

### Contents

1.1 Exclusive Economic Zone (Other Territory)	4
1.1.1 Accounting of Sales Transaction from Other Territory to Other Territory	4
1.1.2 Accounting of Sales Transaction from Other Territory to State/Union Territory	9
1.1.3 Inward Supply in State or Union Territory from Other territory	11
1.1.4 Accounting of Sales Transaction from State or Union Territory to Other Territory	13
1.2 Deemed Export	15
1.2.1 Intra State Deemed Exports	15
1.2.2 Interstate Deemed Export Taxable	20
1.2.3 Deemed Export Exempted	23
1.3 Other Enhancements in Tally.ERP 9 Release 6.3.2	25

## GST using Tally.ERP 9 Release 6.3 Annexure

### **Learning Objectives**

- Understanding of Other Territory or Exclusive economic zone
- Accounting of Sales Transaction from Other Territory to Other Territory
- Accounting of Sales Transaction from Other Territory to State/Union Territory
- Inward Supply in State or Union Territory from Other territory
- Accounting of Sales Transaction from State or Union Territory to Other Territory
- Deemed Export

## 1.1 Exclusive Economic Zone (Other Territory)

**Exclusive Economic Zone** is a sea zone prescribed by the United Nations Convention on the Law of the Sea over which a state has special rights for fishing, drilling, use of marine resources and other economic activities, which includes production from water and wind. It stretches from the baseline out to 200 nautical miles (nmi) from its coast.

Other Territory is inclusive of all territories that do not form part of any State (including the two Union Territories with Legislature being Delhi and Puducherry), and excludes the Union Territories (i.e., the Andaman and Nicobar Islands, Lakshadweep, Dadra and Nagar Haveli, Daman and Diu, and Chandigarh). Under GST, Other Territory has define under Union Territory rules.

If any goods or services supply within the other territory it will attract Central Tax and Union Territory Tax and the transaction which takes place between state or union territory to other territory attracts Integrated Tax, and the transaction which takes place between other territory to state or union territory attracts Integrated Tax.

In Tally.ERP 9 Rel. 6.3.2, we can activate Other Territory option in company level and in party level.

Note: Make sure to install Tally. ERP 9 Release 6.3.2 license.

## 1.1.1 Accounting of Sales Transaction from Other Territory to Other Territory

In this section, we will learn how a business registered under other territory can make a sales to a traders who is also registered under other territory.

**Illustration**: On 16-02-2018 Jivan Kumar & Sons which is registered under "Assessee of Other Territory" sold 10 Nos of CPU @ ₹ 3,500 each to Rex Enterprises. Supply is considered as an Other Territory supply.

#### Activity:

- Activate "Assessee of Other Territory" in company level GST Details.
- Create debtors ledger namely Rex Enterprises and activate Assessee of Other Territory in GST
  Details, screen.
- Create Sales ledger and configure GST details.
- Create CPU as a stock item and keep 20 Nos. as an opening balance.
- Create Central Tax and Union Territory Tax ledger under Duties and Taxes.

To activate other territory in the company level, go to Gateway of Tally > F11> F3 Statutory Feature> Set the option Assessee of Other Territory to Yes as shown in figure 1.1.

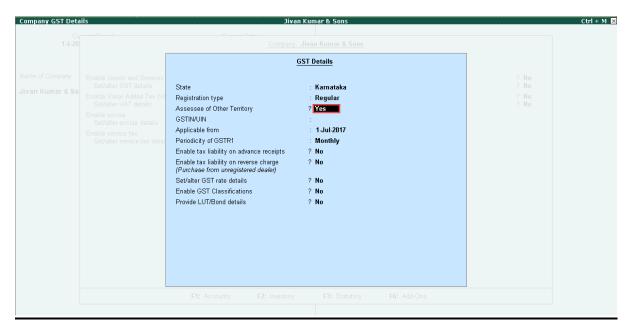


Figure: 1.1 GST Details Screen

Note: Other Territory Code is 97

After activation of other territory in company level, create the party ledger and enable the option **Assessee of Other Territory** to **Yes** as shown in figure 1.2.

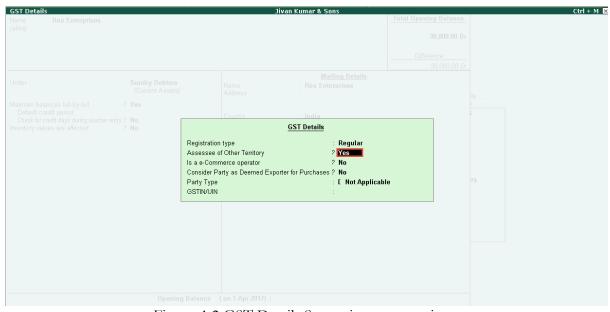


Figure: 1.2 GST Details Screen in party creation

To record other territory transaction, follow the steps given below:

- 1. Go to Gateway of Tally > Accounting Vouchers > press F8:Sales
- 2. Enter the details as shown in figure 1.3

The **Sales Invoice** screen appears as shown in the figure 1.3

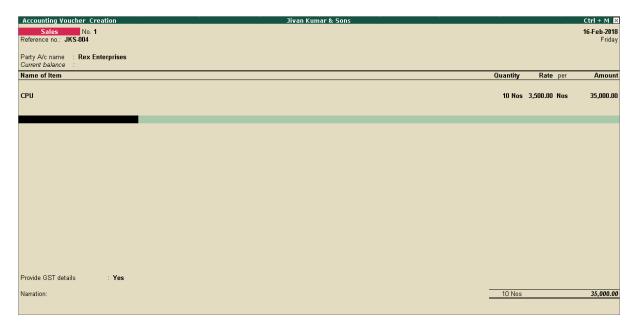


Figure: 1.3 Sales Invoice Screen

**Note:** If the sales invoice screen is not displayed as shown in the figure 1.3, then press **F12:** Configuration from sales invoice creation screen and enable the option **Use common ledger account for item allocation** to **No.** Then while recording the sales invoice, we have to select a sales ledger in **Accounting Details** screen.

3. Press **Alt+A: Tax Analysis**, to view the calculation details. It is showing central tax and UT tax as shown in the figure 1.4



Figure: 1.4 Tax Analysis Screen

4. Press **Esc** to go back to the voucher creation screen.

5. Select Central Tax Ledger and UT Tax Ledger as per below given figure 1.5.

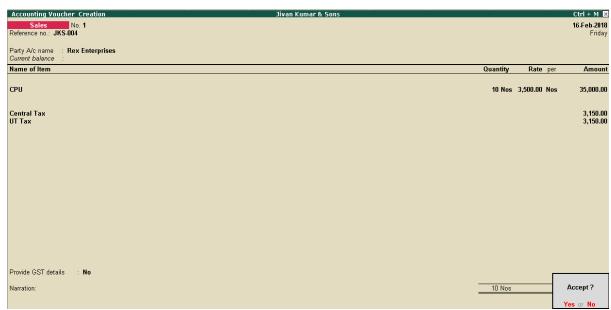


Figure: 1.5 Sales Invoice Screen

- 6. Press **Enter** to accept the screen.
- 7. Alter the sales invoice and take a print of the sales invoice.

The **Printed Sales Invoice** appears as shown in the figure 1.6:

#### Tax Invoice

Jivan Kumar & Sons	l l	Invoice No.				Dated			
Company's GSTIN/UIN: 97,		1			16-Feb-2018				
State Name : Other Territory, Code : 97	] [	Delivery Note			M ode/Terms of Payment				
	l:	Supplier's Re	ef.	Othe	r Refer	ence	(s)		
	I .	JKS-004							
Buyer Rex Enterprises		Buyer's Order No.			d				
Train Entraine	. հ	Despatch Do	cument No.	Deliv	ery Not	te Da	ite		
GSTIN/UIN : 97/					,				
State Name : Other Territory, Code : 97 Despatched through				Destination					
	-								
	-	Terms of De	livery						
SI Description of Goods			Quantity	Rate	per		Amount		
No.			,		1				
1 CPU			10 Nos	3,500.0	n Noe		35,000.00		
			10 1405	3,500.0	0 1105		35,000.00		
	С	entrai Tax					3,150.00		
	_	UT Tax					3,150.00		
							-,		
		Total	10 Nos		_	3 /	14 200 00		
A second Observe able 60 consider		TOTAL	10 1405			<b>X4</b>	1,300.00		
Amount Chargeable (in words)							E. & O.E		
INR Forty One Thousand Three Hundred Onl	_								
	Taxable Value		tral Tax		Tax		Total		
	35,000.0	Rate   00 9%	Amount 3,150.00	Rate 9%	Amour 3,150		Tax Amount 6,300.00		
Total:	35,000.0		3,150.00	- "	3,150		6,300.00		
Tax Amount (in words) : INR Six Thousand Three			_,						
Tax Ambuni (in words) . INK SIX I MOUSANG THEE	nunare	a Only							
Company's GSTIN/UIN : 97/									
Declaration									
We declare that this invoice shows the actual price o	of the good	ds described	and that all	particulars	are tru	je an	d correct.		
Cuctomor's Soal and Signature					for 5	an K	umar & Sons		
Customer's Seal and Signature					IUI JIV	an ru	uma ex SullS		
					Αι	uthori	sed Signatory		

This is a Computer Generated Invoice

Figure 1.6 Printed Sales Invoice

8.

Once after recording the transaction the details will get captured in **GSTR-1** under **B2B Invoices** and also the value will get captured in **GSTR-3B**, under the head Outward taxable supplies.

# 1.1.2 Accounting of Sales Transaction from Other Territory to State/Union Territory

If goods or services are supplied from other territory to state or union territory it will attract Integrated Tax.

Illustration: On 18-02-2018 Jivan Kumar & Sons which is registered under "Assessee of Other Territory" sold 05 Nos of CPU @ ₹ 3,500 each to Vijay Enterprises, which is a regular dealer of Bengaluru (Karnataka).

**Note:** In this case, the transaction is happening between Other Territory and State. Hence it is not required to enable "Assessee of Other Territory" at party level.

### Activity

- Create Vijay Enterprises under sundry debtors and activate GST with Karnataka State.
- Create Integrated Tax under Duties & Tax.

To record the sales transaction from other territory to state, follow the steps given below:

- 1. Go to Gateway of Tally > Accounting Vouchers > press F8:Sales
- 2. Enter the details as shown in figure 1.7



Figure: 1.7 Sales Invoice Screen

3. Press **Alt+A: Tax Analysis**, to view the calculation details. It is showing Integrated Tax as shown in the figure 1.8



Figure: 1.8 Tax Analysis Screen

- 4. Press **Esc** to go back to the voucher creation screen.
- 5. Select Integrated Tax Ledger as per below given figure 1.9

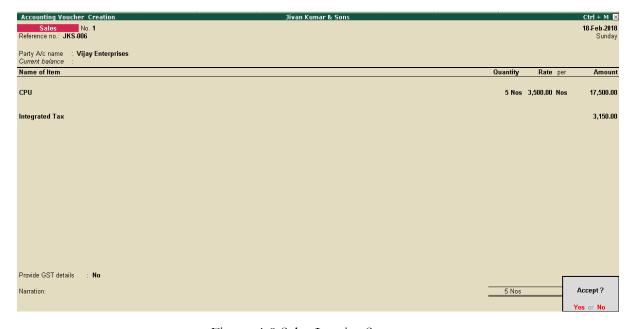


Figure: 1.9 Sales Invoice Screen

6. Press **Enter** to accept the screen.

Above transaction will get captured in **GSTR-1** under **B2B Invoices** and also the value will get captured in **GSTR-3B**, under the head outward taxable supplies.

## 1.1.3 Inward Supply in State or Union Territory from Other territory

Goods or services inward supply in state or union territory from other territory will be treated as an interstate transaction hence integrated tax will be applicable.

**Illustration:** On 20-02-2018 Vinayak Solutions registered dealer in Chandigarh purchased 10 Nos. Mobile @₹5,500 each from Ajay & Sons which is registered under "Assessee of Other Territory" with 18% GST.

In above transaction goods are supplied in union territory from other territory.

### Activity.

- Create a new company Vinayak Solutions with GST registration under Chandigarh
- Create Ajay & Sons under sundry creditor and activate "Assessee of Other Territory" in GST Details.
- Create Purchase ledger and configure the required GST details.
- Create Mobile as a stock item.
- Create Integrated Tax under Duties and Tax.

To record transaction of inward supply in union territory from other territory, follow the steps given below:

- 1. Go to Gateway of Tally > Accounting Vouchers > press F9:Purchase
- 2. Enter the details as shown in figure 1.10



Figure 1.10 Purchase Invoice

3. Press **Alt+A: Tax Analysis**, to view the calculation details. It is showing Integrated Tax as shown in the figure 1.11



Figure 1.11 Tax Analysis screen

- 4. Press **Esc** to go back to the voucher creation screen.
- 5. Select Integrated Tax ledger as per below given figure 1.12



Figure 1.12 Sales Invoice Screen

6. Press **Enter** to accept the screen.

Above transaction will get captured in **GSTR-2** under **B2B Invoices** and also the value will get captured in **GSTR-3B**, under the head Eligible ITC.

## 1.1.4 Accounting of Sales Transaction from State or Union Territory to Other Territory

In this section, we will learn how a business registered as union territory or state can make a sales to a state or other territory.

Illustration: On 25-02-2018 Ram Kumar & Sons (Karnataka) sold 10 Nos. Laptop @ ₹ 18,500 each to Ahuja brothers other territory with 18% GST.

In above transaction goods supplied in other territory from state, will attract Integrates Tax.

### Activity.

- Create a new company Ram Kumar & Sons with GST registration under Karnataka. (Make sure to disable the option Assessee of Other Territory to No in Company GST Details.
  - Create Ahuja Brothers under sundry debtors and activate "Assessee of Other Territory" in GST Details.
  - Create Laptop as a stock item and keep 20 Nos as an opening balance.
  - Create Integrated Tax under Duties and Tax.

To record transaction of supply from state to other territory, follow the steps given below:

- 1. Go to Gateway of Tally > Accounting Vouchers > press F8:Sales
- 2. Enter the details as shown in figure 1.13

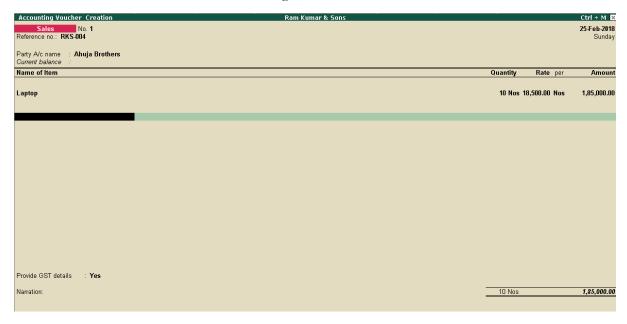


Figure 1.13 Sales Invoice

3. Press **Alt+A: Tax Analysis**, to view the calculation details. It is showing Integrated Tax as shown in the figure 1.14

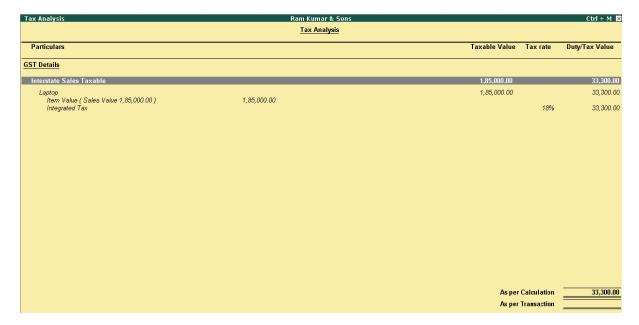


Figure 1.14 Tax Analysis

- 4. Press **Esc** to go back to the voucher creation screen.
- 5. Select Integrated Tax Ledger as per below given figure 1.15

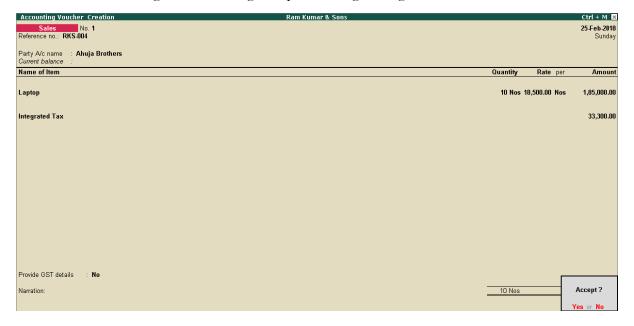


Figure 1.15 Sales Invoice

6. Press **Enter** to accept the screen.

Above transaction will get captured in **GSTR-1** under **B2B Invoices** and also the value will get captured in **GSTR-3B**, under the head Outward taxable supplies.

## 1.2 Deemed Export

**Deemed Export** refers to those transactions in which goods supplied do not leave country, and payment for such supplies is received either in Indian rupees or in free foreign exchange. If there is any supply comes under deemed export it will attract integrated tax.

But in case of supply of goods or services within the state under deemed export it will attract Central Tax and State Tax.

Note: As per the Latest GST notification from 18th October 2017 onwards:

- Integrated tax is applicable on interstate transactions.
- Central tax and state tax are applicable on transactions made within the state.

Following are the tax applicability based on the transaction of deemed exports

Transaction of Deemed Exports	Tax Applicability
Interstate taxable deemed export – Deemed	Integrated Tax
Export Taxable	
Intrastate taxable deemed export	Central Tax and State Tax
Intrastate Deemed Exports Exempt	
Intrastate Deemed Exports Nil Rated	No Tax
Deemed Exports Exempt	
Deemed Exports Nil Rated	

### 1.2.1 Intra State Deemed Exports

In this section, we will learn to record the intra state deemed exports transactions in Tally.ERP 9.

Illustration: On 20-02-2018 Jairam & Sons registered dealer in Bangalore (Karnataka) supplied 10 Nos. of Operating System Software @ ₹ 10,500 with 18% GST each to Agro Software Solution registered dealer in Mysore (Karnataka). Agro Software Solution is an Export Oriented Unit.

This above supply considered as a Deemed Export.

#### Activity

- Create a company namely Jairam & Sons.
- Create "Agro Software Solution" ledger under Sundry Debtors and select Party Type as a Deemed Export in GST Details screen.
- Create "Operating System Software" as a stock and keep 20 Nos. as an opening balance and set GST detail.
- Create Sales ledger namely "Intra State Deemed Export Taxable" under sales account and configure GST details.

After creation of company and activation of GST in company level we have to create party ledger as per given below figure no. 1.16

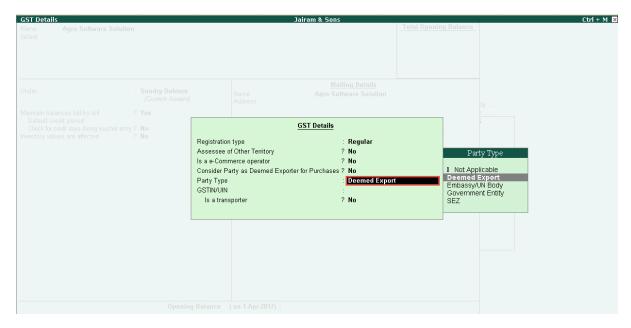


Figure 1.16 GST Details Screen of Party

Note: There is no need to set Yes for "Consider Party as Deemed Exporter for Purchase

After creation of party ledger we can create sales ledger. In the sales ledger we have to select "Intra State Deemed Export Taxable" in Nature of transactions under GST details for Ledger as per given below figure no. 1.17

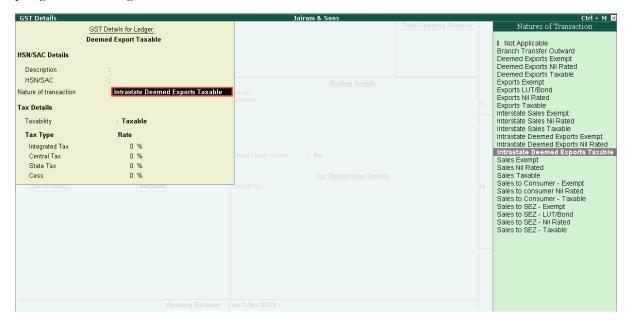


Figure 1.17 GST Details for Ledger Screen

To record intrastate transaction for deemed export, follow the steps given below:

- 9. Go to Gateway of Tally > Accounting Vouchers > press F8:Sales
- 10. Enter the details as shown in figure 1.18

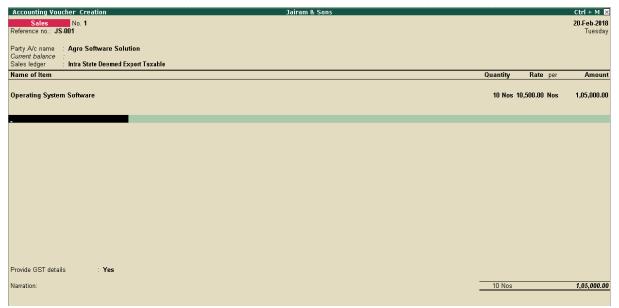


Figure 1.18 Sales Invoice Screen

11. Press **Alt+A: Tax Analysis**, to view the calculation details. It is showing central tax and state tax as shown in the figure 1.19



Figure 1.19 Tax Analysis Screen

- 12. Press **Esc** to go back to the voucher creation screen
- 13. Select Central Tax Ledger and State Tax Ledger as per below given figure 1.20

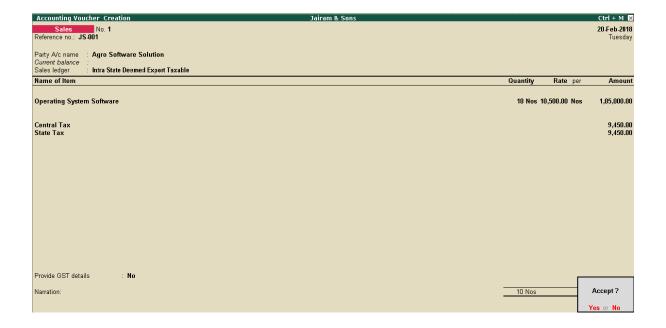


Figure 1.20 Sales Invoice Screen

- 14. Press **Enter** to accept the screen.
- 15. Alter the sales invoice and take a print of the sales invoice.

The **Printed Sales Invoice** appears as shown in the figure 1.21:

	Tax	Invoi	ce						
Jairam & Sons			Invoice No.			Dated 20-Feb-2018			
CO	mpany's GSTIN/UIN: <b>29</b> .	<b>1</b> De	livery Note	9			s of Payment		
		1 11			Reference(s)				
	yer		<b>-001</b> yer's Orde	er No.	Dated				
	ro Software Solution GTIN/UIN : 29/	Despatch Document No.			Delivery Note Date				
State Name : Kamataka, Code : 29			Despatched through			Destination			
		Terms of Delivery							
SI	Description of Goods			Quantity	Rate	per	Amount		
No.						ļ.			
1	Operating System Software			10 Nos	10,500.00	INOS	1,05,000.00		
			trai Tax tate Tax				9,450.00 9,450.00		
			Total	10 Nos			₹1,23,900.00		
	ount Chargeable (in words) R One Lakh Twenty Three Thousand Nine Hur	ndred C	Only				E. & O. E		
	Taxable <u>Cent</u> Value Rate l				State Rate /	Total nt Tax Amount			
	1,05 Total: 1,05	,000.00 <b>,000.00</b>		9,450.00 <b>9,450.00</b>	9%	9,450 <b>9,45</b> 0			
Tax	(Amount (in words): INR Eighteen Thousand Nine	e Hund	ired Only	<i>'</i>					
Dei	mpany's GSTIN/UIN : <b>29.</b> <u>claration</u> e declare that this invoice shows the actual price of the	goods	described	and that all	partic ulars :	are tru	ue and correct.		
Cu	stomer's Seal and Signature					1	or Jairam & Sons		
						Ai	uthorised Signatory		
	This is a Compu	ıter Gen	erated Inv	oice					

Figure 1.21 Printed Sales Invoice

Once after recording the transaction the details will get captured in **GSTR-1** under **B2B Invoices** and also the value will get captured in **GSTR-3B**, under the head Outward taxable supplies.

**Note:** Similarly by selecting the required Nature of Transactions in the sales ledger, we can record the other types of deemed exports like Intrastate Deemed Exports – Nil Rates, Intrastate Deemed Exports – Exempt, Deemed Exports Taxable, Deemed Exports Nil Rated and Deemed Exports Exempt. The values of these transactions will be captured in the relevant tables of **GSTR-1**, **GSTR-3B**, and **Advance Receipts Summary** reports.

### 1.2.2 Interstate Deemed Export Taxable

If any taxable goods supplied to Export Oriented Unit which is registered in different state will attract integrated tax.

Illustration: On 21-02-2018 Jairam & Sons supplied 05 Nos. of Operating System Software @ ₹ 10,500 with 18% GST each to Infra Solution, registered dealer in Mumbai (Maharashtra). Infra Solution is an Export Oriented Unit.

This above supply considered as a Inter State Deemed Export.

#### Activity

- Create "Infra Solution" ledger under Sundry Debtors and select Party Type as a Deemed Export in GST Details screen.
- Create Sales ledger namely "Inter State Deemed Export Taxable" under sales account.

Under Sundry Debtors (Current Asserts)

Maintain balances bill-by-bill ? Yes
Default credit penod ...
Check for credit days during worcher entry? No remettry values are affected ? No

Consider Party as Deemed Export Embassylvin Body Government Entity

GST Details

Registration type ...
Regular
Assessee of Other Territory ...
Party Type
Is a e-Commerce operator ...
Consider Party as Deemed Export ...
Embassylvin Body Government Entity

SEZ

As per above activity we can create party ledger as per given below figure no. 1.22

Figure 1.22 GST Details Screen of Party

After creation of party ledger we can create sales ledger. In the sales ledger we have to select "Inter State Deemed Export Taxable" in Nature of transactions under GST details for Ledger as per given below figure no. 1.23

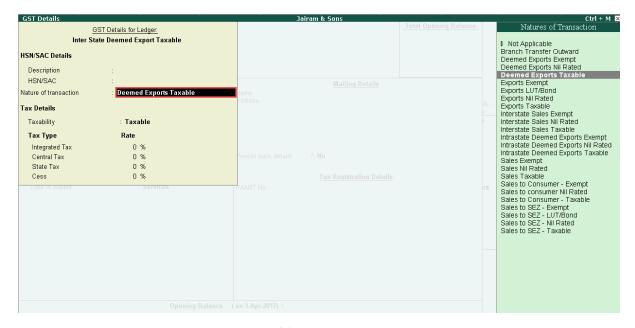


Figure 1.23 GST Details for Ledger Screen

To record interstate transaction for deemed export, follow the steps given below:

- 1. Go to Gateway of Tally > Accounting Vouchers > press F8:Sales
- 2. Enter the details as shown in figure 1.24

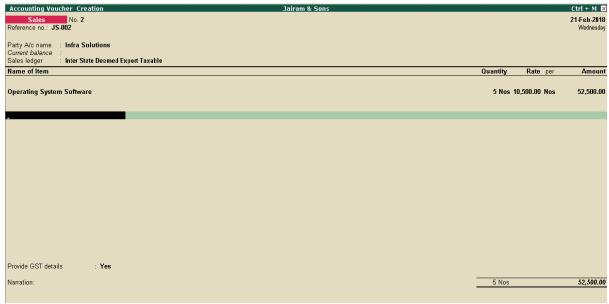


Figure 1.24 GST Details for Ledger Screen

3. Press **Alt+A: Tax Analysis**, to view the calculation details. It is showing Integrated Tax as shown in the figure 1.25

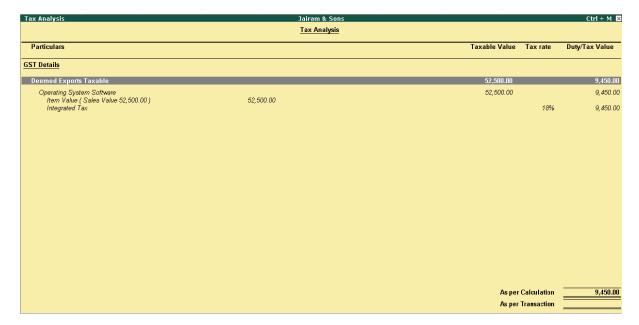


Figure 1.25 Tax Analysis Screen

- 4. Press **Esc** to go back to the voucher creation screen
- 5. Select Integrated Tax Ledger as per below given figure 1.26

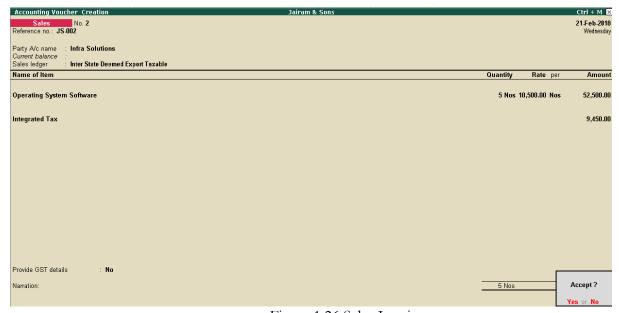


Figure 1.26 Sales Invoice

After complete this transaction the details will get captured in **GSTR-1** under **B2B Invoices** and also the value will get captured in **GSTR-3B**, under the head Outward taxable supplies.

### 1.2.3 Deemed Export Exempted

If any exempted goods supplies to Export Oriented Unit, it will treated as a exempted supply under Deemed Export.

Illustration: On 22-02-2018 Jairam & Sons supplied 100 Kgs Sunflower Seeds @ ₹ 200 per Kg to Radha Oil Ltd. registered dealer in Bengaluru (Karnataka). Radha Oil Ltd. is an Export Oriented Unit.

This above supply considered as an exempted deemed export supply because sunflower seed exempted from GST.

#### Activity

- Create "Radha Oil Ltd." ledger under Sundry Debtors and select Party Type as a Deemed Export in GST Details screen.
- Create Sales ledger namely "Deemed Export Exempted" under sales account
- Create "Sunflower Seeds".under stock item.

As per the above activity we can create sales ledger. In the sales ledger we have to select "Deemed Export Exempted" in Nature of transactions under GST details for Ledger as per given below figure no. 1.27

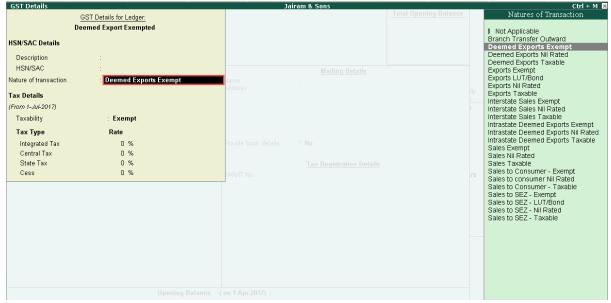


Figure 1.27 GST Details for Ledger Screen

To record interstate transaction for deemed export, follow the steps given below:

- 1. Go to Gateway of Tally > Accounting Vouchers > press F8:Sales
- 2. Enter the details as shown in figure 1.28

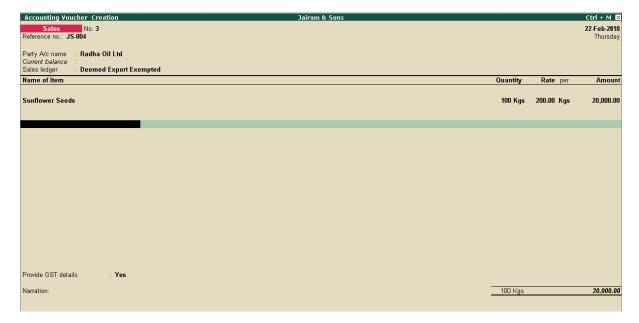


Figure 1.29 Sales Invoice

3. Press **Alt+A: Tax Analysis**, to view the calculation details. It is not showing any tax as shown in the figure 1.30



Figure 1.30 Tax Analysis Screen

- 4. Press **Esc** to go back to the voucher creation screen
- 5. Press **Enter** to accept the screen as per below given figure 1.31

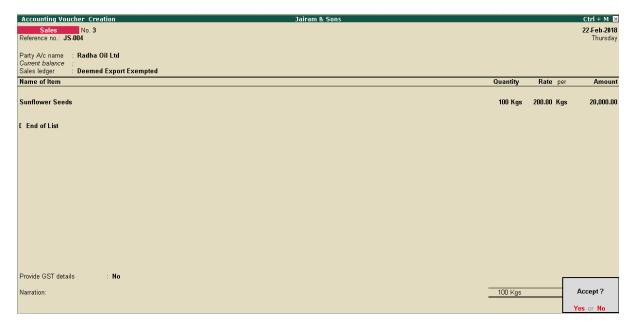


Figure 1.31 Sales Invoice

After complete this transaction the details will get captured in **GSTR-1** under **B2B Invoices** and also the value will get captured in **GSTR-3B**, under the head Other Outward supplies (Nil rated, Exempted).

# 1.3 Other Enhancements in Tally.ERP 9 Release 6.3.2

- We can print, export or email the transactions of the Voucher with incomplete/mismatch in information report, and the Exception Resolution screen of each exception of the GSTR-1 and GSTR-3B reports.
- The details of GTA services purchased from interstate unregistered dealers are captured in GSTR 3B report.