Foreign Currency Revaluation for GL Accounts

Step 1: Create three GL Masters (FS00)

SBI FC Term Loan (100502) - Liabilities

Exchange Gain (300100) - Revenues

Exchange Loss (400301) - Expenses

SBI FC Term Loan Account:

And save

Exchange Gain Account:

G/L Account 300100 Exchange Gain

Company Code YTL Yash Technologies Limited With Template

| Type/Description | Control Data | Create/bank/interest | Key word/translation | I... |

Account control in company code

Account currency	INR	Indian Rupee
☐ Only balances in local crcy		
Exchange rate difference key		
Valuation group		
Tax category		
☐ Posting without tax allowed		
Recon. account for acct type	▼	
Alternative Account No.		
☐ Acct managed in ext. system		
Inflation key		
Tolerance group		

Account Management in Company Code

☐ Open Item Management		
☑ Line item display		
Sort key	001	Posting date
Authorization Group		

G/L Account 300100 Exchange Gain

Company Code YTL Yash Technologies Limited With Template

| Type/Description | Control Data | Create/bank/interest | Key word/translation | I... |

Control of document creation in company code

Field status group	G001	General (with text, assignment)
☐ Post automatically only		
☐ Supplement auto. postings		
☐ Recon. acct ready for input		

And save

Exchange Loss Account:
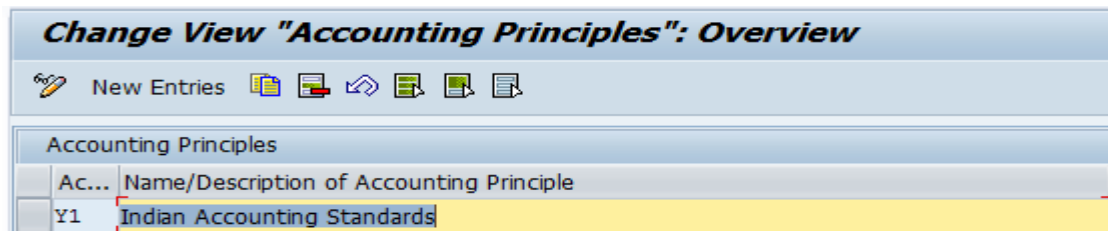
And save

Step 2: Define Accounting Principles

Path: SPRO → Financial Accounting (New) → Financial Accounting Global Settings (New) → Ledgers → Parallel Accounting → Define Accounting Principles
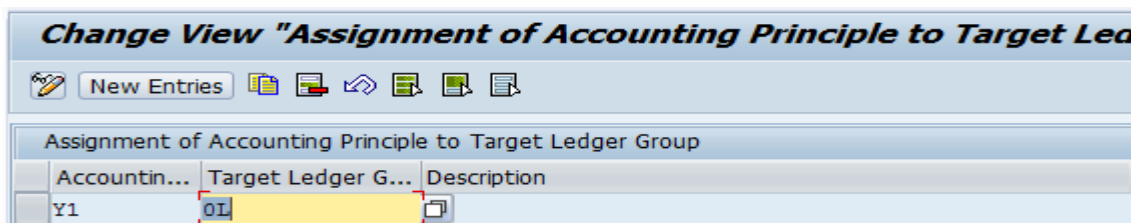
And save

Step 3: Assign Accounting Principle to Ledger Group

Path: SPRO → Financial Accounting (New) → Financial Accounting Global Settings (New) → Ledgers → Parallel Accounting → Assign Accounting Principle to Ledger Group

And save

Step 4: Define Valuation Methods

Path: SPRO → Financial Accounting (New) → General Ledger Accounting (New) → Periodic Processing → Valuate → Define Valuation Methods

Whatever the exchange rate type we selected (G, B, M) under exchange rate determination tab, the same exchange rate will applicable at the time of revaluation

For instance, we entered exchange rates for the July month ended as below in OB08.

If we selected G under exchange rate determination tab it picks 48.00 for revaluation

If we selected B under exchange rate determination tab it picks 49.00 for revaluation

Select new entries

And save

Step 5: Define Valuation Areas

Path: Path: SPRO → Financial Accounting (New) → General Ledger Accounting (New) →
Periodic Processing → Valuate → Define Valuation Areas

And save

Step 6: Assign Valuation Area and Accounting Principle

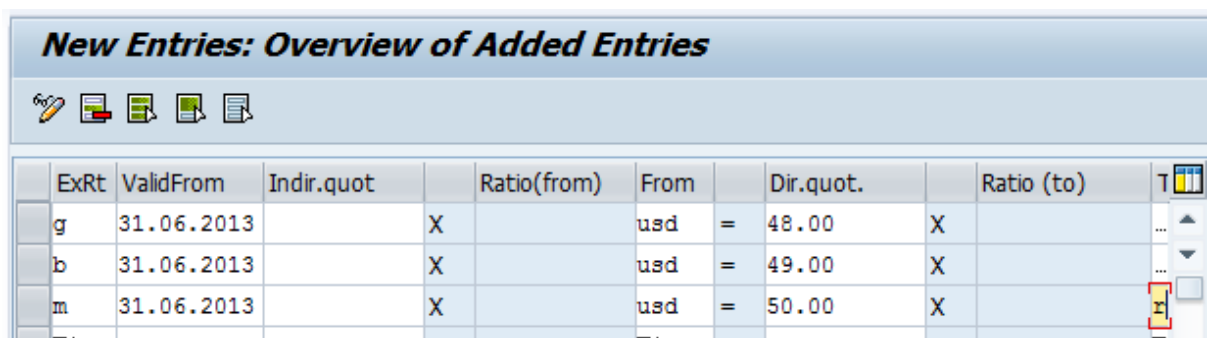Path: SPRO → Financial Accounting (New) → General Ledger Accounting (New) → Periodic
Processing → Valuate → Assign Valuation Area and Accounting Principle

And save

Step 7: Prepare Automatic Postings for Foreign Currency Valuation (OBA1)

Double click on Exchange Rate Difference (KDB)

Enter the chart of Accounts and click on

Enter the valuation Area as "YA" and continue

Specify the Exchange Gain and Exchange Loss account

Maintain FI Configuration: Automatic Posting - Accounts

◀ ▶ ☐ ☐ ☐ Posting Key ☒ Procedures

Chart of Accounts	YTL	Chart of Accounts for YTL
Transaction	KDB	Exch. Rate Diff. using Exch. Rate Key
Valuation Area	YA	

Account assignment

Exchange ...	Expense a...	E/R gains ...	Rolling Val...	Rolling Val...	
USD	400301	300100			

And save

Step 8: Assign Exchange Rate Difference in SBI FC Term Loan Account (100503) (FS00)

| G/L Account | 100504 |
| Company Code | YTL | Yash Technologies Limited | ☒ ☐ ☐ ☐ With Template 🔒 🗑 |

Type/Description | Control Data | Create/bank/interest | Key word/translation | I...

Account control in company code

Account currency	USD	United States Dollar
☐ Only balances in local crcy		
Exchange rate difference key	USD	

And save

End User Area for FC Revaluation:

Step 9: **FC Term Loan Receipt (F-02)**

Assume company took term loan of 100,000 USD.

Document Date	01.04.2013	Type	SA	Company Code	YTL	
Posting Date	01.04.2013	Period	6	Currency/Rate	USD	46.00
Document Number				Translatn Date		
Reference				Cross-CC no.		
Doc.Header Text						
Trading Part.BA						

First line item

PstKy 40 Account 200001 L Ind TType

| G/L Account | 200001 | Bank Account |
| Company Code | YTL | Yash Technologies Limited |

Item 1 / Debit entry / 40

| Amount | 100000 | USD | Amount in LC | | INR |

☐ Calculate tax

| Business Place | |
| Cost Center | |

Real Estate Obj 🔶

🔶 More

Purchasing Doc.		
Assignment	
Text	sbi fc term loan 4	✏️ Long Texts

Next Line Item

| PstKy | 50 | Account | 100504 🔲 | L Ind | ☐ | TType | | New co.code | |

| G/L Account | 100504 | SBI FC Term Loan 4 |
| Company Code | YTL | Yash Technologies Limited |

Item 2 / Credit entry / 50

Amount	*	USD	Amount in LC		INR
Business Place	
Cost Center	

Real Estate Obj 🔶

🔶 More

Purchasing Doc.		
Assignment	
Text	+	🔲 Long Texts

Next Line Item

| PstKy | | Account | | SGL Ind | ☐ | TType | | New co.code | |

Menu → Simulate →Save

✅ Document 52 was posted in company code YTL

Step 10: Enter Exchange Rates in Forex Table (OB08)

And save

Step 11: FC Valuation (FAGL_FC_VAL)

Execute (F8).

Foreign Currency Valuation

Yash Technologies Limited
Hyderabad
Key Date 30.04.13
Valuation in Company code currency (10)
Method YTL1 FC valuation for YTL
Ledger Group OL

Foreign Currency Valuation

FAGL_

Ld	AccTy	G/L	Account Nu	DocumentNo	Itm	Amount in FC	Crcy	Amount CC.Curr	CC.Curr	Exch. Rat	S	Exch.rate	Typ	Valuation
OL	S	100504	100504			100,000.00-	USD	4,600,000.00-	INR	45.00000				
*		100504				100,000.00-	USD	4,600,000.00-	INR					
**						100,000.00-	USD	4,600,000.00-	INR					

Here system picks B type exchange rate because we have given B type
exchange rate for revaluation under 4th step

Click on Postings button

For Client Demo   Foreign Currency Valuation   Time 15:40:43   Date 02.09.2013
Hyderabad   FAGL_FC_VALUATION/VKURMADASU Page   1
Ledger Group OL Posting Proposal   Gain/Loss amount as on date

Ledger	CoCd	DocumentNo	Document Header Text	Typ	Pstng Date	Crcy	LCurr	LCur2	LCur3	Text
Itm	PK	G/L	Amount in LC		LC2 amount		LC3 amount			Text
OL		YTL	FC valuation		30.04.2013	USD	INR			
1	50	300100	100,000.00							100504 - Valuation on 20130430
2	40	100504	100,000.00							100504 - Valuation on 20130430

We took loan of 100,000 USD @ 46.00 (100,000*46.00 = 4,600,000).

And the exchange rate as on 30.04.2013 is 45.00 (100,000*45.00 = 4,500,000).

Hence we got exchange gain of 100,000 (4,600,000 – 4,500,000)

Journal Entry:

SBI FC Term Loan A/C	100,000
To Exchange Gain	100,000

Reversal Posting of Exchange Gain on 1st day of next month:

Purpose: We reverse the document only for month-end but not for year-end.

To know the foreign currency fluctuations (Gain/Loss) for every month. It will not effect in GL balances

Execute

Click on postings button

Here, we can view clearly on 1st May 2013 the entry was reversed automatically. Once we selected the reversal postings check box

```
Foreign Currency Valuation
I◄  ◄  ►  ►I  🔍 🖨 🖶 ⏚ 🔣 🔢 Σ 🔀 🔁

For Client Demo                    Foreign Currency Valuation              Time 16:08:49    Date 02.09.2013
Hyderabad                                                         FAGL_FC_VALUATION/VKURMADASU Page        1
Ledger Group 0L Posting Proposal


Ledger CoCd DocumentNo Document Header Text     Typ Pstng Date Crcy  LCurr LCur2 LCur3 Text
Itm PK G/L            Amount in LC      LC2 amount      LC3 amount Text


0L     YTL            FC valuation               30.04.2013 USD   INR
  1 50 300100         100,000.00                            100504 - Valuation on 20130430
  2 40 100504         100,000.00                            100504 - Valuation on 20130430

0L     YTL            Reverse posting            01.05.2013 USD   INR
  1 40 300100         100,000.00                            100504 - Valuation on 20130430
  2 50 100504         100,000.00                            100504 - Valuation on 20130430
```

Journal entry for Reversed Document:

Exchange Gain A/C Dr	100,000
To SBI FC Term Loan A/C	100,000

Posting of Documents:

Foreign Currency Valuation

General Data Selection

Company Code	YTL	to		⇨
Valuation Key Date	30.04.2013			
Valuation Area	YA			

Postings | Open Items | G/L Balances | Miscellaneous

☑ Create Postings
Batch input session name   KAMAL1
☐ Only Create Batch Input Session Due to Errors
Document date   30.04.2013
Posting date   30.04.2013
Posting period   04
Reversal posting date   01.05.2013
Reverse post. period
☐ Reset Valuation
Reason for Reset (Balances)
For G/L Account Balance Valuation
☑ Reverse postings

Foreign Currency Valuation

General Data Selection

Company Code	YTL	to		⇨
Valuation Key Date	30.04.2013			
Valuation Area	YA			

Postings | Open Items | G/L Balances | Miscellaneous

☑ Valuate G/L Account Balances
G/L Account   100504   to   ⇨
Exchange rate difference key   to   ⇨
☐ Valuate P&L accounts
☐ Val. period balance only
Currency   to   ⇨

Execute

Foreign Currency Valuation

|◀ ◀ ▶ ▶| 2 Postings ⚠ 3 Messages ⚙ 🖨 🔽 🔻 📋 📊 Σ ⅗ 📋

Yash Technologies Limited   Foreign Currency Valuation
Hyderabad
Key Date 30.04.13
Valuation in Company code currency (10)
Method YTL1 FC valuation for YTL
Ledger Group 0L

Ld	AccTy	G/L	Account Nu	DocumentNo	Itm	Amount in FC	Crcy	Amount CC.Curr	CC.Curr	Exch. Rat	S	Exch.rate	Typ	Valuat
0L	S	100504	100504			100,000.00-	USD	4,600,000.00-	INR	45.00000				
*		100504				100,000.00-	USD	4,600,000.00-	INR					
**						100,000.00-	USD	4,600,000.00-	INR					

Click on Postings button

```
Foreign Currency Valuation

For Client Demo                    Foreign Currency Valuation              Time 16:17:21    Date 02.09.2013
Hyderabad                                                                  FAGL_FC_VALUATION/VKURMADASU Page        1
Postings in Batch Input Session

Ledger CoCd DocumentNo Document Header Text      Typ Pstng Date Crcy  LCurr LCur2 LCur3 Text
Itm PK G/L            Amount in LC     LC2 amount      LC3 amount Text

0L   YTL           FC valuation              30.04.2013 USD   INR
 1 50 300100       100,000.00                                  100504 - Valuation on 20130430
 2 40 100504       100,000.00                                  100504 - Valuation on 20130430

0L   YTL           Reverse posting           01.05.2013 USD   INR
 1 40 300100       100,000.00                                  100504 - Valuation on 20130430
 2 50 100504       100,000.00                                  100504 - Valuation on 20130430
```

Menu → System → Services → Batch Input → Sessions

Select session "Kamal1" and select process button

Select process/foreground radio button and select process button

Click on enter like on – Still we get message as "session completed"

Select the session "Kamal1" and click on Log

Double click on session "Kamal1"

To view the posted documents (FB03):

Original Document

Reversed Document

To view the Balances (FBL3N)

Note: GL Account – 100504 and select all items radio button and execute

Step 12: Partial Payment of Term Loan (F-02)

First, pay the amount of 50,000 USD on 15th May 2013 @ 46.00

Later, pay the amount of 10,000 USD on 16th May 2013 @ 45.00

Note: We have two options to enter exchanger rates: **Either in Forex table or in document it self**

If we enter exchange rate both in forex table and document. Exchange rate in document has high priority

Partial payment of 50,000 USD:

Enter Exchange rate in Forex Table (OB08)

And save

Enter G/L Account Document: Add G/L account item

More data   Acct model   Fast Data Entry   Taxes

G/L Account   100504   SBI FC Term Loan 4
Company Code   YTL   Yash Technologies Limited

Item 1 / Debit entry / 40

Amount	50000	USD	Amount in LC	INR
			☐ Calculate tax	
Business Place				
Cost Center				
			Real Estate Obj	➡
				➡ More
Purchasing Doc.				
Assignment				
Text	sbi fc term loan 4 - Payment			📝 Long Texts

Next Line Item

PstKy 50 Account 200001   ☐ L Ind ☐ TType   New co.code

And click on enter and enter * in amount field and + in text field

And save

☑ Document 55 was posted in company code YTL

Journal entry for Payment:

SBI FC Term Loan A/C Dr

To Cash A/C

Partial Payment of 10,000 USD:

Here, we enter exchange rate directly in document itself.

Enter G/L Account Posting: Header Data

Held document   Acct model   📝Fast Data Entry   📇Post with reference   🖉 Editing Options

Document Date	16.05.2013	Type	SA	Company Code	YTL	
Posting Date	16.05.2013	Period	6	Currency/Rate	usd	45.00
Document Number				Translatn Date		
Reference				Cross-CC no.		
Doc.Header Text						
Trading Part.BA						

First line item

PstKy   40   Account   100504   L Ind   TType

Enter G/L Account Document: Add G/L account item

👤 🗋 📄 🗐 ➡ More data   Acct model 🖉 Fast Data Entry   ℹ Taxes

G/L Account   100504   SBI FC Term Loan 4
Company Code   YTL   Yash Technologies Limited

Item 1 / Debit entry / 40

Amount	10000	USD	Amount in LC		INR
			☐ Calculate tax		

Business Place   ☐

Cost Center   ☐

Real Estate Obj   ➡

➡ More

Purchasing Doc.   ☐ ☐

Assignment   ☐

Text   sbi fc term loan 4 - Payment   📝 Long Texts

Next Line Item

PstKy   50   Account   200001   ☐ L Ind   ☐ TType   ☐   New co.code   ☐

And click on enter and enter * in amount field and + in text field

And save

GL Balances:

G/L Account Line Item Display

|◄ ◄ ► ►| 🖉 🖋 📊 ⚖ | 🗐 📇 📄 | 🔻 🖨 🔽 | 🎛 🎚 🎛 | Σ ⅀ 🗐 🗐 | ℹ 🗗 Selections   ☐ Dispute Case

G/L Account   100504   SBI FC Term Loan 4
Company Code   YTL

	St	Assignment	DocumentNo	BusA	Type	Doc. Date	PK	Amount in local cur.	LCurr	Tx	Clrng doc.	Text
☐	✔	20130401	52		SA	01.04.2013	50	4,600,000.00-	INR			sbi fc term loan 4
☐	✔	20130430	53		SA	30.04.2013	40	100,000.00	INR			100504 – Valuation on 20130430
☐	✔	20130501	54		SA	30.04.2013	50	100,000.00	INR			100504 – Valuation on 20130430
☐	✔	20130515	55		SA	15.05.2013	40	2,300,000.00	INR			sbi fc term loan 4 - Payment
☐	✔	20130516	56		SA	16.05.2013	40	450,000.00	INR			sbi fc term loan 4 - Payment
*	✔							1,850,000.00-	INR			
**		Account 100504						1,850,000.00-	INR			

Step 13: **Run FC Valuation for the month of May 2013**

Enter Exchange rate for the month ended May 2013 (OB08)

And save

FC Valuation (FAGL_FC_VAL)

Foreign Currency Valuation

General Data Selection

Company Code	YTL	to		
Valuation Key Date	31.08.2013			
Valuation Area	YA			

Tabs: Postings | Open Items | **G/L Balances** | Miscellaneous

☑ Valuate G/L Account Balances

G/L Account	100504	to	
Exchange rate difference key		to	

☐ Valuate P&L accounts
☐ Val. period balance only

Currency		to	

And execute

Foreign Currency Valuation

1 Postings   △ 1 Messages

Yash Technologies Limited
Hyderabad
Key Date 31.05.13
Valuation in Company code currency (10)
Method YTL1 FC valuation for YTL
Ledger Group 0L

Foreign Currency Valuation

Ld	AccTy	G/L	Account Nu	DocumentNo	Itm	Amount in FC	Crcy	Amount CC.Curr	CC.Curr	Exch. Rat	S	Exch.rate	Typ
0L	S	100504	100504			40,000.00-	USD	1,850,000.00-	INR	44.00000			
*		100504				40,000.00-	USD	1,850,000.00-	INR				
**						40,000.00-	USD	1,850,000.00-	INR				

Term Loan	100,000 USD
Partial payment on 15.05.2013	50,000 USD
Partial payment on 16.05.2013	10,000 USD
Remaining Balance in USD	40,000 USD

Click on postings button

```
For Client Demo                     Foreign Currency Valuation                    Time 18:12:32    Date 02.09.2013
Hyderabad                                                             FAGL_FC_VALUATION/VKURMADASU Page          1
Ledger Group 0L Posting Proposal


Ledger CoCd DocumentNo Document Header Text    Typ Pstng Date Crcy  LCurr LCur2 LCur3 Text
Itm PK G/L             Amount in LC    LC2 amount     LC3 amount Text

0L     YTL            FC valuation             31.05.2013 USD   INR
  1 50 300100         90,000.00                           100504 - Valuation on 20130531
  2 40 100504         90,000.00                           100504 - Valuation on 20130531
```

Exchange Gain is 90,000. Calculation is given below:

01.04.2013	100,000 USD @ 46.00	46, 00,000
15.05.2013	50,000 USD @ 46.00	23, 00,000
		23, 00,000
16.05.2013	10,000 USD @ 45.00	4, 50,000
	(40,000 @ 46.00) =	18, 50,000
31.05.2013	40,000 USD @ 44.00	17, 60,000
	EXCHANGE GAIN	**90,000**

Now, post the documents through transaction code – FAGL_FC_VAL by following the procedure which was given in above step (Step 11)

Year End Valuation:

Enter Exchange rate for yearend (31.03.2014)

And save

FC Valuation (FAGL_FC_VAL):

Note: Don't select reverse postings check box and don't give reversal posting date

Execute

Foreign Currency Valuation

	Ld	AccTy	G/L	Account Nu	DocumentNo	Itm	Amount in FC	Crcy	Amount CC.Curr	CC.Curr	Exch. Rat	S	Exc
	0L	S	100504	100504			40,000.00-	USD	1,850,000.00-	INR	50.00000		
*			100504				40,000.00-	USD	1,850,000.00-	INR			
**							40,000.00-	USD	1,850,000.00-	INR			

Yash Technologies Limited
Hyderabad
Key Date 31.03.14
Valuation in Company code currency (10)
Method YTL1 FC valuation for YTL
Ledger Group 0L

Foreign Currency Valuation

1 Postings   3 Messages

Click on Postings button

Foreign Currency Valuation

For Client Demo   Foreign Currency Valuation   Time 18:35:07   Date 02.09.2013
Hyderabad   FAGL_FC_VALUATION/VKURMADASU Page   1
Postings in Batch Input Session

Ledger	CoCd	DocumentNo	Document Header Text	Typ	Pstng Date	Crcy	LCurr	LCur2	LCur3	Text
Itm PK G/L		Amount in LC	LC2 amount		LC3 amount	Text				

```
0L     YTL          FC valuation          31.03.2014 USD   INR
 1 40 400301        150,000.00                              100504 - Valuation on 20140331
 2 50 100504        150,000.00                              100504 - Valuation on 20140331
```

Exchange Gain is 150,000. Calculation is given below:

01.04.2013	100,000 USD @ 46.00	46, 00,000
15.05.2013	50,000 USD @ 46.00	23, 00,000
		23, 00,000
16.05.2013	10,000 USD @ 45.00	4, 50,000
		18, 50,000
31.03.2014	40,000 USD @ 50.00	20, 00,000
	EXCHANGE GAIN	**150,000**

Execute the batch input session

Menu → Services → Batch input → Sessions
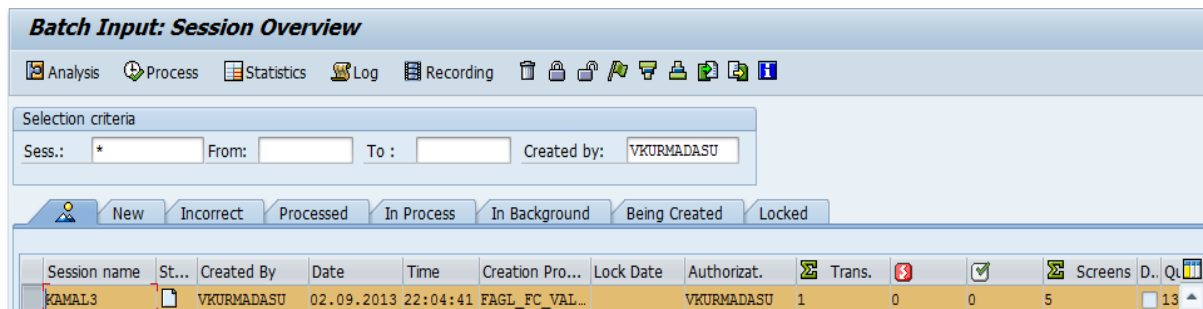
Select "KAMAL3" session and click on process button
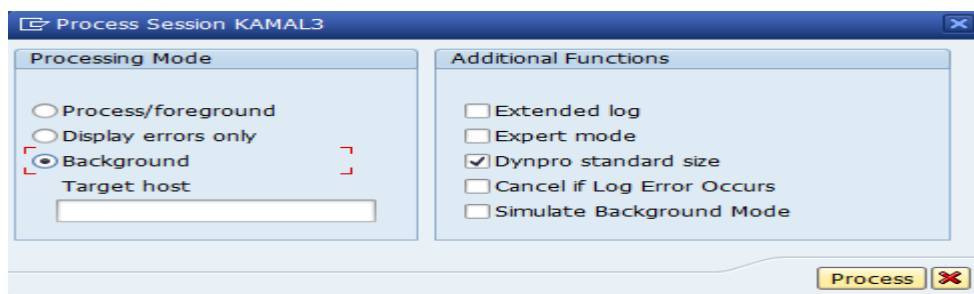
Select background radio button and select process button

Once session is completed status is shown as
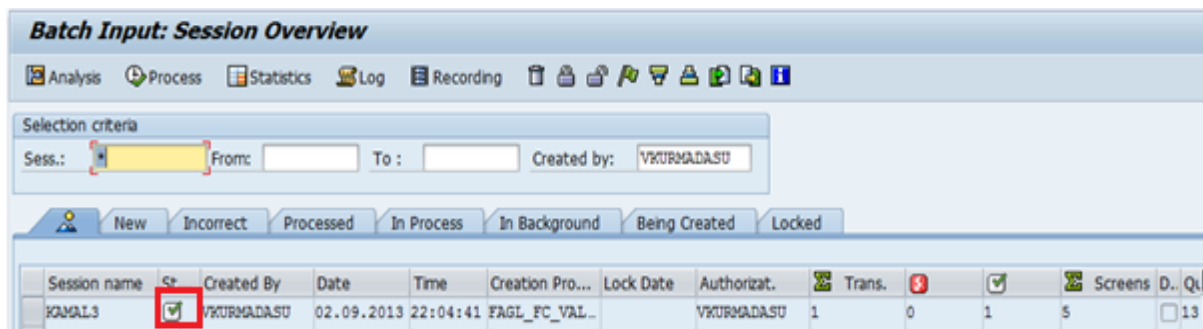
Click on Log button
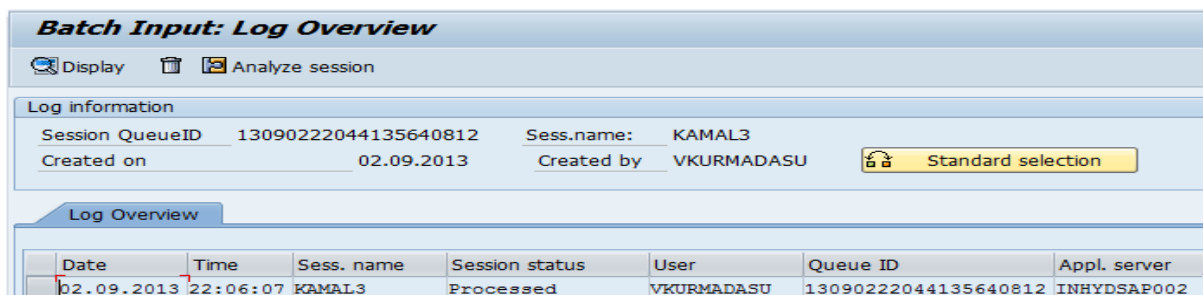
Double click on "KAMAL3" Session

Batch Input Log for Session KAMAL3

Choose

Log attributes

Name	KAMAL3	Queue ID	13090222044135640812	User	VKURMADASU
Created On	02.09.2013	TemSe ID	BDCLG413564081202256	☐ Details	

Time	Message	Transac...	Index	Modul	Sc...	I...	T	M.	M...
22:06:07	Session KAMAL3 is being processed by user VKURMADASU in mode N ...		0			0	S	00	300
22:06:07	Check - document date is in the future	FBB1	1	SAPMF05A	0100	1	W	F5	192
22:06:07	Document 59 was posted in company code YTL	FBB1	1	SAPMF05A	0700	5	S	F5	312
22:06:08	Transaction was processed successfully	FBB1	1			0	S	00	355
22:06:08	Processing statistics		0			0	S	00	370
22:06:08	1 transactions read		0			0	S	00	363
22:06:08	1 transactions processed		0			0	S	00	364
22:06:08	0 transactions with errors		0			0	S	00	365
22:06:08	0 transactions deleted		0			0	S	00	366
22:06:08	Batch input processing ended		0			0	S	00	382

To view the document (FB03)

Display Document: Data Entry View

Display Currency   General Ledger View

Data Entry View

Document Number	59	Company Code	YTL	Fiscal Year	2013
Document Date	31.03.2014	Posting Date	31.03.2014	Period	12
Reference		Cross-Comp.No.			
Currency	USD	Texts exist	☐	Ledger Group	OL

| C...	Itm	PK	S	Account	Description	Amount	Curr.	Tx
YTL	1	40		400301	Exchange Loss	150,000.00	INR	
	2	50		100504	SBI FC Term Loan 4	150,000.00-	INR	

To view the balances (FBL3N)

Give the GL account as 100504 and select all items radio button and date as 31.04.2014 and execute

G/L Account Line Item Display

Selections   Dispute Case

G/L Account   100504   SBI FC Term Loan 4   Here, we can see FC is reversed on the same day because we
Company Code   YTL   didnt select reversal postings for year end

St	Assignment	DocumentNo	BusA	Type	Doc. Date	Pstng Date	PK	Amount in local cur.	LCurr	Text
✓	20130401	52		SA	01.04.2013	01.04.2013	50	4,600,000.00-	INR	sbi fc term loan 4
✓	20130430	53		SA	30.04.2013	30.04.2013	40	100,000.00	INR	100504 - Valuation on 20130430
✓	20130501	54		SA	30.04.2013	01.05.2013	50	100,000.00-	INR	100504 - Valuation on 20130430
✓	20130515	55		SA	15.05.2013	15.05.2013	40	2,300,000.00	INR	sbi fc term loan 4 - Payment
✓	20130516	56		SA	16.05.2013	16.05.2013	40	450,000.00	INR	sbi fc term loan 4 - Payment
✓	20130531	57		SA	31.05.2013	31.05.2013	40	90,000.00	INR	100504 - Valuation on 20130531
✓	20130601	58		SA	31.05.2013	01.06.2013	50	90,000.00-	INR	100504 - Valuation on 20130531
✓	20140331	59		SA	31.03.2014	31.03.2014	50	150,000.00-	INR	100504 - Valuation on 20140331
* ✓								2,000,000.00-	INR	
** Account 100504								2,000,000.00-	INR	

FC Valuation for Vendors

Step 1: Create two GL masters (FS00)

Sundry Crs - FC

And save

Balance Adjustment Account:

G/L Account 100005 Balance Adjustment
Company Code YTL Yash Technologies Limited

Tabs: Type/Description | Control Data | Create/bank/interest | Key word/translation | I...

Account control in company code

Account currency — USD — United States Dollar
☐ Only balances in local crcy
Exchange rate difference key
Valuation group
Tax category
☐ Posting without tax allowed
Recon. account for acct type
Alternative Account No.
☐ Acct managed in ext. system
Inflation key
Tolerance group

Account Management in Company Code

☐ Open Item Management — **It should not be selected**
☑ Line item display
Sort key — 001 — Posting date
Authorization Group

G/L Account 100005 Balance Adjustment
Company Code YTL Yash Technologies Limited

Tabs: Type/Description | Control Data | Create/bank/interest | Key word/translation | I...

Control of document creation in company code
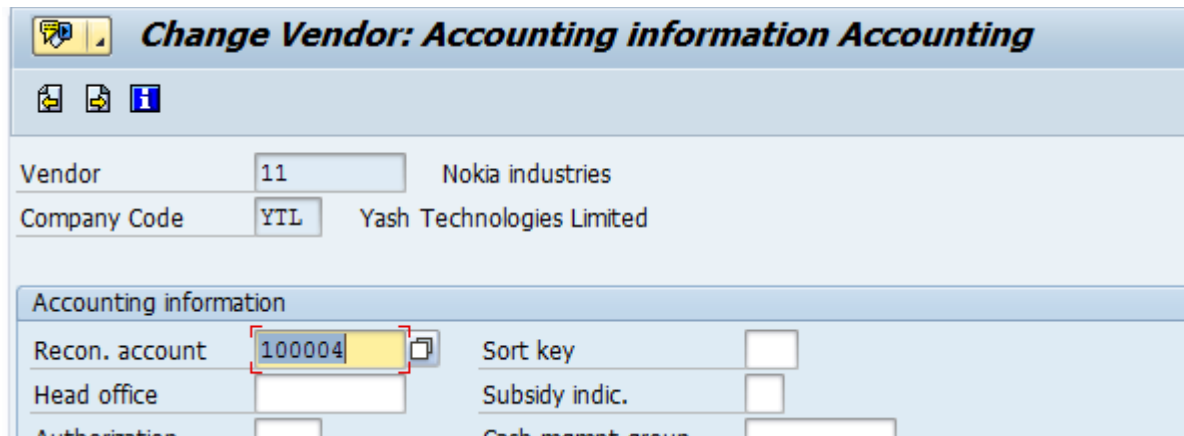
Field status group — G001 — General (with text, assignment)
☐ Post automatically only
☐ Supplement auto. postings
☐ Recon. acct ready for input

And save

Step 2: **Assign sundry crs –FC account in vendor master (XK01)**
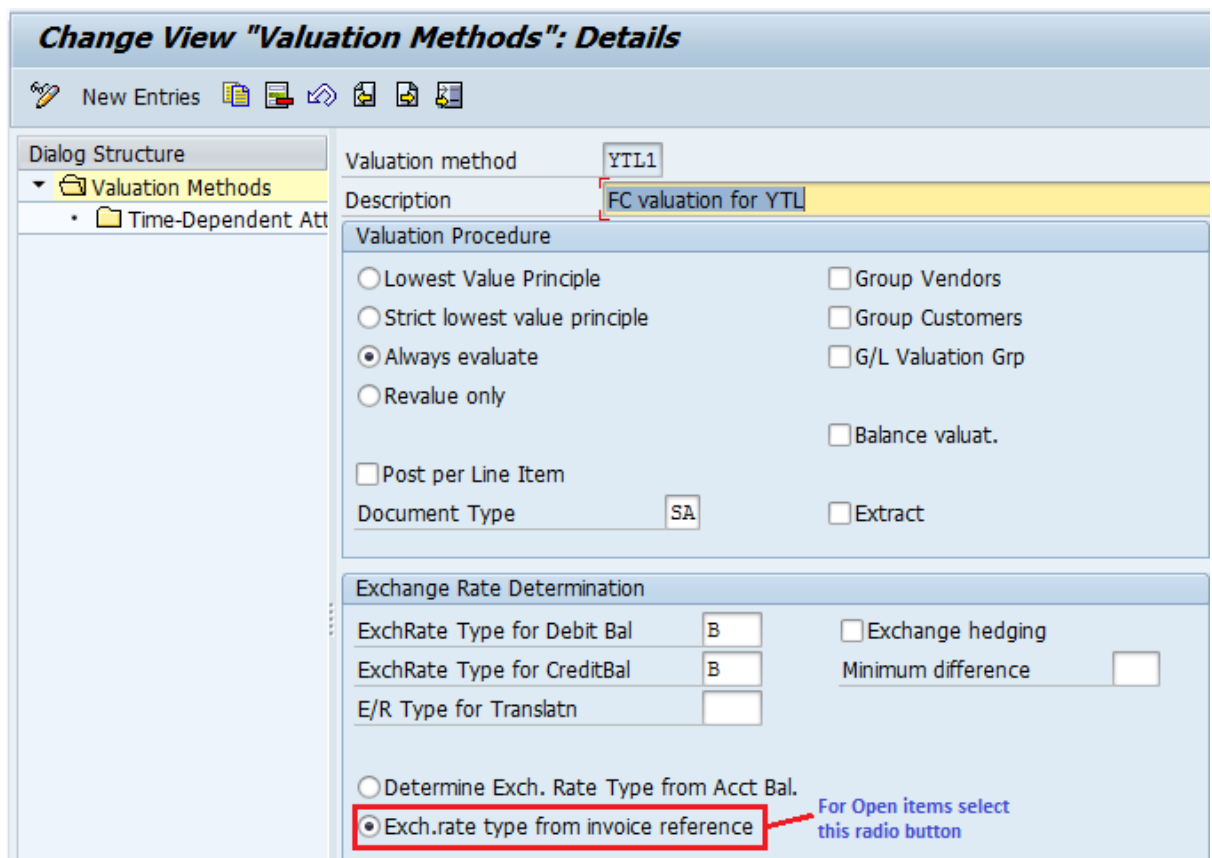
And save

Note: We already created exchange gain and exchange loss accounts and also done with remaining configurations in the above steps. (Refer, Steps 2, 3, 5, 6)

But in Step 4 and Step 7 we have to do few amendments for Vendors/customers. See below screenshot for further reference

Step 3: Define Valuation Methods

> **Path:** SPRO → Financial Accounting (New) → General Ledger Accounting (New) → Periodic Processing → Valuate → Define Valuation Methods

Step 4: Prepare Automatic Postings for Foreign Currency Valuation (OBA1)

Double click on Exchange Rate Difference (KDF) for open items

Maintain FI Configuration: Automatic Posting - Procedures

Group   FWA   Exchange rate differences

Procedures

Description	Transaction	Account determ.
Document Split for Currency Exchange	CEX	☑
Exch. Rate Diff. using Exch. Rate Key	KDB	☑
Exchange Rate Dif.: Open Items/GL Acct	KDF	☑
Payment difference for altern.currency	KDW	☑
Payment diff.for altern.curr.(offset)	KDZ	☑
Internal currencies rounding differences	RDF	☑

Enter the chart of Accounts and click on

Enter Chart of Accounts

Chart of Accounts   YTL

Enter the valuation Area as "YA" and continue

Change valuation area

Valuation Area   YA

And save

Step 5: Enter Exchange rates (OB08)

Save

Step 6: Post a vendor invoice (F-43)

Enter Vendor Invoice: Add Vendor item

Vendor 11   Nokia industries   G/L Acc 100004
Company Code YTL
Yash Technologies Limited

Item 1 / Invoice / 31

Amount	100000 USD	Amount in LC [ ] INR
	☐ Calculate tax	Bus.place/sectn [ ] / [ ]
Bus. Area	[ ]	
Payt Terms	[ ]	Days/percent [ ] [ ] / [ ] / [ ]
Bline Date	01.07.2013	Fixed [ ]
Disc. base	[ ] USD	Disc. Amount [ ] USD
		Invoice ref. [ ] / [ ] / [ ]
Pmnt Block	[ ]	Pmt Method [ ]
Assignment	[ ]	
Text	FC Term Loan for vendor	📝 Long Texts

Next line item

PstKy 40 Account 200002 ☐ L Ind ☐ TType [ ] New co.code [ ]

And press enter and specify * in amount field and + in text field and simulate

Enter Vendor Invoice: Display Overview

Document Date	01.07.2013	Type	KR	Company Code	YTL
Posting Date	01.07.2013	Period	4	Currency	USD 47.00000
Document Number	INTERNAL	Fiscal Year	2013	Translatn Date	01.07.2013
Reference	[ ]			Cross-CC no.	[ ]
Doc.Header Text	[ ]			Trading Part.BA	[ ]

Items in document currency

PK	BusA	Acct		USD	Amount	Tax amnt
001	31	0000000011	Nokia industries		100,000.00-	
002	40	0000200002	stock account		100,000.00	

Average rate picks from forex table

Step 7: Enter Exchange Rate (OB08)

New Entries: Overview of Added Entries

	ExRt	ValidFrom	Indir.quot		Ratio(from)	From		Dir.quot.		Ratio (to)	T
	b	31.10.2013		X		usd	=	46.00	X		...

Step 8: FC Valuation (FAGL_FC_VAL)

Foreign Currency Valuation

General Data Selection

Company Code	YTL	to		
Valuation Key Date	31.10.2013			
Valuation Area	YA			

Postings | Open Items | G/L Balances | Miscellaneous

☐ Valuate G/L Account Open Items

G/L Account		to	
Exchange rate difference key		to	

◉ No GR/IR Accounts
○ Valuate GR/IR accts
○ GR/IR with FI Data

GR/IR Delivery Costs		to	

☑ Valuate Vendor Open Items

Vendor	11	to	

☐ Valuate Customer Open Items

Customer		to	
Reconciliation Account		to	
Document Number		to	
Currency		to	

Execute

Foreign Currency Valuation

◄◄ ◄ ► ►►   2 Postings   ⚠ 1 Messages

Yash Technologies Limited
Hyderabad
Key Date 31.10.13
Valuation in Company code currency (10)
Method YTL1 FC valuation for YTL
Ledger Group 0L

Foreign Currency Valuation

	Ld	AccTy	G/L	Account Nu	DocumentNo	Itm	Amount in FC	Crcy	Amount CC.Curr	CC.Curr	Exch. Rat	S	Exch.rate	Typ	V
		K	100004	11	5011	1	100,000.00-	USD	4,700,000.00-	INR	46.00000		47.00000	KR	
*			100004				100,000.00-	USD	4,700,000.00-	INR					
**							100,000.00-	USD	4,700,000.00-	INR					

Select on postings button

⏮ ◀ ▶ ⏭ 🔍 🖨 🖩 🔽 🔁 📊 ✂ 🔄

Ledger CoCd DocumentNo Document Header Text   Typ Pstng Date Crcy LCurr LCur2 LCur3 Text
Itm PK G/L   Amount in LC   LC2 amount   LC3 amount Text

```
0L     YTL           FC valuation              31.10.2013 USD   INR
  1 50 300100        100,000.00                         100004 - Valuation on 20131031
  2 40 100005        100,000.00                         100004 - Valuation on 20131031

0L     YTL           Reverse posting           01.11.2013 USD   INR
  1 40 300100        100,000.00                         100004 - Valuation on 20131031
  2 50 100005        100,000.00                         100004 - Valuation on 20131031
```

Hence, we got exchange loss of 100,000

On 01.07.2013 posted vendor invoice with 4,700,000 (100,000*47.00)

On 31.07.2013 revaluation done on the basis of exchange rate available in forex table i.e. 46.00

4,600,000 (100,000*46.00)

Exchange Gain = 4,700,000 – 4,600,000 = 100,000

Create Postings:

Foreign Currency Valuation

🔽 ℹ️ 🔽

General Data Selection

Company Code	YTL	to		➡
Valuation Key Date	31.10.2013			
Valuation Area	YA			

Postings	Open Items	G/L Balances	Miscellaneous

☑ Create Postings
Batch input session name   Kamal8
☐ Only Create Batch Input Session Due to Errors
Document date   31.10.2013
Posting date   31.10.2013
Posting period   ☐
Reversal posting date   01.11.2013
Reverse post. period   ☐
☐ Reset Valuation
Reason for Reset (Balances)   ☐
For G/L Account Balance Valuation
  ☑ Reverse postings

Execute and run the batch input sessions

To view the documents (FB03):

31.10.2013 (Normal posting)

Data Entry View						
Document Number	68	Company Code	YTL	Fiscal Year		2013
Document Date	31.10.2013	Posting Date	31.10.2013	Period		7
Reference		Cross-Comp.No.				
Currency	USD	Texts exist	☐	Ledger Group		0L

C...	Itm	PK	S	Account	Description	Amount	Curr.	Tx
YTL	1	50		300100	Exchange Gain	100,000.00-	INR	
	2	40		100005	Balance adjustment	100,000.00	INR	

01.11.2013 (Reversal posting)

Data Entry View						
Document Number	69	Company Code	YTL	Fiscal Year		2013
Document Date	31.10.2013	Posting Date	01.11.2013	Period		8
Reference		Cross-Comp.No.				
Currency	USD	Texts exist	☐	Ledger Group		0L

C...	Itm	PK	S	Account	Description	Amount	Curr.	Tx
YTL	1	40		300100	Exchange Gain	100,000.00	INR	
	2	50		100005	Balance adjustment	100,000.00-	INR	

Here, we can observe clearly that balances were posted to balance adjustment account (100005) but not to sundry crs (100004) because we cannot directly post to reconciliation accounts.

Hence we created balance adjustment account (100005) and given in OBA1 – KDF

To view the GL Balances (FBL3N):

G/L Account Line Item Display

G/L Account   100005   Balance Adjustment
Company Code   YTL

St	Assignment	DocumentNo	BusA	Type	Doc. Date	Pstng Date	PK	Amount in local cur.	LCurr	Text
✔	20131031	68		SA	31.10.2013	31.10.2013	40	100,000.00	INR	100004 – Valuation on 20131031
✔	20131101	69		SA	31.10.2013	01.11.2013	50	100,000.00-	INR	100004 – Valuation on 20131031
* ✔								0.00	INR	
** Account 100005								0.00	INR	