



FAQ ON GST

GOODS & SERVICES TAX

IMPORTANT FACTS ABOUT GST

FAQ covers all the commonly asked questions, raised by business owners about the Procedures, challenges of implementation in companies, Preparations of GST.

FAQ's on GST

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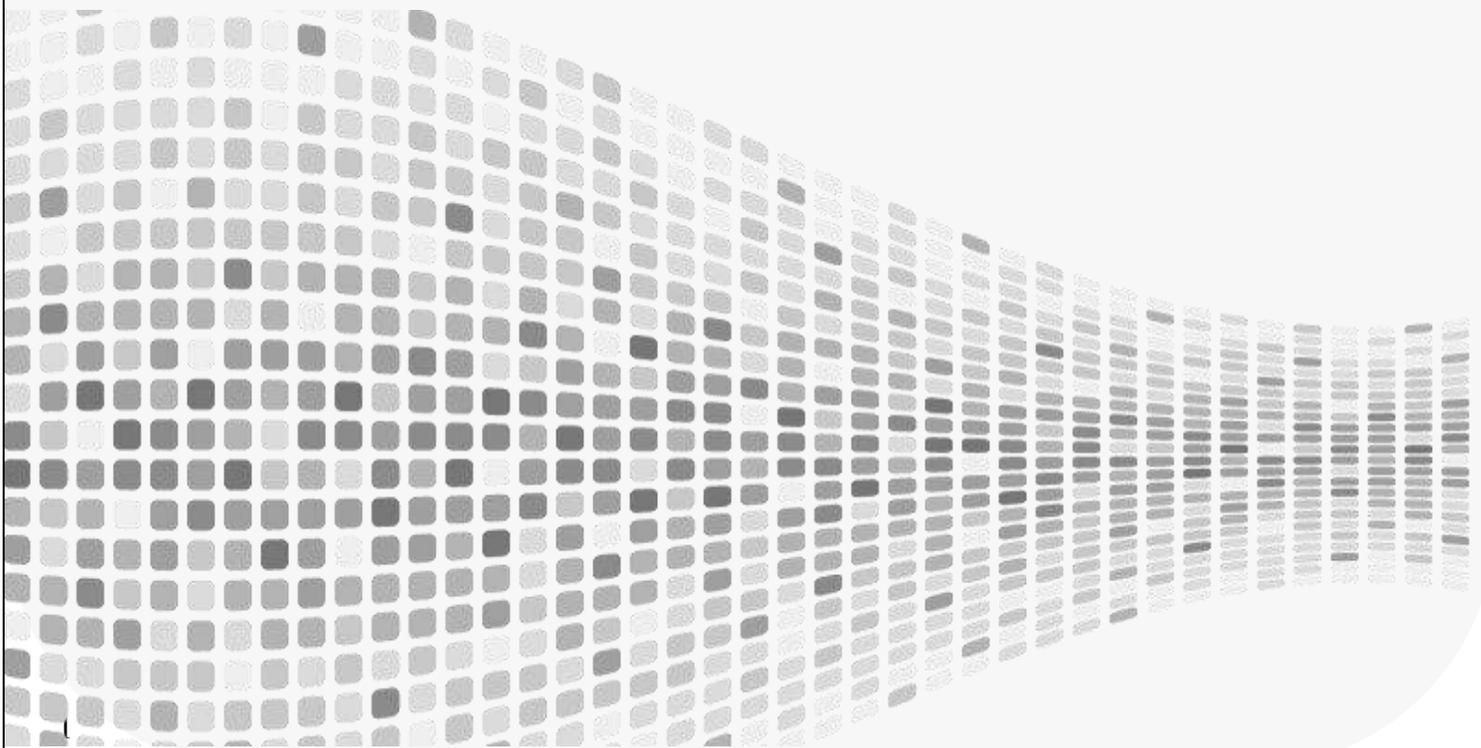
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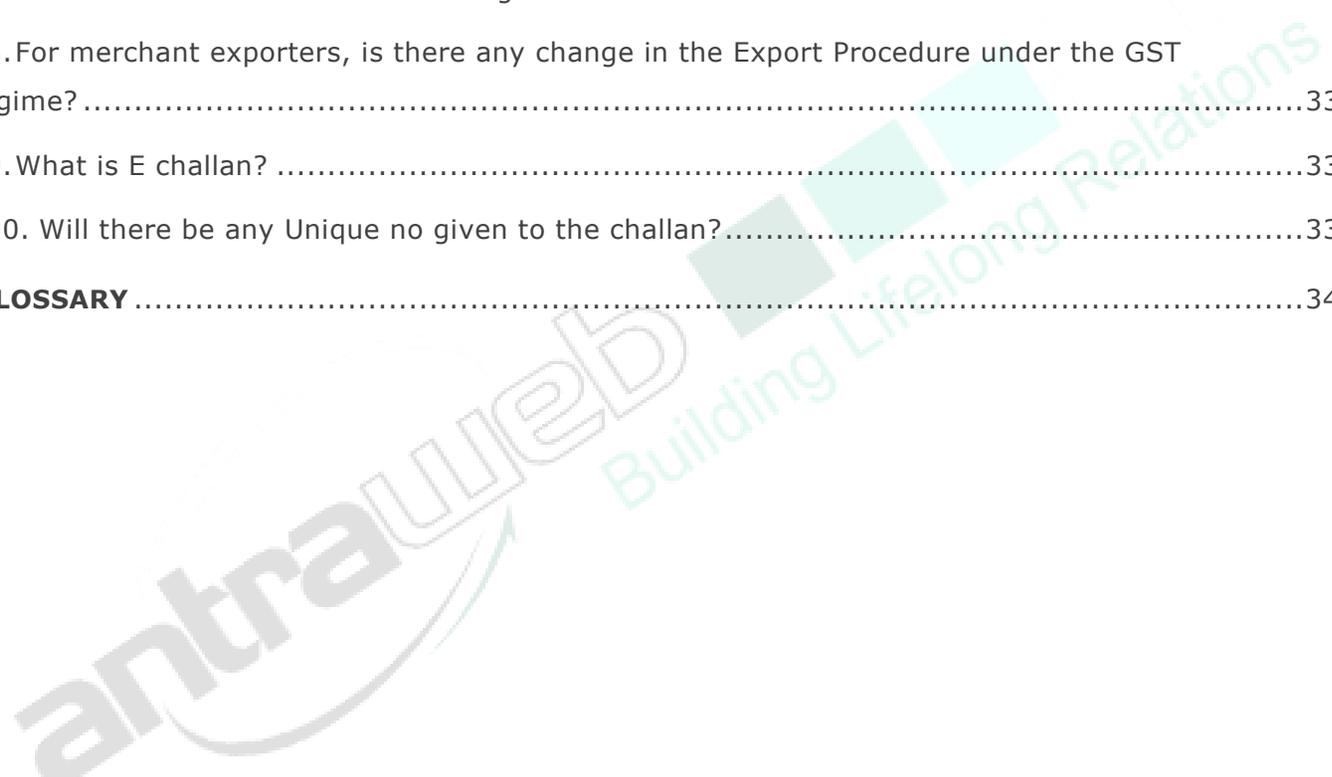
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MIGRATION IN RELEASE 6.0

1. I have about 20 companies in Tally.ERP 9. How do I migrate all companies at one shot?

After upgrading to Tally.ERP 9 Release 6, you just have to open all the companies one by one, after which data of all the companies data will be automatically migrated.

2. How do I migrate Release 4.93 data to Release 6.0.1?

Open your company in Release 6.0.1 and follow the on-screen instructions. For more information, refer to [Upgrading to Tally.ERP 9 Release 6](#).

3. How to use my existing license in both Release 4.93 and Release 6.0.1?

After installing Tally.ERP 9 Release 6.0.1, select **Configure your existing license** in the **Startup** screen and enter your existing license details. For more information, refer to [Configuring Tally.ERP 9 License](#).

4. How do I renew my TSS and upgrade to GST Release?

Refer to [Renewing TSS for Tally.ERP 9](#) and [Upgrading to Tally.ERP 9 Release 6](#) for detailed information.

GET STARTED WITH GST IN TALLY

5. While opening data in an older release, it displays error "Data of incorrect version 12, can only run version 11".

Data migrated to a later version of Tally.ERP 9 is not reverse compatible. This means, if you have migrated your data to the latest release, you cannot open the same data using an earlier release of Tally.ERP 9. Therefore, it is recommended that before migrating your data, take a backup or copy of your data and open the backed up data in the earlier release, if needed.

6. How to configure GST setup at the master and transaction levels?

For detailed information, refer to [Start Using Tally.ERP 9 for GST Compliance](#).

7. How can I adopt GST in case I am not maintaining Inventory?

You can enable the option **Maintain Accounts Only** in **F11: Features** > **F1**, and enable GST in **F11: Features** > **F3**

8. I have a multiple-location customer with different GSTINs. Do I need to maintain multiple ledgers or can I create multiple addresses with respect to their GST in one ledger?

You can create multiple addresses for one customer in Tally.ERP 9, and update all the GSTINs of that customer along with the corresponding address.

9. If our company has multiple GSTINs, do we need to have one company with multiple godowns, or should we create multiple companies in Tally.ERP9?

You can have only one GSTIN per company. If you have multiple GSTINs, you need to create multiple companies in Tally.ERP 9.

10. Can I create Tax rate wise duty ledger e.g. CGST@9%, CGST@6%?

Flexibility is available in Tally to create ledgers with different rates but creating multiple rate ledgers will create confusion while passing ITC adjustment entry. Hence It is suggested to create single Duty ledger (without rate of duty) for each sales and purchase voucher.

11. Do I have to create Expenses ledger according to RD Supplier or URD Supplier. E.g. Labor Exp (RD), Labor Exp (URD)?

No, you do not have to create expense ledger according to nature of supplier. Registered or Unregistered dealer shall be defined in the supplier master and Tally will automatically check Tax applicability on forward charge basis or reverse charge basis.

In case if you are using single expense ledger, you shall not set Tax classification under nature of Transaction, but will set Tax rate while passing the entry. **Select Tax classification from RD or URD.**

12. Can I use a common GST tax ledger for all GST tax types? If not, why?

Common GST tax ledger cannot be used for all GST tax types (Central Tax, State Tax, Integrated Tax, and Cess). Each tax type has to be separately accounted for, which will lead to the following benefits:

- ▶ It will help in the payment of tax under separate tax type heads as required by GSTN.
- ▶ It will help in availing input tax credit for each tax type.
- ▶ It will help the government in ascertaining the revenue for each tax type, which will enable smooth revenue-sharing mechanism.

13. Should I create different Duty ledger for raising Tax liability under URD which shall be used for claiming Input Tax Credit?

Yes, you can create separate CGST (URD) & SGST (URD) ledgers while raising the tax liability under URD. It is suggested to create separate ledger under URD because it helps to easily identify the tax amount liable under URD.

14. How does auto calculation happen for central tax/state tax/integrated tax using voucher class?

Auto calculation will happen when you create a voucher class with central tax/state tax/integrated tax as a default additional ledger.

15. How does GST Classification for Capital Goods happen in Tally.ERP 9?

You can create capital goods under **Fixed Assets**, and then enable GST.

16. What is the use of selecting Unknown as dealer registration type?

If you are not sure about the registration type of your party while creating or updating the party master, you can select **Unknown** as the registration type in the party ledger.

GST Details		Registration Types
Registration type	Unknown	Unknown
GSTIN/UIN	29AGCTP1435F1Z5	Composition
Party Type	Not Applicable	Consumer
Is a e-Commerce operator	No	Regular
		Unregistered

You can update the details later by altering the party ledger. If you want to update the details of multiple parties, you can conveniently do so from the Update Party GSTIN/UIN report. If such parties are part of taxable transactions, ensure that you update the details before filing the final returns.

17. How to manage GST accounts when I have multiple branches in different states?

You have to create a separate company for each registration obtained under GST for the branch offices, and maintain your data.

18. Can I print mailing address of my branch location in the Sales Invoice while creating the sales invoice from the HO location in Tally.ERP 9 ?

Yes, we can maintain multiple addresses of our company in Tally.ERP 9.

Ho Address is provided in the Primary Address i.e. in the company creation or alteration screen.

Branch Address can be provided from Gateway of Tally → F11: Features → F1: Accounting Features → Set the option Maintain Multiple mailing details for company and ledgers to yes → Enable the option set alter company mailing details to add multiple addresses.

Press Enter. The Address type screen will appear. Enter to accept the Primary address type then mention the second address Type the name of Branch location

After the address configuration, while printing sales invoice or other voucher → click on Titling (Alt + T) → Select the Company Address to Print as Branch Location → accept the configuration. The Sales Invoice print will show the Branch address in the Print.

19. Can we maintain company data located at different states e.g. Maharashtra & Gujarat having different GSTN Numbers in Tally.ERP 9?

GST is completely state wise if we have multiple GSTN number state wise we need to create multiple Data Base in Tally state wise. We can maintain both location data on single place single Tally but data should be separate and filing need to be done separately for both GSTN number. You can't maintain both location data in single data base it will create issue while filing return.

20. Does I have to create separate duty ledger according to rate wise, sales and purchase wise?

No, a single duty ledger can be used for any rate and any transaction. Separate duty ledger can also be created for sales and purchase ledger. It is suggested to not create multiple ledger for each type of rates.

21. How can we track the mistakes done in the GST masters or Transactions?

In the Gateway of Tally → Display → Statutory Report → GST → GSTR1 OR GSTR2 → Enter into **Incomplete/Mismatch in information (to be resolved)** from where you can trace the mistakes done in the transaction.

22. In case of 200 Rs above sales invoice is compulsory so we have to create ledger for each walk-in customer?

No, you do not need to create ledger for all the walk-in customer, you can just record customer name and purchase details in supplementary page and print then the invoice.

23. How can I configure multiple address of party having multiple GSTIN Number?

In the Gateway of Tally → F11: Features → F1: Accounting Features → Set the option Maintain Multiple mailing details for company and ledgers to yes.

Go to Gateway of Tally → Accounts Info → Ledgers → Alter.

The Ledger Creation screen appears. Click F12: Configure. The Master Configuration screen appears → Set the option Use MULTIPLE Addresses to Yes → Click Enter to save the configuration and go to the Ledger Alteration screen Set the option Set/Alter Multiple Mailing Details to Yes → The Address Type screen for the ledger being created appears → Type the name of the Party's Location → Enter the Mailing Name, Address, State, PIN Code, and GSTIN number in the Statutory & Taxation Information. Thus we can define GSTN number for multiple addresses.

24. I have VAT number, UAM number. Will that be sufficient for GST registration?

No, even for a business transitioning into GST, PAN will need to be furnished for GST registration. To understand more about the process of registration, please refer our blog post....Learn more

25. If I am providing services across multiple states, can't I manage with single registration?

No. In the current regime, Service Tax was applicable for services, which required a unified, centralized registration. However, in the current regime, goods and services will have the same treatment, and will be taxed on supply, at the place of supply. This will require separate registration, if services are being provided across multiple states. To understand more, please refer our blog post...Learn more

HSN CODE

26. How to enter HSN code in multiple companies each having the same stock items?

You have to provide HSN code in each company individually, in one of the following ways:

- o Enter the HSN code in the **GST Details** screen at the company level.
- o Go to **Gateway of Tally > Display > Statutory Reports > GST > GST Rate Setup**, and enter the HSN code in the **GST Rate Setup** screen.

27. HSN is not getting printed in the sales invoice although the same is updated in the GST Rate Setup screen. Why?

Refer to the HSN/SAC code is not getting printed in the invoice topic for more details.

28. How can I get the HSN code for any product?

You can find the chapter-wise-rate-wise GST rate schedule for goods on the website <http://www.cbec.gov.in/htdocs-cbec/gst/index>. Alternatively, contact your CA/business consultant for more details.

29. HSN Code is not getting Printed in Purchase Order?

HSN Code on Purchase order is not available in current Tally.ERP 9 Release 6.x and shall be available in next or future release.

INVOICE

30. The Sales Invoice format changed after upgrading and activating GST. Why?

Tally.ERP 9 Release 6.0 onwards, the invoice formats have been enhanced for GST. The invoice formats currently supported are **Tax invoice**, **Bill of Supply**, and **Advanced Receipts**.

31. Can I create GST e-Cash, e-Credit, and e-Liability masters in Tally.ERP 9?

You can create ledgers named as e-Cash, e-Credit, and e-Liability in Tally ERP 9. You can maintain these ledgers separately for GST.

32. What happens if I delete invoices?

If the method of voucher numbering is set to **Automatic**, then duplication of the invoice number might occur if you delete invoices. For GST transactions, unique voucher numbers have to be used for all your vouchers. Therefore, we recommend that **Automatic (Manual**

Override) should be set as the method of voucher numbering, which will ensure that unique voucher numbers are set for your vouchers.

33. Can I have both exempt and non-exempt goods in the GST bill?

No, exempt and taxable goods cannot be part of the same bill. A tax invoice has to be issued for taxable goods and services. A bill of supply has to be issued for exempt, nil rated, and non-GST goods.

34. While printing sales Invoice HSN Code of stock item is not getting printed what would be the reason?

Ensure that you specify both HSN/SAC and tax rates at the same level (Ledger or Group or Stock item or Stock group or Company) in Tally.ERP 9. If you have specified the HSN/SAC for stock items at any one level, do not specify the same at other levels.

When recording a transaction, Tally.ERP 9 looks for tax-related details in the following order:

Ledger > Group > Stock item > Stock group > Company

HSN/SAC may not be printed in the invoice if

- HSN/SAC is entered at the group level, but tax rate is entered at the ledger level
- HSN/SAC is entered at the stock item level, but tax rate is entered at ledger group or ledger level
- HSN/SAC is entered at the stock group level, but tax rate is entered at the stock item, stock group, or ledger level
- HSN/SAC is entered at the company level, but tax rate is entered at another level

To print the HSN/SAC in the invoice, ensure that the tax rate and HSN/SAC are defined at the same level. [For More Information](#)

35. Vertical HSN Code columns printing twice on bill.

The excise HSN code column may be enabled in the printing configuration of the Sales Invoice. Thus the HSN code are coming twice in the invoice. Disable the Excise HSN in the print configuration for the same.

36. Is it compulsory to raise invoice for each sales irrespective of amount?

In case of B2B Transaction, irrespective of amount we need to raise invoice for every single sales.

In case of B2C, if sales amount is above 200 Rs compulsorily we need to raise the Tax Invoice, incase of amount below Rs.200, raising of invoice is not compulsory. In that case you can club all the sales transaction in one single entry.

37. How do I raise an Invoice for Service Bill in Accounts only company?

You need to create your service bill as a sales voucher in accounting invoice mode, by selecting the relevant service and tax ledgers.

38. Is it required to print date and time of removal of Goods for GST invoices?

No. GST invoice rules do not mandate printing the date and time for removal of goods.

39. How to Print Self Invoice in case of URD\RCM Purchase?

Under GST, a registered person is liable to pay taxes on purchases made from an unregistered dealer. This tax liability is called reverse charge and registered dealers have to pay the tax directly to the department.

A registered dealer can claim input tax against taxable supplies from an unregistered dealer. However, the registered dealer must pay the tax for the purchase before claiming input credit. Thus the registered dealer shall create the purchase expenses entry for URD in Tally.ERP 9 for creating the Self Invoice of URD purchase. Note: On printing the invoice, self GST details will be shown in the URD purchase invoice.

40. A shop sells taxable & exempt products to the same person (B2C), is it required to issue tax invoice and bill of supply separately?

In such a case the person can issue one tax invoice for the taxable invoice and also declare exempted supply in the same invoice.

TRANSACTION

41. How to record expenses incurred in the furtherance of business like rent, telephone expenses, stationery and so on, and claim them under GST?

Expenses incurred for the furtherance of business, such as rent (commercial), telephone bill, stationery and so on, can be claimed under GST by recording them as purchases and not as expenses. To record such purchases, create a party ledger (party from whom such goods are procured) and ensure that GSTIN of the party is updated in the ledger. When the supplier uploads his GSTR-1, the details will appear in your GSTR-2A. You can claim input credit by confirming the same in your GSTR-2.

42. How to calculate GST on Free supplies or samples?

GST is not applicable on free supplies or samples.

In Tally.ERP 9, enable the option Use separate actual and billed quantity columns under F11 > Inventory Features. Now, enter separate billed quantity and actual quantity including the quantity of free supplies/samples while recording the transactions. The value of invoice will be based on billed quantity and quantity of free supplies/samples will be added at zero value. In case a separate invoice is created for free supplies/samples, record the invoice with zero value.

43. How do I account for consignment sales?

Consignment sales is similar to other sales under GST. You can record the sales invoice with GST ledgers (if it is taxable), and record a tax payment voucher to pay tax.

44. Why does the warning message **Potential Mismatch in Tax Amount for GST** appear?

The warning message **Potential Mismatch in Tax Amount for GST !!** appears when:

- GST ledgers are not selected while recording taxable sales or purchases.
- GST value auto calculated in the taxable sales or purchase invoice is manually altered.

If you proceed with the transaction after this warning appears, then the transaction will appear in the Summary of Exceptions in GSTR-1 (for sales transaction) or GSTR-2 (for purchase transactions), where you can correct the exceptions in the vouchers before exporting GST returns.

45. How to make stock transfer entry between two godowns of same organization inside the state and outside the state?

Under the GST regime, stock transfer to a godown or to an entity with a different GSTIN registration is considered taxable supply. Hence, if stock is transferred to a godown of the same organization, it is recorded as a transfer if the godown is operating under the same GSTIN. In case the godown has a different GSTIN, it is recorded as an taxable outward supply. You can record transfers using delivery note or material out voucher types, and taxable outward supplies using sales vouchers in Tally.ERP 9. In case of supply to a godown outside the state, it is recorded as a taxable outward supply, since the same GSTIN cannot be used for business operations in two different states.

46. How to account for works contract sales and purchases?

Works contract is treated as a service under GST. The works contract purchases and sales have to be recorded as taxable purchases and sales. Based on the **State** in which the party is located, you can select the taxable **Nature of transactions** provided for sales and purchases, and the GST ledgers in the invoice.

47. How to maintain transactions of job work under GST?

You can manage your job work entries using the existing features of job work in Tally.ERP 9. When the GST rules related to job work are finalized, necessary changes will be incorporated, and made available in Tally.ERP 9.

48. How to handle Stock transfer under GST in case of Intrastate and Interstate in Tally.ERP9?

Intrastate Stock Transfer (Branch or Godown)

Transfer of Stock from one Branch/location to another is not taxable under GST thus we shall only create a stock transfer entry in Tally.ERP 9 by following ways: In Gateway of Tally → Inventory Voucher → Stock Journal (Alt + F7) → Select Voucher Class "Stock Transfer" → Provide destination Godown → select stock items and outward location → Accept the entry

Note : Before passing stock JV please create voucher class under stock JV for "stock transfer"

OR

You can process the same entry via Material Out voucher type mentioning your company name and selecting inward and outward godown location.

Interstate Stock Transfer (Branch or Godown)

Under GST, if goods are supplied from one Branch/location to another branch which is under different state. The GST tax shall be applicable for the transfer wherein the supplier state has to pay GST Tax collected from recipient. On Receipt of tax, the consuming state can claim ITC for the same.

How to pass the Interstate Branch Transfer entry in Tally.ERP 9.

i. Create the following masters:

- ▶ Branch ledger grouped under Branch & Division accounts

▶ Create a group as **Branch Transfer outward** → Under Primary → Nature of Group: INCOME and Does it affect Gross Profit: Yes

▶ Create '**Branch Transfer**' Ledger account grouped under **Branch Transfer Outward** (created under point 2)

ii. Create a Sales voucher

Select the ABC Company (Delhi) Branch ledger & Sales ledger. Select the stock item to be transferred.

Select the GST Tax (IGST) ledger and accept the transaction.

49. While calculating CGST\SGST\IGST amount is getting doubled For e.g. if Tax amount is 100 it is showing 200 Rs. What would be reason?

Please alter your Tax Duty ledger and alter the grouping from duties and taxes to Indirect Expenses and select Is GST Applicable as NOT APPLICABLE → and please make Include in assessable value calculation for GST as NOT APPLICABLE → Save your duty ledger → Now re alter your duty ledger and keep it under duty and taxes again and save → Now check.

50. Can we create the expense or service related entries in Journal or other voucher?

Yes, you can create the service or expense related entries in journal, Purchase or sales voucher. Expense or service booked in sales or Purchase voucher should be created in the invoice mode because GST amount shall not be auto calculated in voucher mode.

51. Sales or purchase invoice having multiple stock items with multiple tax rate calculates the GST tax on single tax rate. Why?

You can set up GST rates at the company level, stock group level, stock item level, ledger group level, and ledger level.

You need to check if the rate is set at the group level having multiple GST Tax rates in the Items. Remove the tax rate from the Group level as the rate is already in Item level.

52. How is Job Work under GST handled in Tally.ERP 9 6.x?

Tax is not applicable on material supplied for job work. Hence process and working is same as earlier in Tally.ERP 9.

53. While recording Advance receipt or Payment tax details box does not appear?

The Payment details box shall not appear if 'Maintain balanced bill by bill' is not enabled in the Party ledger & advance receipt marking has not been done.

54. If I am dealer of Mumbai & got an order from Gujarat whose material has to be delivered in Nashik Maharashtra. So what GST Tax shall be applicable in the transaction.

Incase of Place of supply from Mumbai wherein the billing has been done from Gujarat but product has been dispatched to Nashik i.e. in the same state.

Please check below procedure to be followed under GST:

You need to raise the sales invoice in the name of Gujarat with IGST wherein while printing the Invoice, enable the option for 'Print Place of Supply' option in Printing F12 Configuration.

You have to mention ship to address on invoice of Nashik location with his GSTIN number only.

GST Tax shall be charged to billing location i.e. Gujarat and not to delivery location i.e. Nashik. In simple words, you have to charge Tax according to billing person and not to shipping person.

55. I have sold goods on 28th Jun 2017, but need to record a sales return on 1st Jul 2017. How do I record my credit note for the sales return?

Even if the VAT rates are levied in the sales invoices recorded on 28th Jun 2017, you need to record the credit note with the GST rates applied, for the returns on 1st Jul 2017.

56. How to record inclusive-of-tax transactions?

In Tally.ERP 9 Release 5.0 and later versions, recording inclusive-of-tax transaction is simplified. Earlier you had to create a voucher class with inclusive-of-tax percentages to record inclusive-of-tax transactions.

Now, this can be done by enabling the option Allow entry of rate inclusive of tax for stock item? under F12: Configure in sales or purchase invoice.

To record an inclusive-of-tax transaction

1. Go to Gateway of Tally > Accounting Vouchers > F8: Sales.
2. Click F12: Configure and enable the option Allow entry of rate inclusive of tax for stock item? The column Rate (Incl. of Tax) appears in the invoice.

Accounting Voucher Creation		National Enterprises		Ctrl + H	
Sales No.				6-Jul-2017	
Reference no.:				Thursday	
Party A/c name : Shiv Traders					
Current balance : 82,560.00 Dr					
Sales ledger : Sales					
Name of Item	Quantity	Rate (Incl. of Tax)	Rate per	per	Amount
Acer 1256	10 no	11,800.00	10,535.71	no	1,05,357.10
Central Tax					6,321.43
State Tax					6,321.43
Narration:					10 no
					Accept ?
					Yes or No

Rate (incl. of Tax): Enter the rate of the item including tax in this column. The actual rate will appear in the Rate column. The tax amount will appear automatically on selecting the tax ledgers.

57. Should we issue Self Invoice for GST liability discharge on RCM or GST can be discharge through expenses booking voucher?

For RCM liabilities tax invoice has to be issued on self.

58. Let's say there was increase in tax rate from 18% to 20% w.e.f.1.6.2017. What is the tax rate applicable when services provided and invoice issued before change in rate in April 2017, but payment received after change in rate in June 2017?

The old rate of 18% shall be applicable as services are provided prior to 1.6.2017.

59. Let's say there was increase in tax rate from 18% to 20% w.e.f. 1.6.2017. What is the tax rate applicable when goods are supplied and invoice issued after change in rate in June 2017, but full advance payment was already received in April 2017?

The new rate of 20% shall be applicable as goods are supplied and invoice issued after 1.6.2017.

60. Whether post-supply discounts or incentives are to be included in the transaction value?

Yes. where the post-supply discount is established as per the agreement which is known at or before the time of supply and where such discount specifically linked to the relevant invoice and the recipient has reversed input tax credit attributable to such discount, the discount is allowed as admissible deduction under Section 15 of the model GST law.

61. The warning message Tax amount does not match the value calculated as per set tax rate (Verify xxxx tax amount) appears while saving a voucher. Why?

The warning message Tax amount does not match the value calculated as per set tax rate (Verify xxxx tax amount) appears when:

- GST ledgers are not selected while recording taxable sales or purchases.
- GST value auto-calculated in the taxable sales or purchase invoice is manually altered.
- Incorrect tax ledgers are selected in the voucher, for example, if integrated tax ledger is selected in a local transaction.

This message appears due to the difference in tax amount in the transaction and the tax amount calculated based on the tax rates inferred. This message also provides information of tax types for which the amount is incorrectly recorded in the voucher, and thus helps you in making the necessary corrections.

In case you want know the difference between the tax amount in the voucher and the calculated amount, click A: Tax Analysis. The Tax Analysis screen provides the tax values As per Calculation and As per Transaction.

You can proceed to save the transaction without making the tax amount corrections. The transactions saved will appear under Incomplete/Mismatch in information (to be resolved) section in GSTR-1 (sales transaction) or GSTR-2 (purchase transaction). You can resolve the exception to include the voucher in the returns. In case the exception is not resolved, the voucher will not be included in the returns.

Note: This warning message is applicable from Release 6.0.3 onwards.

62. Is it required to show GST calculation in Delivery challan? If so, what is the impact on GSTR-1?

It is required to show GST calculation in the delivery challan. A delivery challan can only be used for the transfer of stock between branches operating with the same GSTIN number within a state.

The GST details recorded in the delivery challan will not have an impact on GSTR-1.

E-WAY BILL

63. How to generate E-Way bill from Tally and also entered Transport details in Sales Invoice / Delivery Note?

CBEC is yet to notify alternatives for E-Way bill. Since it is not a legal requirement, Tally.ERP 9 does not support this functionality.

INPUT CREDIT

64. Is input tax credit allowed only after matching?

No, input tax credit is allowed provisionally for two months. The supply details are matched by the system and discrepancies are communicated to concerned supplier and recipient. In case mismatch continues, the ITC taken would be reversed automatically.

65. How do I account for opening ITC for GST using Tally.ERP 9?

Refer to [Transferring Tax Credits of VAT, excise and service tax to GST](#) for more information.

66. How do we carry forward excess of Input Credit to next month in Tally.ERP 9?

This happens automatically in Tally. ERP 9. There is no provision to capture input credit in GSTR-1 and GSTR-2. You can check the available input tax credit in GSTR-3 by logging in to GSTIN portal. In Tally.ERP 9, check the closing balance of ledgers created under Duties & Taxes. If there is input tax to be availed the tax ledgers will show a debit balance.

67. How do I claim Input Tax Credit (ITC) for the purchase of capital goods?

There is no separate process for claiming ITC for the purchase of capital goods. The tax paid on the purchase of capital goods is added to the e-credit ledger, which can be used for input credit at any time.

68. How one can use SGST credit for the payment of IGST on another state?

SGST Credit can be used for payment of IGST liability under the same GSTIN only.

69. Can one State GST tax be used to pay another state GST tax?

The CGST and SGST Credit for a State can be utilized for payment of their respective CGST/SGST liabilities within that State for the same GSTIN only.

70. What do you mean by ineligible for input credit?

The tax paid on procuring certain services and goods is not eligible for input credit. Services such as renting of motor cab, supply of tour operator services and items that are used in manufacturing of exempt goods fall under this ineligible for input credit category. You can not claim credit for tax paid for these items.

In Tally.ERP 9 you can set goods or services as ineligible for input credit by enabling the option **Is ineligible for input credit?** to **Yes** in the GST Details screen of the item master or purchase ledger. This option can be activated by enabling **Set ineligible input credit?** to **Yes** under **F12: Configure**.

71. Can a registered person get ITC with respect of goods or services used for construction of a building for business purposes?

No. ITC on goods or services by a person for construction of immovable property, other than plant and machinery, is not allowed. Plant and machinery cover only apparatus, equipment, and machinery fixed to earth by foundation or structural support, and excludes land and building, among other things.

RETURNS

72. How to file my VAT, excise and service tax returns for the period up to 30th June 2017?

[Click here](#) for more information.

73. Why box numbers in GSTR-1 are starting from 5?

In the GSTR-1 report, the first 4 boxes are pre-filled with information related to the company and the return period. Return details begin from box 5.

Since information related to boxes 1-4 are already available on the GSTN Portal, they are not required to be uploaded again. The GSTR-1 excel file does not have fields to capture information from box 1 to box 4. Therefore, Tally.ERP 9 does not provide this information on the GSTR-1 report.

74. Where do exempt sales get captured on GSTR 1?

Exempt sales will get captured in table **9 (Nil Rated Invoices)** in the table-wise report of GSTR-1.

75. Is the scanned copy of invoices to be uploaded along with GSTR-1?

No scanned copy of invoices is to be uploaded. Only certain prescribed fields of information from invoices need to be uploaded.

76. Does the taxable person have to feed anything in the GSTR-2 or everything is auto populated from GSTR-1?

While a large part of GSTR-2 will be auto-populated, there are some details that only recipient can fill like details of imports, details of purchases from non-registered or composition suppliers and exempt/non-GST/nil GST supplies etc.

77. How to ascertain GST liability and GST input credit?

The actual tax liability and input credit for your business will be available in GSTR-3 on the GSTN portal.

In Tally.ERP 9, the tax liability based on the transactions recorded can be ascertained from GSTR-1. In the default view, the Total Tax Amount in the Total Outward Supplies section is the tax liability of your business for the period.

Similarly, the Total Tax Amount in the Total Inward Supplies section of GSTR-2 is the input credit available to your business for the period.

REPORTS

78. Can I view the central tax (CGST) and state tax (SGST) bifurcation of tax amount in Profit and Loss A/c?

No, the values of duties and taxes are not displayed in **Profit and Loss A/c**. The consolidated value of all duties and taxes is displayed in **Balance Sheet** under **Current Liabilities**. To view ledger-wise value of each tax type, drill down by selecting **Duties & Taxes** in **Balance Sheet**.

79. Advance receipt tax liability not reflecting under GSTR1?

Receipt vouchers recorded without clicking Alt + V: Advance Receipt will not have GST implications or the central and state tax rates are not captured automatically in the Advance receipt details tax liability will not reflect in GSTR1.

80. Advance Receipt and Sales bill has been done but GSTR1 report shows some different value

The difference in value appears when the bill reference in Sales invoice is not tracked properly against the bill reference of advance receipts.

81. Receipt and Sales but no value under GSTR1?

The bill reference in Sales invoice is not tracked properly against the bill reference of advance receipts.

OTHERS

82. Sales done to B2C is reflecting under B2C small only why?

B2C Small refers sales made to end consumer within same state. B2C Large refers to sales made to end consumer out of your state. In case the sales is made within the state it will show in B2C small only.

83. What will be the fate of C Form, H Form and F Form in GST?

In the current regime, C Form is required for CST compliance during inter-state transactions; H Form is issued when the inter-state buyer is an exporter; and F Form is issued as proof of stock transfer. In GST, since GST subsumes all indirect taxes pertaining to inter-state transactions, C Form and H Form will no longer be in existence. Similarly, in GST, since stock transfers are taxable event, F Form will not be required. To know more, about all the forms...Learn more

84. Can we avail excise duty for goods purchased before 1 year?

No, for claiming the excise duty paid against a particular invoice, the date of invoices or any other prescribed duty/tax paying documents must be within 12 months from the date of transitioning to GST. For more understanding, please refer our blog post...Learn more

85. Can we take ITC on stock lying with us before GST, on which we have paid excise?

As per the Transition Rules, those dealers who have purchased excisable goods, directly from the manufacturer / 1st stage dealer / 2nd stage dealer - will be eligible to get 100% credit of the excise paid on closing stock. On the other hand, those dealers, who have purchased excisable goods, but from wholesalers - who pass on the excise component as

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cost - will be eligible to get only part of the credit, when they sell the goods post GST...Learn more

86. What is the difference between mixed and composite supply?

Composite Supply means a supply made by a taxable person to a recipient comprising two or more supplies of goods or services, or any combination thereof, which are naturally bundled and supplied in conjunction with each other in the ordinary course of business, one of which is a principal supply. Mixed Supply means two or more individual supplies of goods or services or any combination thereof, made in conjunction with each other by a taxable person for a single price...Learn more

87. Whether trader of petroleum is required to migrate to GST from VAT as it is out of GST law?

If the person is involved in 100% supply of goods which are not liable for GST, then no registration is required.

88. Whether aggregate turnover includes turnover of supplies on which tax is payable by the recipient under reverse charge?

Outward supplies on which tax is paid on reverse charge basis by the recipient will be included in the aggregate turnover of the supplier.

89. If someone trades only 0% GST items (grains, pulses) then is it necessary to register for GST, if the turnover exceeds Rs. 20 lacks?

A person dealing with 100% exempted supply is not liable to register irrespective of turnover.

90. Is separate registration required for trading and manufacturing by same entity in one state?

There will be only one registration per state for all the activities.

91. What is Anti-Profiteering measure?

As per section 171 of the CGST/SGST Act, any reduction in rate of tax on any supply of goods or services or the benefit of input tax credit shall be passed on to the recipient by way of commensurate reduction in prices. An authority may be constituted by the government to examine whether input tax credits availed by any registered person or the reduction in the tax rate have actually resulted in a commensurate reduction in the price of the goods or services or both supplied by him.

92. Whether transfer of right to use goods will be treated as supply of goods or supply of service? Why?

Transfer of right to use goods shall be treated as supply of service because there is no transfer of title in such supplies. Such transactions are specifically treated as supply of service in Schedule-II of CGST/SGST Act.

93. Whether Works contracts and Catering services will be treated as supply of goods or supply of services? Why?

Works contracts and catering services shall be treated as supply of services as both are specified under Sl. No. 6 (a) and (b) in Schedule-II of the model GST law.

94. What are E-Ledgers?

Electronic Ledgers or E-Ledgers are statements of cash and input tax credit in respect of each registered taxpayer. In addition, each taxpayer shall also have an electronic tax liability register. Once a taxpayer is registered on Common Portal (GSTN), two e-ledgers (Cash & Input Tax Credit ledger) and an electronic tax liability register will be automatically opened and displayed on his dash board at all times.

95. What is a CPIN?

CPIN stands for Common Portal Identification Number (CPIN) given at the time of generation of challan. It is a 14-digit unique number to identify the challan. As stated above, the CPIN remains valid for a period of 15 days.

96. Is there a validity period of challan?

Yes, a challan will be valid for fifteen days after its generation and thereafter it will be purged from the System. However, the tax payer can generate another challan at his convenience.

97. Sometimes goods are destroyed or lost or given as sample due to various reasons? Can a person take ITC to the extent of such goods?

No, a person cannot take ITC with respect to goods lost, stolen, destroyed or written off or given as sample. In addition, ITC with respect of goods given as gifts or free samples are also not allowed.

98. For merchant exporters, is there any change in the Export Procedure under the GST regime?

The concept of merchant or manufacturer exporter would become irrelevant under the GST regime. The procedure in respect of the supplies made for export is same for both merchant exporter and a manufacturer exporter.

99. What is E challan?

E Challan is the challan generated through GSTN portal. The dealer has to enter his challan details in the portal and take the print out of the challan for payment of GST.

100. Will there be any Unique no given to the challan?

The challan so generated will have a 14-digit (yymm followed by 10-digit) Unique Common Portal Identification Number (CPIN), assigned only when the challan is finally generated, this will help the portal and other authorities in identifying the challan. The CPIN would be a running serial number to be initialized every calendar month. After the challan is generated, it will be frozen and will not be allowed to be modified.

GLOSSARY:

B2B - **Business-to-Business** also known as e-biz, is the exchange of products, services or information (aka e-commerce) between businesses, rather than between businesses and consumers.

B2C - **Business to Consumer (B2C)** is business or transactions conducted directly between a company and consumers who are the end-users of its products or services.

Challan: An official form or document used as a receipt for payments or delivery of goods in GST.

CGST - It refers to **Central GST**. Taxes collected under this head will be shared to central Government. It will subsume current central Tax such as Excise Duty, Service Tax, ADE.

CPIN - CPIN stands for Common Portal Identification Number (CPIN) given at the time of generation of challan. It is a 14-digit unique number to identify the challan. As stated above, the CPIN remains valid for a period of 15 days.

E-Ledgers - Electronic Ledgers or E-Ledgers are statements of cash and input tax credit in respect of each registered taxpayer. Once a taxpayer is registered on Common Portal (GSTN), two e-ledgers (Cash & Input Tax Credit ledger) and an electronic tax liability register will be automatically opened and displayed on his dash board at all times.

GSTR1 - GSTR 1 shows the details, provided by the taxpayer in relation to outward supplies made to the buyer for the relevant period.

GSTR 3B - Form GSTR-3B needs to be filed by a taxable person under GST for submitting the provisional assessment of the tax liability. Provisional assessment of the taxes to be filed under form GSTR-3B is only applicable for the month of July and August

GST - **Goods & Service Tax** is a single unified Indirect Tax System aims at uniting India's complex Tax structure to a "**One Nation One Tax**" regime. Goods and Services Tax is a comprehensive tax levied on supply of goods and services across India.

IGST - It refers to **Integrated GST**. Tax amount will be shared to state as well as Central Government It will cover Tax such as CVD & SAD, CST.

GSTIN - **Goods & Service Tax Identification Number** is a 15 digit unique identification number each tax payer will receive who registers under GST.

GSTR - **Goods & Service Tax Return** is a form used for filing returns of GST

E-Waybill - **Electronic - Way Bill** used as a proof during transportation of Goods from one place to another.

GSTN - The **Goods and Service Tax Network** (or GSTN) is a non-profit, non-government organization which manages the IT system of the GST portal. GSTN portal will be used by the government to track every financial transaction, and will provide taxpayers with all services - from registration to filing taxes and maintaining all tax details.

HSN code - **Harmonized System Nomenclature** number is used to classify the goods to compute GST. HSN code are

mainly used for taxation purpose. While preparing Tax Invoice under GST, HSN number must be mentioned on GST Invoice.

SAC Code - **S**ervice **A**ccounting **C**ode (SAC) is a number used for the identification of services. GST is a combination of goods and services both, an equitable classification for services is also required.

ITC - **I**ntermediate **T**ax **C**redit is charged on supply of goods & services which are used in the course or furtherance of the business. It is used by business to settle their tax liability.

ISD - **I**SD Input Service Distributor means an office of the supplier of goods or services or both which receives tax invoices towards receipt of input services and issues a prescribed document for the purposes of distributing the credit of central tax (CGST), State tax (SGST)/ Union territory tax (UTGST) or integrated tax (IGST) paid on the said services to a supplier of taxable goods or services or both having same PAN as that of the ISD.

RCM - **R**everse **C**harge **M**echanism means the liability to pay the tax by person receiving goods and/or services instead of the person supplying the goods and/or services in respect of specified categories of supplies.

Recipient - A person who has received or consumed the goods or service under GST.

RD - A dealer whose has registered under GST as his aggregate turnover exceeds the GST threshold limit.

SGST - It refers to **S**tate **G**ST. It is kind of compensation of state and Tax amount collected Under this head will be share to state Government. It will cover all state wise taxes as purchase tax, luxury tax, VAT, Entry Tax, Octroi Tax, Surcharge and cess.

URD - A Dealer who is unregistered under GST as he doesn't come under the GST threshold limit.

UTGST - **U**nion **T**erritory **G**ST shall be levied on union Territories in India. Tax amount will be share to Governing body of Union Territory.