>To CGST Receivable Account (Dist.)</b>		1000
<b>To Services (General Ledger) Account</b>		10000

**Entry for an Intrastate Purchase Credit Memo for services with Credit – Non-Availment**

<b>G/L Account Name</b>	<b>Debit Amount (Rs.)</b>	<b>Credit Amount (Rs.)</b>
<b>Vendor Account.....Dr.</b>	12000	
<b>To SGST Expense Account</b>		1000
<b>To CGST Expense Account</b>		1000
<b>To Services (General Ledger) Account</b>		10000

**Entry for an Intrastate Purchase Credit Memo for services with Credit – Availment**

<b>G/L Account Name</b>	<b>Debit Amount (Rs.)</b>	<b>Credit Amount (Rs.)</b>
<b>Vendor Account.....Dr.</b>	12000	
<b>To IGST Receivable Account (Dist.)</b>		2000
<b>To Services (General Ledger) Account</b>		10000

**Entry for an Interstate Purchase Credit Memo for services with Credit – Non-Availment**

<b>G/L Account Name</b>	<b>Debit Amount (Rs.)</b>	<b>Credit Amount (Rs.)</b>
<b>Vendor Account.....Dr.</b>	12000	
<b>To IGST Expense Account</b>		2000
<b>To Services (General Ledger) Account</b>		10000

**f. Accounting Entries for ISD Distribution:**

**Entry for an Intrastate Distribution of Invoice with Credit - Availment to  
Recipient location as Credit Availment**

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
<b>SGST Receivable Account.....Dr.</b>	1000	
<b>CGST Receivable Account.....Dr.</b>	1000	
<b>IGST Receivable Account.....Dr.</b>	1000	
<b>To SGST Receivable Account (Dist.)</b>		1000
<b>To CGST Receivable Account (Dist.)</b>		1000
<b>To IGST Receivable Account (Dist.)</b>		1000

**Entry for an Interstate Distribution of Invoice with Credit - Availment to  
Recipient location as Credit Availment**

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
<b>IGST Receivable Account.....Dr.</b>	3000	
<b>To SGST Receivable Account (Dist.)</b>		1000
<b>To CGST Receivable Account (Dist.)</b>		1000
<b>To IGST Receivable Account (Dist.)</b>		1000

**Entry for an Intrastate Distribution of Invoice with Credit – Non Availment to  
Recipient location as Credit Availment**

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
<b>SGST Receivable Account .....Dr.</b>	1000	
<b>CGST Receivable Account .....Dr.</b>	1000	
<b>IGST Receivable Account.....Dr.</b>	1000	
<b>To SGST Expense Account</b>		1000
<b>To CGST Expense Account</b>		1000
<b>To IGST Expense Account</b>		1000

**Entry for an Interstate Distribution of Invoice with Credit – Non Availment to  
Recipient location as Credit Availment**

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
IGST Receivable Account.....Dr.	3000	
To SGST Expense Account		1000
To CGST Expense Account		1000
To IGST Expense Account		1000

**Entry for an Intrastate Distribution of Credit Memo with Credit - Availment to Recipient location as Credit Availment**

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
SGST Receivable Account (Dist.).....Dr.	1000	
CGST Receivable Account (Dist.).....Dr.	1000	
IGST Receivable Account (Dist.).....Dr.	1000	
To SGST Receivable Account		1000
To CGST Receivable Account		1000
To IGST Receivable Account		1000

**Entry for an Interstate Distribution of Credit Memo with Credit - Availment to Recipient location as Credit Availment**

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
SGST Receivable Account (Dist.).....Dr.	1000	
CGST Receivable Account(Dist.).....Dr.	1000	
IGST Receivable Account(Dist.).....Dr.	1000	
IGST Receivable Account		3000

**Entry for an Intrastate Distribution of Credit Memo with Credit – Non Availment to Recipient location as Credit Availment**

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
SGST Expense Account .....Dr.	1000	
CGST Expense Account .....Dr.	1000	
IGST Expense Account.....Dr.	1000	
To SGST Receivable Account		1000
To CGST Receivable Account		1000
To IGST Receivable Account		1000

**Entry for an Interstate Distribution of Credit Memo with Credit – Non Availment to Receipt location as Credit Availment**

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
SGST Expense Account .....Dr.	1000	
CGST Expense Account .....Dr.	1000	
IGST Expense Account.....Dr.	1000	
IGST Receivable Account		3000

**Entry for an Intrastate Distribution of Invoice with Credit – Non Availment to Receipt location as Credit Non Availment**

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
Service Account .....Dr.	2000	
To SGST Expense Account		1000
To CGST Expense Account		1000
To IGST Expense Account		1000

**Entry for an Interstate Distribution of Invoice with Credit – Non Availment to Receipt location as Credit Non Availment**

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
Service Account .....Dr.	2000	
To SGST Expense Account		1000
To CGST Expense Account		1000
To IGST Expense Account		1000

**Entry for an Intrastate Distribution of Invoice with Credit – Availment to Receipt location as Credit Non Availment**

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
Service Account .....Dr.	1000	
To SGST Receivable Account (Dist.)		1000
To CGST Receivable Account (Dist.)		1000
To IGST Receivable Account (Dist.)		1000

**Entry for an Interstate Distribution of Invoice with Credit – Availment to**

### Recipient location as Credit Non Availment

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
Service Account .....Dr.	1000	
To SGST Receivable Account (Dist.)		1000
To CGST Receivable Account (Dist.)		1000
To IGST Receivable Account (Dist.)		1000

### Entry for an Intrastate Distribution of Credit Memo with Credit – Non Availment to Recipient location as Credit Non Availment

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
SGST Expense Account .....Dr.	1000	
CGST Expense Account .....Dr.	1000	
IGST Expense Account.....Dr.	1000	
To Service Account		3000

### Entry for an Interstate Distribution of Credit Memo with Credit – Non Availment to Recipient location as Credit Non Availment

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
SGST Expense Account .....Dr.	1000	
CGST Expense Account .....Dr.	1000	
IGST Expense Account.....Dr.	1000	
To Service Account		3000

### Entry for an Intrastate Distribution of Credit Memo with Credit – Availment to Recipient location as Credit Non Availment

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
SGST Receivable Account (Dist.).....Dr.	1000	
CGST Receivable Account(Dist.).....Dr.	1000	
IGST Receivable Account(Dist.).....Dr.	1000	
To Service Account		3000

### Entry for an Interstate Distribution of Credit Memo with Credit – Availment

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to Recipient location as Credit Non Availment

G/L Account Name	Debit Amount (Rs.)	Credit Amount (Rs.)
SGST Receivable Account (Dist.).....Dr.	1000	
CGST Receivable Account(Dist.).....Dr.	1000	
IGST Receivable Account(Dist.).....Dr.	1000	
To Service Account		3000

**g. Reconciliation:**

- Workflows are same as they are for normal reconciliation. **GST Input Service Distributor** field is automatically activated, if **Input Service Distributor** is checked for **GST Registration No.** selected in **GST Reconciliation** Header.
- **GSTR 6A** is required to be downloaded for Reconciliation instead of GSTR-2A. However the format of the both files remains the same.
- **GST Reconciliation** Lines are matched with lines of the downloaded GSTR-6A and on matching, reconciliation should be posted.

# 14. Document Reports

The following Document Reports are included for GST in the product. They are:

- General Journal – Test Report
- Sales Document – Test Report
- Sales - Quote
- Order Confirmation
- Sales - Invoice
- Sales - Credit Memo
- Blanket Sales Order
- Archived Sales Quote
- Archived Sales Order
- Purchase Document – Test Report
- Purchase - Quote
- Order
- Purchase - Invoice
- Purchase - Credit Memo
- Archived Purchase Quote
- Archived Purchase Order
- Archived Purchase Return Order
- Archived Sales Return Order
- Service Order
- Service Quote
- Service - Invoice
- Service Document – Test Report
- Return Order Confirmation
- Return Order
- GSTR-3B
- Receipt & Refund Voucher
- Payment & Refund Voucher

# 15. File formats

The following file formats are included for GST in the product. They are:

- **GSTR 1 File formats**

GSTR file formats are designed to meet the formats/requirements provided by GSTN portal <https://www.gst.gov.in/download/returns>

GSTN portal is providing a offline utility through which user will be able to generate .json file format which is acceptable by GSTR portal for filing returns. There are multiple options for entering data into offline utility for generating .json file format.

- Manual entry
- Excel upload (single file)
- .csv file format upload (multiple file)
- Copy past from excel for individual sections

User will be able to generate excel files from system which will be helpful for user to enter data into offline utility, user can directly copy and past data into offline utility or convert each excel into .csv format for upload.

Prerequisites:

- GST Reporting UQC field to be selected in Unit Of Measure table
- User need to run **Update Det. GST Entry GSTR 1** batch report before generating excel file from system, this batch report includes multiple options
  - **Update Reason Type** – This batch will update GST reason Code as **Others** in all Detailed GST Ledger Entry for Document Type Customer Refund, Sales Credit memo, and Sales Invoice with Invoice Type Debit Note/Supplementary Invoices. These fields are mandatory for GSTR 1 report.
  - **Update UOM** – This batch will update the UOM field in detailed GST Ledger Entry for all Sales transaction. User need to update GST Reporting UQC field in Unit Of Measure table before running this report.

Note: The batch report is required to be run for existing transactions only. These field will auto-update for future transactions at time of posting.

- **GSTR 2 File formats**

Similar to GSTR 1, the GSTN portal offline utility provides facility to generate .json file format which is acceptable by GSTR portal for filing returns. There are multiple options for entering data into offline utility for generating .json file format.

- Manual entry
- Excel upload (single file)
- .csv file format upload (multiple file)
- Copy past from excel for individual sections

User will be able to generate excel files for GSTR 2 templates from system which will be helpful to upload data into offline utility, user can directly copy and paste data into offline utility or convert each excel into .csv format for upload.

Prerequisites:

- User need to run **Update Det.GST Entry GSTR2** batch report before generating excel file from system. This batch report includes multiple Batch reports:
  - **Update Eligibility for ITC** – This batch will update the **Eligibility for ITC** field in Detailed GST. This field is used for Grouping in GSTR 2 Report.
  - **Update Import Details** – This batch will update the **Bill of Entry No., Bill of Entry Date,** and **GST Assessable Value** in Import/SEZ Goods Transaction in Detailed GST Ledger Entry
  - **Update Reason Code** – This batch will update GST reason Code as **Others** in all Detailed GST Ledger Entry for Document Type Vendor Refund, Purchase Credit memo, and Purchase Invoice with Invoice Type Debit Note/Supplementary Invoices. These fields are mandatory for GSTR 2 report.
  - **Update UOM** – This batch will update the UOM field in detailed GST Ledger Entry for all Purchase transaction. User need to update GST Reporting UQC field to be in Unit Of Measure table before running this report

Note: The batch report is required to be run for existing transactions only. These field will auto-update for future transactions at time of posting.

# 16. E-Way Bill Template

The E-Way Bill Template is included for GST in the product:

## **E-Way Bill Template (Version: 1.0.0123)**

E-Way Bill Template is designed to meet the formats/requirements provided by E-Way Bill System <https://docs.ewaybillgst.gov.in/html/FormatDownload.html>

E-Way Bill System is providing a 'E-Waybill JSON Preparation' tool (excel template) for bulk generation of e-way bills, through which user will be able to validate and generate json file. 'E-Waybill JSON Preparation' tool can be used by Taxpayer and Transporter.

User has to enter all Inward and Outward details in this template against which the JSON file is to be generated. After entering all required fields, user need to validate the template before generating JSON file.

User will be able to generate excel file from system which will be helpful for user to enter data into E-Waybill JSON Preparation tool. User can copy and past data from excel sheet exported from system to preparation tool.

Transactions posted from Journals will not be part E-Waybill template report, user will be able to generate E-Waybill template against transactions posted from documents only.

User will be able to generate E-Waybill for movement of goods for Transfers (shipment), Sales and Purchase transactions, system will consider only Items and FA with GST Group Type as Goods in this report.

### **Prerequisites:**

- Below fields should be updated in transaction before posting document for exporting details to E-Way bill template report.
  - Transport Method
  - Shipping Agent Code
  - Vehicle No.
  - Distance (Km)
- GST Registration No. and State Code should be updated in Shipping Agent master.
- Trans Mode field should be selected on Transport Method master
- User need to run **Update Det. GST Entry GSTR 1** batch report before generating excel file from system, this batch report includes multiple options, user need to select Update Ship-to Code:
  - Update Ship-to Code – This batch will update Ship-to Code from posted transaction to Detailed GST Ledger Entry table if POS is selected as Ship-to Address in posted transactions.

Note: The batch report is required to be run for existing transactions only. These field will auto-update for future transactions at time of posting.

**New version of E-way bill template is released (Version 1.0.0501) in E-way bill portal.**

New fields are introduced in this version, list of new fields added in template:

- Dispatch State
- Ship to State
- Vehicle Type

New field added in posted purchase invoice and credit memos for capturing E-way bill number.

# 17. GST TDS & GST TCS

## **GST TDS**

As per Section 51 of CGST Act, recipient shall deduct TDS of 2% on payment amount where contract amount exceeds 2.5 lakhs. The recipient will issue a certificate for the tax amount deducted against the payment made for contract to supplier.

Recipient will pay the deducted amount to government and the same is reflected in supplier's electronic ledger entry, which he can further adjust it against liability.

The applicable recipients are:

- a) A department or establishment of the Central Government or State Government;  
Or
- b) Local authority;  
Or
- c) Governmental agencies;  
Or
- d) Such persons or category of persons as may be notified by the Government on the recommendations of the Council.
  - a. An authority or a board or any other body, -
    - i. Set up by an Act of Parliament or a State Legislature;  
Or
    - ii. Established by any Government with fifty-one per cent. or more participation by way of equity or control, to carry out any function;
  - b. Society established by the Central Government or the State Government or a Local Authority under the Societies Registration Act, 1860 (21 of 1860)
  - c. public sector undertakings

This requirement/design is to provide an option for supplier where the TDS amount deducted by recipient is captured and tracked. The amount deducted shall be available in the settlement for adjusting against GST Liability amount.

In current design, the threshold of 2.5 lakh per contract is not considered as there is clarity missing. Ex: Single contract can have multiple invoices and single invoice can be raised for

multiple contracts. Hence, it is on user discretion to calculate GST TDS on transaction for any given value.

- GST TDS is deducted by recipient (Govt. Bodies) and certificate is issued for deducted amount.
- The amount deducted by recipient will be available in supplier E-cash ledger on payment to GSTIN by recipient.
- The E-cash ledger amount can be utilized against normal liability of same GST Component.
- Corrections are allowed before GST TDS amount is paid to GSTIN by recipient. Hence, there will not be any refund / negative credit is allowed,
- If refund of payment is to be paid by supplier to recipient then, full amount (without GST TDS) shall be considered.
- GST TDS is applicable only for Registered Customers
- A new setup is provided for GST TDS/TCS, user need to create setup against each component.
- The GST Jurisdiction is flown from GST Component master, GST Component Code which has Cess in Report View is not allowed in GST TDS/TCS Setup.
- Based on the Customer State Code and Location State Code system updates GST Jurisdiction on journal line and system will pick applicable GST Components based on the GST Jurisdiction from GST TDS/TCS Setup table.
- New field is created in GST Posting Setup table for accommodating GST TDS Receivable Account.
- User can calculate GST TDS on cash/bank receipt from customer, user need to enter GST TDS/TCS Base Amount manually for calculating GST TDS.
- A new field (GST TDS) is created on journal line, on selecting this field system calculates GST TDS based on available GST TDS/TCS setup.
- A provision for updating GST TDS certificate details is available under Financial Management > Periodic Activities > GST > Task: **Update GST TDS Certificate Dtl.**
- The GST TDS entries against which the certificate is received will be part of settlement.
- User can reverse the GST TDS entries before certificate is received.
- An additional option has been provided to user to modify GST TDS Certificate Details
- The GST TDS Credit received will be shown in settlement screen in **GST TDS Credit Available** field.
- User can manually enter amount in **GST TDS Credit Utilized** field for utilizing against the liability.

### Accounting Entries:



### Calculation:

Description	Calculation
Receipt Amount	1000
GST TDS/TCS Base Amount	1000
CGST	1000 (1000*1%)
SGST	1000 (1000*1%)
IGST	1000 (1000*2%)

### Sales Receipt Entries:

#### Interstate Sale Receipt

Account Name	Debit	Credit
Cash/Bank.....Dr	980	
GST TDS Receivable Account .....Dr	20	
To Customer		1000

#### Interstate Sale Advance Receipt

Account Name	Debit	Credit
Cash/Bank.....Dr	980	
GST Payable Account (I) .....Dr	107.14	
To GST Payable Account		107.14
GST TDS Receivable Account .....Dr	20	
To Customer		1000

Note: There is no change in application process.

### GST TCS

As per Section 52 of CGST Act, 2017, every e-commerce operator is required to collect tax at the rate of 1% (0.5% of CGST and 0.5% of SGST for intra state supply or 1% of IGST on interstate supply) on the net value of taxable supplies provided the supplier is supplying goods or services through e-commerce operator (online market place) and consideration with respect to the supply is to be collected by the said e-commerce operator

The taxable supplies includes total sales and returns. Hence, there is no GST TCS refund process in GST TCS.

The GST TCS amount collected by e-commerce operator shall be paid to GSTIN and the same will be reflected as available credit for supplier in their electronic cash ledger that can be utilized to setoff liability.

Corrections are allowed before GST TCS amount is paid to GSTIN by e-commerce operator. Hence, there will not be any refund / negative credit.

If refund of payment is to be paid by supplier to e-commerce operator then, full amount (without GST TCS) shall be considered.

GST TCS to be calculated on Invoice amount excluding GST. The Credit Memo amount excluding GST should be deducted from Invoice amount for the period before calculating GST TCS.

GST TCS can be calculated for a given period, which can be week, fortnight or a month.

GST TDS is applicable only for Registered Suppliers

The calculation of GST TCS is provided on Bank/Cash Payment and Receipt Vouchers.

There is no certificate received for GST TCS.

#### **GST TCS calculation against Customers:**

- A new setup is provided for GST TDS/TCS, user need to create setup against each component.
- The GST Jurisdiction is flown from GST Component master, GST Component Code which has Cess in Report View is not allowed in GST TDS/TCS Setup.
- Based on the Customer State Code and Location State Code system updates GST Jurisdiction on journal line and system will pick applicable GST Components based on the GST Jurisdiction from GST TDS/TCS Setup table.
- New field is created in GST Posting Setup table for accommodating GST TCS Receivable Account.
- User can calculate GST TCS on cash/bank receipt from customer, user need to enter GST TDS/TCS Base Amount manually for calculating GST TCS.
- A new field (GST TCS) is created on journal line, on selecting this field system calculates GST TCS based on available GST TDS/TCS setup.
- The GST TCS entries which are not reversed will be part of settlement.
- User can reverse the GST TCS entries before settlement is posted.
- The GST TCS entries which has **Credit Available** field TRUE will be shown in settlement screen in **GST TCS Credit Available** field.
- User can manually enter amount in **GST TCS Credit Utilized** field for utilizing against the liability.

#### **Accounting Entries:**

### Calculation:

Description	Calculation
Receipt Amount	1000
GST TDS/TCS Base Amount	1000
CGST	1000 (1000*1%)
SGST	1000 (1000*1%)
IGST	1000 (1000*2%)

### Interstate Sale Receipt

Account Name	Debit	Credit
Cash/Bank.....Dr	980	
GST TCS Receivable Account .....Dr	20	
To Customer		1000

### Interstate Sale Advance Receipt

Account Name	Debit	Credit
Cash/Bank.....Dr	980	
GST Payable Account (I) .....Dr	107.14	
To GST Payable Account		107.14
GST TCS Receivable Account .....Dr	20	
To Customer		1000

Note: There is no change in application process.

### GST TCS calculation against Vendor:

The calculation process mostly remains same.

GST TCS can be calculated for Registered Vendor only.

On posting of GST TCS transaction against Vendor, system updates **Liable to Pay** field in GST TDS/TCS Entry table as TRUE.

The GST TCS entries that has **Liable to Pay** field TRUE will be shown in settlement screen in **GST TCS Liability** field.

The **GST TCS Liability** can be paid only against Cash/Bank. It cannot be set off against any available credit.

### Interstate Purchase Payment

Account Name	Debit	Credit
<b>Vendor .....</b> Dr	1000	
<b>To Bank/Cash</b>		980
<b>To GST TCS Payable Account</b>		20

Note: Advance payment is not allowed against Registered Vendor.

## 18. Scope Exclusions for this release

- GSTR 6 & 8 – formats not yet released by Government.
- Apply to Oldest feature for Advance Payment Application
- Multiline Bank Cheque payment
- Refund of Multiple Payments
- Additional Reporting Currency

# 19. Non-GST

## 1. Sub-Contracting

In existing design, system is capturing Reject (C.E) and Reject (V.E) details in purchase line only (Sub-con order line); it is not captured in purchase receipt. If user post multiple sub-con receipts, it will be difficult for user to identify each receipt wise rejection details.

The applied delivery challan details are not captured against each sub-con receipt.

As per new change, system will capture rejected material details in posted purchase receipt lines, this will help user to identify each sub-con receipt wise rejection details.

Applied delivery challan detailed are captured against each sub-con receipt and made available in posted purchase receipt document.

## 2. TDS

As per TDS rules, each TDS group has threshold amount and user is eligible to calculate TDS against specific vendor only if total transactions value within accounting period crosses applicable threshold amount or if the single transaction value is greater than per contract value.

There is also an option/provision to user to overlook threshold amount and calculate TDS amount from first transaction onwards.

Existing design:

System will not calculate TDS until total transactions value crosses threshold value, if total transaction value crosses threshold value then system is calculating TDS on total transaction value that is inclusive of current transaction and previous posted transaction.

In this case, if user post a TDS adjustment journal for one of the posted transaction (which are posted before crossing threshold value) then, system should not calculate TDS on that transaction amount while calculating TDS after crossing threshold amount. This leads to dual TDS calculation on same amount.

New change:

While calculating TDS in invoice, where the threshold amount is crossed with current transaction, then system will not calculate TDS for those transactions that are adjusted from TDS Adjustment Journal.

Examples:

#### TDS Details

TDS Group	Threshold Amount	Per Contract Amount	TDS %
Contractor	1,00,000	30,000	1

#### TDS Entry with existing design

Doc. No.	Transaction Amount	TDS Base	TDS Amount	TDS Adjusted
Invoice-1	30,000	30,000	0	No
Invoice-2	35,000	35,000	350	No
Invoice-3	30,000	30,000	0	No
Invoice-4	5,000	5,000	0	No
<b>Invoice-3</b>	<b>30,000</b>	<b>30,000</b>	<b>300</b>	<b>Yes</b>
Invoice-5	500	65,500	655	No

Note: In this case, system is calculating TDS on adjusted transaction also.

#### TDS Entry with new design

Doc. No.	Transaction Amount	TDS Base	TDS Amount	TDS Adjusted
Invoice-1	30,000	30,000	0	No
Invoice-2	35,000	35,000	350	No
Invoice-3	30,000	30,000	0	No
Invoice-4	5,000	5,000	0	No
<b>Invoice-3</b>	<b>30,000</b>	<b>30,000</b>	<b>300</b>	<b>Yes</b>
Invoice-5	500	35,500	355	No

Note: In this case, system is not calculating TDS on adjusted transaction.

## 20. Code Box Section

### A. GST Calculation:

```
Result := 0;
CallLevel := CallLevel + 1;
WHILE (STRLEN(Expression) > 1) AND (Expression[1] = ')') DO
    Expression := COPYSTR(Expression,2);
IF Expression <> " THEN
    WHILE (STRLEN(Expression) > 1) AND (Expression[STRLEN(Expression)] = ')') DO
        Expression := COPYSTR(Expression,1,STRLEN(Expression) - 1);
IF STRLEN(Expression) > 0 THEN BEGIN
    Paratheses := 0;
    IsExpression := FALSE;
    Operators := '+-*/^';
    OperatorNo := 1;
    REPEAT
        i := STRLEN(Expression);
        REPEAT
            IF Expression[i] = '(' THEN
                Paratheses := Paratheses + 1
            ELSE
                IF Expression[i] = ')' THEN
                    Paratheses := Paratheses - 1;
            IF (Paratheses = 0) AND (Expression[i] = Operators[OperatorNo]) THEN
                IsExpression := TRUE
            ELSE
                i := i - 1;
        UNTIL IsExpression OR (i <= 0);
```



```

IF NOT IsExpression THEN
    OperatorNo := OperatorNo + 1;
UNTIL (OperatorNo > STRLEN(Operators)) OR IsExpression;
IF IsExpression THEN BEGIN
    IF i > 1 THEN
        LeftOperand := COPYSTR(Expression,1,i - 1)
    ELSE
        LeftOperand := "";
    IF i < STRLEN(Expression) THEN
        RightOperand := COPYSTR(Expression,i + 1)
    ELSE
        RightOperand := "";
    Operator := Expression[i];
    LeftResult :=
        EvaluateExpressioninGSTFormula(
            IsTestExpression,LeftOperand,TransactionType,DocumentType,DocumentNo,
            LineNo,ItemChargeDocType,ItemChargeDocNo,ItemChargeLineNo);
    RightResult :=
        EvaluateExpressioninGSTFormula(
            IsTestExpression,RightOperand,TransactionType,DocumentType,DocumentNo,Line
            No,
            ItemChargeDocType,ItemChargeDocNo,ItemChargeLineNo);
    CASE Operator OF
        '^':
            Result := POWER(LeftResult,RightResult);
        '*':
            Result := LeftResult * RightResult;
        '/':

```

```

    IF RightResult = 0 THEN
        Result := 0
    ELSE
        Result := LeftResult / RightResult;
    '+';
        Result := LeftResult + RightResult;
    '-';
        Result := LeftResult - RightResult;
    END;

WITH GSTSetup DO BEGIN
    SETRANGE("GST State Code",GSTStateCode);
    SETRANGE("GST Group Code",GSTGroupCode);
    SETRANGE("GST Component",GSTComponentCode);
    IF EffectiveDate = 0D THEN
        SETFILTER("Effective Date",'<=%1',WORKDATE)
    ELSE
        SETFILTER("Effective Date",'<=%1',EffectiveDate);
    IF FINDLAST THEN
        EXIT("GST Component");
        SETRANGE("GST State Code");
        SETRANGE("GST State Code","");
    IF FINDLAST THEN
        EXIT("GST Component");
    END;

WITH GSTAccountingSubPeriod DO BEGIN
    SETFILTER("Starting Date",'<=%1',PostingDate);
    IF FINDLAST THEN BEGIN
        SETFILTER("Starting Date",'>=%1',PostingDate);

```

```

IF NOT FINDFIRST THEN

    ERROR(AccountingPeriodErr,PostingDate);

IF NOT UsedForSettlement THEN

    IF LastClosedDate <> 0D THEN

        IF PostingDate < CALCDATE('<1M>',LastClosedDate) THEN

            ERROR(

                STRSUBSTNO(

                    PeriodClosedErr,CALCDATE('<-1D>',CALCDATE('<1M>',LastClosedDate)),

                    CALCDATE('<1M>',LastClosedDate)));

        GSTAccountingPeriod.GET("Accounting Period Start Date");

    END ELSE

        ERROR(AccountingPeriodErr,PostingDate);

```

## **B. Sales Posting**

```

SalesHeader.GET(DocumentType,DocumentNo);

SalesLine.SETRANGE("Document Type",DocumentType);

SalesLine.SETRANGE("Document No.",DocumentNo);

SalesLine.SETRANGE("Line No.",LineNo);

IF SalesLine.FINDFIRST THEN BEGIN

    "Document Type" := SalesHeader."Document Type";

    "Document No." := SalesHeader."No.";

    "Posting Date" := SalesHeader."Posting Date";

    Type := SalesLine.Type;

    "No." := SalesLine."No.";

    "Source No." := SalesLine."Bill-to Customer No.";

    Quantity := SalesLine.Quantity * Sign;

    "HSN/SAC Code" := SalesLine."HSN/SAC Code";

    "Location Code" := SalesLine."Location Code";

```

```

"Line No." := SalesLine."Line No.";
"Source Type" := "Source Type"::Customer;
"Invoice Type" := SalesHeader."Invoice Type";
Exempted := SalesLine.Exempted;
IF (SalesHeader."Document Type" IN [SalesHeader."Document Type"::"Credit
Memo",SalesHeader."Document Type"::"Return Order"]) THEN
    IF SalesHeader."Applies-to Doc. No." <> " THEN BEGIN
        "Original Invoice No." := SalesHeader."Applies-to Doc. No.";
        SalesInvoiceHeader.GET(SalesHeader."Applies-to Doc. No.");
        "Original Invoice Date" := SalesInvoiceHeader."Posting Date";
    END;
    UpdateSalesGSTRegNo(DetailedGSTEntryBuffer,SalesHeader,SalesLine);
    IF IsExempted(SalesHeader) OR SalesLine.Exempted OR
    IsFreeSupply(SalesHeader) THEN BEGIN
        GSTPercentage := 0;
        GSTAmount := 0;
    END;
    "GST Input/Output Credit Amount" := Sign * GSTAmount;
    "GST Base Amount" := GSTBaseAmount * Sign;
    "GST Amount" := GSTAmount * Sign;
    "GST Base Amount (LCY)" :=
        ConvertGSTBaseAmountToLCY(CurrencyCode,"GST Base
Amount",CurrencyFactor,"Posting Date");
    "GST Amount (LCY)" :=
        ConvertGSTBaseAmountToLCY(CurrencyCode,"GST
Amount",CurrencyFactor,"Posting Date");
    "GST %" := GSTPercentage;
END;
WITH DetailedGSTLedgerEntry DO BEGIN

```

```

INIT;
"Entry No." := GetNextGSTDetailEntryNo;
"Entry Type" := "Entry Type"::"Initial Entry";
"Transaction Type" := "Transaction Type"::Sales;
"Document Type" := DocumentType;
"Document No." := DocumentNo;
"External Document No." := SalesHeader."External Document No.";
"Posting Date" := SalesHeader."Posting Date";
"Source Type" := "Source Type"::Customer;
Type := SalesLine.Type;
IF DetailedGSTEntryBuffer."Item Charge Assgn. Line No." = 0 THEN
    "No." := SalesLine."No."
ELSE
    "No." := DetailedGSTEntryBuffer."No.";
"Nature of Supply" := SalesHeader."Nature of Supply";
"Liable to Pay" := TRUE;
"GST Place of Supply" := DetailedGSTEntryBuffer."GST Place of Supply";
DetailedGSTEntryBuffer.TESTFIELD("Location Code");
DetailedGSTEntryBuffer.TESTFIELD("Location State Code");
DetailedGSTEntryBuffer.TESTFIELD("Location Reg. No.");
"Location Code" := DetailedGSTEntryBuffer."Location Code";
"Buyer/Seller State Code" := DetailedGSTEntryBuffer."Buyer/Seller State
Code";
"Buyer/Seller Reg. No." := DetailedGSTEntryBuffer."Buyer/Seller Reg. No.";
"Shipping Address State Code" := DetailedGSTEntryBuffer."Shipping Address
State Code";
"Location Reg. No." := DetailedGSTEntryBuffer."Location Reg. No.";
"Location State Code" := DetailedGSTEntryBuffer."Location State Code";
"GST Jurisdiction Type" := SalesLine."GST Jurisdiction Type";

```

```

"Gen. Bus. Posting Group" := SalesLine."Gen. Bus. Posting Group";
"Gen. Prod. Posting Group" := SalesLine."Gen. Prod. Posting Group";
"Reason Code" := SalesHeader."Reason Code";
"GST Group Type" := SalesLine."GST Group Type";
"GST Without Payment of Duty" := SalesHeader."GST Without Payment of
Duty";
IF NOT SalesLine."Item Charge Entry" THEN
    "Item Charge Entry" := SalesLine.Type = SalesLine.Type::"Charge (Item)"
ELSE
    "Item Charge Entry" := SalesLine."Item Charge Entry";
    "Item Charge Assgn. Line No." := DetailedGSTEntryBuffer."Item Charge Assgn.
Line No.";
    "GST Component Code" := DetailedGSTEntryBuffer."GST Component Code";
    "GST Customer Type" := SalesHeader."GST Customer Type";
    "GST Exempted Goods" := SalesLine.Exempted;
    "Bill Of Export No." := SalesHeader."Bill Of Export No.";
    "Bill Of Export Date" := SalesHeader."Bill Of Export Date";
    "e-Comm. Merchant Id" := SalesHeader."e-Commerce Merchant Id";
    IF eCommerceCustomer.GET(SalesHeader."e-Commerce Customer") THEN
        "e-Comm. Operator GST Reg. No." := eCommerceCustomer."GST
Registration No.";
        "Invoice Type" := SalesHeader."Invoice Type";
        "Original Invoice No." := DetailedGSTEntryBuffer."Original Invoice No.";
        "Original Invoice Date" := DetailedGSTEntryBuffer."Original Invoice Date";
        "G/L Account No." :=
            GetGSTAccountNo(
                "Location State Code",DetailedGSTEntryBuffer."GST Component Code",
                "Transaction Type"::Sales,SalesLine.Type::" ",0,FALSE,FALSE);
        UpdateDetailGSTLedgerEntry(

```

```

DetailedGSTLedgerEntry,DetailedGSTEntryBuffer,
SalesHeader."Currency Code",SalesHeader."Currency Factor",
QtyFactor,TransactionNo);
SalesInvoiceLine.SETRANGE("Document No.,"Document No.");
SalesInvoiceLine.SETRANGE("Line No.,"Document Line No.");
IF SalesInvoiceLine.FINDFIRST THEN
    "Amount to Customer/Vendor" := SalesInvoiceLine."Amount To Customer";
TESTFIELD("HSN/SAC Code");
IF QtyFactor <> 0 THEN
    INSERT(TRUE);
END;

```

### **C. Purchase Posting**

```

PurchaseHeader.GET(DocumentType,DocumentNo);
PurchaseLine.SETRANGE("Document Type",DocumentType);
PurchaseLine.SETRANGE("Document No.",DocumentNo);
PurchaseLine.SETRANGE("Line No.",LineNo);
IF PurchaseLine.FINDFIRST THEN BEGIN
    "Document Type" := PurchaseHeader."Document Type";
    "Document No." := PurchaseHeader."No.";
    "Posting Date" := PurchaseHeader."Posting Date";
    Type := PurchaseLine.Type;
    "No." := PurchaseLine."No.";
    "Source No." := PurchaseLine."Buy-from Vendor No.";
    Quantity := PurchaseLine.Quantity;
    "HSN/SAC Code" := PurchaseLine."HSN/SAC Code";
    "Location Code" := PurchaseLine."Location Code";
    "Line No." := PurchaseLine."Line No.";

```

```

"Source Type" := "Source Type"::Vendor;
"Input Service Distribution" := PurchaseHeader."GST Input Service Distribution";
Exempted := PurchaseLine.Exempted;
IF (PurchaseHeader."Document Type" IN [PurchaseHeader."Document
Type"::"Credit Memo",PurchaseHeader."Document Type"::"Return Order"]) THEN
    IF PurchaseHeader."Applies-to Doc. No." <> " THEN BEGIN
        "Original Invoice No." := PurchaseHeader."Applies-to Doc. No.";
        PurchInvHeader.GET(PurchaseHeader."Applies-to Doc. No.");
        "Original Invoice Date" := PurchInvHeader."Posting Date";
    END;
IF (PurchaseHeader."GST Vendor Type" IN
    [PurchaseHeader."GST Vendor Type"::Composite,PurchaseHeader."GST
Vendor Type"::Exempted]) OR PurchaseLine.Exempted
THEN BEGIN
    GSTPercentage := 0;
    GSTAmount := 0;
END ELSE
    IF PurchaseLine."GST Credit" = PurchaseLine."GST Credit"::Availment THEN
        "GST Input/Output Credit Amount" := Sign * GSTAmount
    ELSE
        "Amount Loaded on Item" := Sign * GSTAmount;
        "GST Base Amount" := GSTBaseAmount * Sign;
        "GST Amount" := GSTAmount * Sign;
        "GST Base Amount (LCY)" :=
        ConvertGSTBaseAmountToLCY(CurrencyCode,"GST Base
Amount",CurrencyFactor,"Posting Date") ;
        "GST Amount (LCY)" := ConvertGSTBaseAmountToLCY(CurrencyCode,"GST
Amount",CurrencyFactor,"Posting Date") ;
        "Custom Duty Amount" := Sign * PurchaseLine."Custom Duty Amount";
        "GST Assessable Value" := Sign * PurchaseLine."GST Assessable Value";

```



```

"Custom Duty Amount (LCY)" :=
ConvertGSTBaseAmountToLCY(CurrencyCode,"Custom Duty
Amount",CurrencyFactor,"Posting Date") * Sign;

"GST Assessable Value (LCY)" :=
ConvertGSTBaseAmountToLCY(CurrencyCode,"GST Assessable
Value",CurrencyFactor,"Posting Date") * Sign;

"GST %" := GSTPercentage;

UpdatePurchaseGSTRegNo(DetailedGSTEntryBuffer,PurchaseHeader,PurchaseLine
);

WITH DetailedGSTLedgerEntry DO BEGIN
    INIT;

    "Entry No." := GetNextGSTDetailEntryNo;
    "Entry Type" := "Entry Type"::"Initial Entry";
    "Transaction Type" := "Transaction Type"::Purchase;
    "Document Type" := DocumentType;
    "Document No." := DocumentNo;
    IF PurchaseHeader."Vendor Invoice No." <> " THEN
        "External Document No." := PurchaseHeader."Vendor Invoice No.";
    IF PurchaseHeader."Vendor Cr. Memo No." <> " THEN
        "External Document No." := PurchaseHeader."Vendor Cr. Memo No.";
    "Posting Date" := PurchaseHeader."Posting Date";
    "Source Type" := "Source Type"::Vendor;
    Type := PurchaseLine.Type;
    IF DetailedGSTEntryBuffer."Item Charge Assgn. Line No." = 0 THEN
        "No." := PurchaseLine."No."
    ELSE
        "No." := DetailedGSTEntryBuffer."No.";
    DetailedGSTEntryBuffer.TESTFIELD("Location Code");
    DetailedGSTEntryBuffer.TESTFIELD("Location State Code");

```

```

DetailedGSTEntryBuffer.TESTFIELD("Location Reg. No.");
"Location Code" := DetailedGSTEntryBuffer."Location Code";
"Location Reg. No." := DetailedGSTEntryBuffer."Location Reg. No.";
"Location State Code" := DetailedGSTEntryBuffer."Location State Code";
Vendor.GET(PurchaseHeader."Buy-from Vendor No.");
"GST Jurisdiction Type" := PurchaseLine."GST Jurisdiction Type";
"GST Group Type" := PurchaseLine."GST Group Type";
IF NOT PurchaseLine."Item Charge Entry" THEN
    "Item Charge Entry" := PurchaseLine.Type = PurchaseLine.Type::"Charge
(Item)"
ELSE
    "Item Charge Entry" := PurchaseLine."Item Charge Entry";
"Gen. Bus. Posting Group" := PurchaseLine."Gen. Bus. Posting Group";
"Gen. Prod. Posting Group" := PurchaseLine."Gen. Prod. Posting Group";
"Reason Code" := PurchaseHeader."Reason Code";
"Item Charge Assgn. Line No." := DetailedGSTEntryBuffer."Item Charge Assgn.
Line No.";
"Nature of Supply" := PurchaseHeader."Nature of Supply";
"Buyer/Seller State Code" := DetailedGSTEntryBuffer."Buyer/Seller State
Code";
"Buyer/Seller Reg. No." := DetailedGSTEntryBuffer."Buyer/Seller Reg. No.";
"Shipping Address State Code" := DetailedGSTEntryBuffer."Shipping Address
State Code";
"GST Component Code" := DetailedGSTEntryBuffer."GST Component Code";
"GST Exempted Goods" := PurchaseLine.Exempted;
"Reverse Charge" := DetailedGSTEntryBuffer."Reverse Charge";
"GST Vendor Type" := PurchaseHeader."GST Vendor Type";
"Associated Enterprises" := PurchaseHeader."Associated Enterprises";
"Original Invoice No." := DetailedGSTEntryBuffer."Original Invoice No.";

```

```

"Original Invoice Date" := DetailedGSTEntryBuffer."Original Invoice Date";
IF DetailedGSTEntryBuffer."Amount Loaded on Item" <> 0 THEN
    "GST Credit" := "GST Credit"::"Non-Availment"
ELSE
    "GST Credit" := "GST Credit"::Availment;
"G/L Account No." :=
    GetGSTAccountNo(
        "Location State Code",DetailedGSTEntryBuffer."GST Component
Code","Transaction Type"::Purchase,
        PurchaseLine.Type::" ",PurchaseLine."GST Credit",PurchaseHeader."GST
Input Service Distribution",
        GetReceivableApplicable("GST Vendor Type","GST Group Type","GST
Credit","Associated Enterprises","Reverse Charge"));
"Credit Availd" :=
    GetReceivableApplicable("GST Vendor Type","GST Group Type","GST
Credit","Associated Enterprises","Reverse Charge");
"Liable to Pay" := GetPurchaseLiable("GST Vendor Type","GST Group
Type","Associated Enterprises");
UpdateDetailGSTLedgerEntry(
    DetailedGSTLedgerEntry,DetailedGSTEntryBuffer,PurchaseHeader."Currency
Code",
    PurchaseHeader."Currency Factor",QtyFactor,TransactionNo);
// Get Posted Purch Invoice
IF PurchInvLine.GET("Document No.,"Document Line No.") THEN
    "Amount to Customer/Vendor" := PurchInvLine."Amount To Vendor";
TESTFIELD("HSN/SAC Code");
IF (Vendor."GST Vendor Type" = Vendor."GST Vendor Type"::Import) OR
    (Vendor."GST Vendor Type" = Vendor."GST Vendor Type"::SEZ) THEN
    IF PurchaseLine.Type IN [PurchaseLine.Type::"Fixed
Asset",PurchaseLine.Type::Item] THEN

```

```

PurchaseLine.TESTFIELD("GST Assessable Value");

IF (DetailedGSTEntryBuffer."Amount Loaded on Item" = 0) AND
   (DetailedGSTEntryBuffer."GST Input/Output Credit Amount" = 0)
THEN
    EVALUATE("GST Credit",FORMAT(PurchaseLine."GST Credit"));
    IF QtyFactor <> 0 THEN
        INSERT(TRUE);
        IF "GST Credit" = "GST Credit"::"Non-Availment" THEN BEGIN
            ValueEntry.SETCURRENTKEY("Document No.", "Document Line No.", "Item
No.");
            ValueEntry.SETRANGE("Document No.", DocumentNo);
            ValueEntry.SETRANGE("Document Line No.", "Document Line No.");
            ValueEntry.SETRANGE("Item No.", "No.");
            IF ValueEntry.FINDFIRST THEN BEGIN
                "Item Ledger Entry No." := ValueEntry."Item Ledger Entry No.";
                MODIFY(TRUE);
            END;
        END;
    END;
END;

```

#### **D. GST Application**

```

WITH GSTApplicationBuffer[1] DO BEGIN
    IF DetailedGSTEntryBuffer."Transaction Type" =
DetailedGSTEntryBuffer."Transaction Type"::Service THEN
        "Transaction Type" := DetailedGSTEntryBuffer."Transaction Type"::Sales
    ELSE
        "Transaction Type" := DetailedGSTEntryBuffer."Transaction Type";
    "Original Document Type" := InvoiceDocType;

```

```

"Original Document No." := InvoiceDocNo;
"Account No." := AccountNo;
"GST Group Code" := DetailedGSTEntryBuffer."GST Group Code";
"GST Group Type" := DetailedGSTEntryBuffer."GST Group Type";
"GST Component Code" := DetailedGSTEntryBuffer."GST Component Code";
"Current Doc. Type" := InvoiceDocType;
QtyFactor :=
    GetQtyFactor(
        TransactionType,DetailedGSTEntryBuffer."Document Type",
        DetailedGSTEntryBuffer."Document No.",DetailedGSTEntryBuffer."Line No.");
"Current Doc. Type" := DetailedGSTEntryBuffer."Document Type";
"Currency Code" := DetailedGSTEntryBuffer."Currency Code";
"Currency Factor" := DetailedGSTEntryBuffer."Currency Factor";
"GST Rounding Precision" := DetailedGSTEntryBuffer."GST Rounding
Precision";
"GST Rounding Type" := DetailedGSTEntryBuffer."GST Rounding Type";
"Charge To Cust/Vend" := DetailedGSTEntryBuffer."Charge To Cust/Vend";
"TDS/TCS Amount" := DetailedGSTEntryBuffer."TDS/TCS Amount";
"GST Base Amount" := ROUND(DetailedGSTEntryBuffer."GST Base Amount" *
QtyFactor,0.01);
"GST Amount" :=
    GSTManagement.RoundGSTPrecision(DetailedGSTEntryBuffer."GST Amount"
* QtyFactor);
"GST Cess" := DetailedGSTEntryBuffer.Cess;
END;
GSTApplicationBuffer[2] := GSTApplicationBuffer[1];
IF GSTApplicationBuffer[2].FIND THEN BEGIN
    GSTApplicationBuffer[2]."GST Base Amount" += GSTApplicationBuffer[1]."GST
Base Amount";

```

```

        GSTApplicationBuffer[2]. "GST Amount" += GSTApplicationBuffer[1]. "GST
Amount";

        GSTApplicationBuffer[2]. "Charge To Cust/Vend" +=
GSTApplicationBuffer[1]. "Charge To Cust/Vend";

        GSTApplicationBuffer[2]. "TDS/TCS Amount" +=
GSTApplicationBuffer[1]. "TDS/TCS Amount";

        GSTApplicationBuffer[2]. MODIFY(TRUE);

    END ELSE

        GSTApplicationBuffer[2]. INSERT(TRUE);

IF (AppliedAmount <> 0) AND (InvoiceAmount <> 0) THEN BEGIN
    IF ABS(AppliedAmount) >= ABS(InvoiceAmount) THEN BEGIN
        AmounttoApply := 0;
        ERROR(STRSUBSTNO(ExceedGroupAmtErr,AmounttoApply,GSTGroupCode));
    END;

    AmountRequired := ABS(AppliedAmount) + ABS(AmounttoApply) -
ABS(InvoiceAmount);

    IF AmountRequired <= 0 THEN
        EXIT;

    IF TransactionType = TransactionType::Sales THEN
        Sign := -1;

        AmountRequired *= Sign;

        IF AmountRequired <> AmounttoApply THEN BEGIN
            AmounttoApply := ABS(InvoiceAmount) - ABS(AppliedAmount);

            IF TransactionType = TransactionType::Sales THEN
                AmounttoApply *= Sign;

            IF ShowWarning THEN
                ERROR(STRSUBSTNO(ExceedGroupAmtErr,AmounttoApply,GSTGroupCode));
        END;
    END;
END;

```

## ***E*** ***GST Settlement***

```
IF IsGSTPaymentApplicable(GSTPaymentBuffer) THEN BEGIN
    Window.UPDATE(1,"GST Component Code");
    GSTPostingSetup.GET("Location State Code","GST Component Code");
    TotalPaymentAmount += "Payment Amount" + Interest + Penalty + Fees +
Others;
    IF "Payment Liability - Rev. Chrg." > 0 THEN BEGIN
        TotalPaymentAmount += "Payment Amount - Rev. Chrg.";
        CreateAndPostGenJournalLine(
            "Account Type":"G/L
Account",GSTPostingSetup.GetPayableAccount(GSTPostingSetup),
            "Payment Amount - Rev. Chrg.",STRSUBSTNO(GSTPaymentTypeTxt,"GST
Component Code",ReverseChargePaymenttxt));
        END;
    IF "Net Payment Liability" > 0 THEN
        CreateAndPostGenJournalLine(
            "Account Type":"G/L
Account",GSTPostingSetup.GetPayableAccount(GSTPostingSetup),
            "Net Payment Liability",STRSUBSTNO(GSTPaymentTypeTxt,"GST
Component Code",NetPaymentLibTxt));
    IF Interest > 0 THEN
        CreateAndPostGenJournalLine(
            "Account Type":"G/L Account","Interest Account No.",Interest,
            STRSUBSTNO(GSTPaymentTypeTxt,"GST Component
Code",FIELDCAPTION(Interest)));
    IF Penalty > 0 THEN
        CreateAndPostGenJournalLine(
            "Account Type":"G/L Account","Penalty Account No.",Penalty,
            STRSUBSTNO(GSTPaymentTypeTxt,"GST Component
Code",FIELDCAPTION(Penalty)));
```

```

IF Fees > 0 THEN
    CreateAndPostGenJournalLine(
        "Account Type"::"G/L Account", "Fees Account No.", Fees,
        STRSUBSTNO(GSTPaymentTypeTxt, "GST Component
Code", FIELDCAPTION(Fees)));
IF Others > 0 THEN
    CreateAndPostGenJournalLine(
        "Account Type"::"G/L Account", "Others Account No.", Others,
        STRSUBSTNO(GSTPaymentTypeTxt, "GST Component
Code", FIELDCAPTION(Others)));
IF ("Credit Utilized" <> 0) OR ("Surplus Cr. Utilized" <> 0) THEN BEGIN
    IF "Credit Aailed" < "Credit Utilized" THEN
        ReceivableAmount := "Credit Aailed" + "Surplus Cr. Utilized"
    ELSE
        ReceivableAmount := "Credit Utilized" + "Surplus Cr. Utilized";
    IF ReceivableAmount > 0 THEN
        CreateAndPostGenJournalLine(
            "Account Type"::"G/L
Account", GSTPostingSetup.GetRecAccount(GSTPostingSetup),
            ReceivableAmount * Sign, STRSUBSTNO(GSTPaymentTypeTxt, "GST
Component Code", CreditUtilizedTxt));
    END;
    IF "UnAdjutsed Credit" < 0 THEN BEGIN
        CreateAndPostGenJournalLine(
            "Account Type"::"G/L
Account", GSTPostingSetup.GetPayableAccount(GSTPostingSetup),
            "UnAdjutsed Credit", STRSUBSTNO(GSTPaymentTypeTxt, "GST Component
Code", UnadjustedCreditTxt));
        CreateAndPostGenJournalLine(

```



```
        "Account Type"::"G/L
Account",GSTPostingSetup.GetRecAccount(GSTPostingSetup),
        "UnAdjutsed Credit" * Sign,STRSUBSTNO(GSTPaymentTypeTxt,"GST
Component Code",UnadjustedCreditTxt));

    END;

END;
```