

GST using Tally.ERP Release 6.4

Annexure

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GST using Tally.ERP 9 Release 6.4 Annexure

Learning Objectives

- e-Way Bill
- Enabling e-Way Bill in Tally.ERP 9
- Recording invoice with details required for e-Way Bill generation
- Creating JSON by exporting e-Way Bill details from invoice
- Uploading JSON to portal
- Generating e-Way Bill number from portal
- Printing the invoice with e-Way Bill number
- Resolving exceptions from Export for e-Way Bill report
- Updating e-Way Bill details from Update e-Way Bill report
- Composition Scheme
- Enabling GST as a composition dealer in Tally.ERP 9
- Creating masters for composition dealer
- Accounting of purchase transaction as a composition dealer
- Accounting of sales transaction as a composition dealer
- Accounting sales returns and purchase returns
- Accounting interstate purchase transaction
- Accounting purchases of services under reverse charge
- Accounting purchase of services with discount
- Accounting sale of services with discount
- Import of goods under composition dealer
- Import of services under composition dealer
- Adjusting of tax liability in case of advance payments under composition scheme
- Generating GST-4 in Tally.ERP 9
- Resolving exceptions of GSTR-4
- Filing GSTR-4 return
- Other enhancements in release 6.4

1.1 E-Way Bill

Electronic Way Bill (e-way bill) is an electronic document generated on the GST portal for evidencing movement of goods. It is a unique bill number generated for the specific consignment which involves movement of goods. If the invoice value is ₹. 50,000 or above, all registered dealers need to generate e-Way Bill for the interstate movement of goods. In few states, dealers need e-Way Bills even for the intrastate movement of goods.

E-Way Bill has two Components such as Part-A and Part-B, **Part-A** comprises the details of GSTIN of recipient, place of delivery (PIN Code), invoice or challan number and date, value of goods, HSN code, transport document number (Goods Receipt Number or Railway Receipt Number or Airway Bill Number or Bill of Lading Number) and reasons for transportation, and **Part-B** comprises the transporter details (Vehicle number).

E- Way Bill will be issued by

- Registered Supplier
- Registered Receiver
- Transporter, in case if both the supplier and the receiver are unregistered

Conditions for generating E-Way Bills,

- E-Way Bill needs to be generated before the commencement of movement of goods.
- If multiple consignments are transported in one vehicle, then the transporter should generate a consolidated E-Way bill in the Form GST EWB 02 and separately indicate the serial number of E-Way Bill for each of the consignment.
- On generation of E-Way Bill, on the portal a unique E-Way Bill number called 'EBN' will be made available to the supplier, the recipient and the transporter.
- The transporter should generate a consolidated E-Way Bill, if multiple consignments are transported in one vehicle.
- E-Way Bill will be made available for acceptance from the recipient of goods if he is registered under GST, the recipient of goods shall communicate acceptance or rejection of the consignment covered by the E-Way Bill within 72 hours, if the recipient of goods does not communicate the acceptance or rejection within 72 hours, then it will be deemed as accepted by the recipient.
- The validity of E-Way bill for distance less than 100KM is 1 day and for every 100KM or part thereafter is 1 additional day

***Note:** The validity period will be counted from the time of generation of the E-Way Bill. The validity period of the E-Way Bill may be extended by the commissioner for certain categories of goods, as specified in the notification issued in this regard.*

Modes of generation of e-way bill

- Via Web (laptop/desktop or phone)
- Via SMS (mobile number should be registered)
- Via API (Application Program Interface).
- Via Android based mobile application.

- Via Suvidha Providers

E-way bills has to be generated for the below scenarios

- Supply (sale or transfer of goods)
- Reason other than supply (Example: Branch transfer, job work, sales return, etc.)
- Inward supply from an unregistered person

1.1.1 Exporting the Details of E-Way Bill from Tally.ERP 9 to JSON File

In Tally.ERP 9, we can setup e-way bill for the company, record transactions with e-way bill details, export e-way bill details to JSON file, and print invoices with e-way bill details etc.

1.1.1.1 E-Way Bill Setup in Tally.ERP 9

We will now see how to enable e-way bill for the company in Tally.ERP 9,

To enable e-way bill,

Activity: Create a company in Tally.ERP 9 with the following details:

- **Company:** Name: Mukta Traders
- **Address:** No.209, 19th Cross, Twin Tower, Karnataka-560029
- **Financial Year:** 01-04-2017

1. Go to **Gateway of Tally**>Click **F11: Features**>Click **F3: Statutory**.
2. Set the options **Enable Goods and Services Tax (GST)** to **Yes** and **Set/alter GST details** to **Yes**
3. From Tally.ERP 9 Release 6.4 onwards, by default the below mentioned options such as,
 - e-Way Bill applicable
 - e-Way Bill applicable from
 - e-Way Bill threshold and
 - e-Way Bill applicable for intrastate, will be enabled and selected with appropriate applicable date and threshold limit.

The **Company GST Details** screen appears as shown in figure 1.1:

Company GST Details		Mukta Traders		Ctrl + M
Company: Mukta Traders				
GST Details				
State	: Karnataka	? No		
Registration type	: Regular	? No		
Assessee of Other Territory	? No			
GSTIN/UIN	: 29	? No		
Applicable from	: 1-Jul-2017			
Periodicity of GSTR1	: Quarterly			
e-Way Bill applicable	? Yes			
e-Way Bill applicable from	: 1-Feb-2018			
e-Way Bill threshold	: 50,000			
e-Way Bill applicable for intrastate	? Yes			
Enable tax liability on advance receipts	? No			
Enable tax liability on reverse charge (Purchase from unregistered dealer)	? No			
Set/alter GST rate details	? No			
Enable GST Classifications	? No			
Provide LUT/Bond details	? No			
F1: Accounts F2: Inventory F3: Statutory F6: Add-Ons				

Figure 1.1 Company GST Details

Note:

- In Tally.ERP 9, we can enter e-Way Bill details only when such transactions are recorded with stock items. The provision to enter e-Way Bill details is not available in accounting invoice mode, and in the companies enabled to **maintain accounts only**

1.1.1.2 Recording of Invoice with E-Way Bill Details

Let us now learn to record GST invoice with e-way bill details in Tally.ERP 9.

Illustration: As on 28-02-2018, Mukta Traders, Karnataka supplied 25 Laptops at ₹.38,500 each to Kishore Enterprises, Tamil Nadu. Additionally, GST@18% is charged on the invoice and also company wants to generate e-way bill in Tally.ERP 9.

Activity: Create the following masters in Tally.ERP 9

- Party Ledger:** Create Kishore Enterprises under sundry debtors, select the state as Tamil Nadu, enable the option **Set/alter GST details** to **Yes** and select the **Registration type** as Regular.

Note: In the party ledger if the **Registration type** is selected as **Regular** or **Composition**, the **GSTIN/UIN** entered is considered as the transporter ID, if the **Registration type** is selected as **Unknown** or **Unregistered**, then 15 digit **Transporter ID** has to be entered.

Transporter ID is a unique identification number allotted to the transporters who are not registered under GST Act.

The Party **GST Details** screen appears as shown in figure 1.2:

GST Details		Mukta Traders		Ctrl + M	
Name	Kishore Enterprises			Total Opening Balance	
(alias)				40,25,000.00 Dr	
				Difference	
				40,25,000.00 Dr	
Under	Sundry Debtors (Current Assets)	Name	Kishore Enterprises		
		Address			
Maintain balances bill-by-bill	? Yes	Country	India		
Default credit period	? No				
Check for credit days during voucher entry	? No				
Inventory values are affected	? No				
<div style="border: 1px solid black; padding: 5px; margin: 10px auto; width: 80%;"> <p align="center">GST Details</p> <p>Registration type : Regular</p> <p>Assessee of Other Territory ? No</p> <p>Is a e-Commerce operator ? No</p> <p>Consider Party as Deemed Exporter for Purchases ? No</p> <p>Party Type : [Not Applicable]</p> <p>GSTIN/UIN : 33</p> <p>Is a transporter ? Yes</p> </div>					
Opening Balance (on 1-Apr-2017) :					

Figure 1.2 Party GST Details

- **Sales** under **Sales Accounts**, In **Is GST Applicable** field, select as **Applicable**, do not enable **Set/alter GST Details** as we will configure the GST tax rate in the stock item master, select the **Type of Supply** as **Goods** and save the ledger
- **Integrated Tax** under **Duties and Taxes**, select **Type of duty/tax** as **GST**, select the **Tax type** as **Integrated Tax** and save the ledger
- Create **Units of Measure** as Nos with **Formal name** Numbers and select the **Unit Quantity Code(UQC)**
Note: The list of Unit Quantity Code (UQC) provided by GSTN for GSTR-1, does not match with the list provided by NIC for e-Way Bill. Also, the availability of UQC is not mandatory for generating the e-Way Bill. Hence, the export of UQC mapped to the stock items selected in the invoice, is not supported in Tally.ERP 9. Once the list of UQC provided by NIC matches with that of GSTN, the required changes will be made available in Tally.ERP 9.
- Create the stock item as **Laptop**, In **Is GST Applicable** field, select as **Applicable**, enable **Set/alter GST Details** and provide **HSN/SAC Details**, select **Calculation type** as **On Value**, select **Taxability** as **Taxable** and provide the **Tax Rate**. Make sure to provide the Opening quantity as 50 Nos. and Rate as ₹.30,000

The **GST Details** for stock item screen appears as shown in figure 1.3:

GST Details Mukta Traders Ctrl + M

GST Details for Stock Item:
Laptop

HSN/SAC Details
 Description : Laptops
 HSN/SAC : 8471
 Is non-GST goods ? No

Tax Details
 (From 1-Jul-2017)
 Calculation type : On Value
 Taxability : Taxable
 Is reverse charge applicable ? No
 Is ineligible for input credit ? No

Tax Type	Valuation Type	Rate
Integrated Tax	Based on Value	18 %
Central Tax	Based on Value	9 %
State Tax	Based on Value	9 %
Cess	Based on Value	0 %

Opening Balance :

Gateway of Tally >>>
 Inventory Info >>>
Stock Items

Single Stock Item
 Create
 Display
 Alter

Multiple Stock Items
 Create
 Display
 Alter

Quit

Figure 1.3 GST Details for Stock Item

To record the invoice with details required for e-way bill, follow the steps given below:

1. Go to **Gateway of Tally > Accounting Vouchers > Press F8: Sales.**
2. Enter the details as shown in the figure 1.4:

Accounting Voucher Creation Mukta Traders Ctrl + M

Sales No. 1 28-Feb-2018
 Reference no.: 1 Wednesday

Party A/c name : Kishore Enterprises
 Current balance :
 Sales ledger : Sales

Name of Item	Quantity	Rate	per	Amount
Laptop	25 Nos	38,500.00	Nos	9,62,500.00
Integrated Tax				1,73,250.00

Provide GST/e-Way Bill details: **Yes**

Narration: 25 Nos 11,35,750.00

Yes / No
 No
 Yes

Q: Quit A: Accept D: Delete X: Cancel

Figure 1.4 Accounting Voucher Creation screen

Note: On enabling e-way bill for the company, the option **Export e-Way Bill details from invoice after saving?** is also enabled in the **Voucher Configuration** screen, due to which the invoice gets exported once after saving the voucher, if we don't want to export after saving voucher then the same can be disabled.

- When the invoice value is ₹.50,000 or more, the option **Provide GST/e-Way Bill details?** appears which is set to **Yes**. Press **Enter** to view the **Statutory Details** screen.
- In the statutory details screen enter the mandatory details required for generating the e-Way Bill as shown in the figure 1.5:

Statutory Details

Sales No. 1
Reference no.: 1
Party A/c name: Kishore Enterprises
Current balance: Sales
Sales ledger: Sales

Additional Details : Interstate Sales Taxable

e-way Bill Details

e-Way Bill No. :
Consolidated e-Way Bill No. :
Sub Type* : Supply
Date :
Date :
Document Type* : Tax Invoice

Transporter Details

Mode* : Road
Transporter Name : Kishore Enterprises
Doc/Lading/RR/AirWay No. : 0719810
Transporter ID** : 33
Distance (in KM)* : 350
Vehicle Number** : KA17TR8189
Date** : 28-Feb-2018

Consignor Details (From)

Consignor : Mukta Traders
Address1 : No.209,19th Cross., Twin Tower
Address2 :
Place :
State* : Karnataka
Pincode* : 560029
GSTIN/UIN* : 29

Consignee Details (To)

Consignee : Kishore Enterprises
Address1 : No.350, 1st Cross., T N P Nagar
Address2 :
To Place(Destination) :
State : Tamil Nadu
Pincode* : 632110
GSTIN/UIN* : 63

* Indicates mandatory fields
** If Road is the Mode of transport, either Transporter ID and Date or Vehicle number is mandatory.

Name of Item	Quantity	Rate per	Amount
	25 Nos	38,500.00 Nos	9,62,500.00
			1,73,250.00
	25 Nos		11,35,750.00

Figure 1.5 Statutory Details screen

Note :

- If the goods are transported in different modes or vehicles, we can press **Ctrl+T** and enter the bifurcated transporter's details with the distance and vehicle numbers etc.
 - We can click **W: e-Way Bill Details** to enter the details of multiple e-Way Bills generated for a single transaction.
 - Press **F12: Configure** from Statutory Details screen and enable the option **Enable consolidated e-Way Bill details** to **Yes** and **Show consignor details** to **Yes**, if consignor and consolidated details are not appearing. And also if these options are not enabled then we will not be able to export the e-way bill details.
- Press **Enter** to accept the statutory details screen
- Note:** If the e-way bill details in invoice or HSN code is not provided for the stock item, then the invoice will not be exported once after saving the voucher, the error message will appear as shown in the figure 1.6

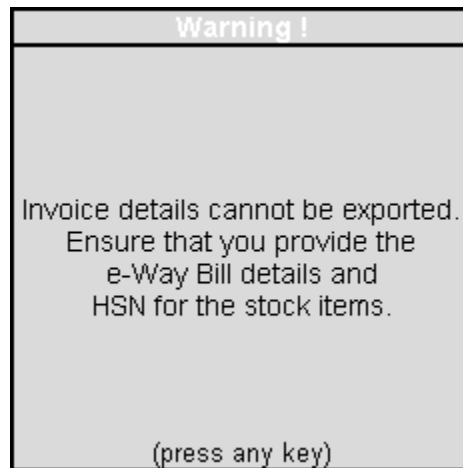


Figure 1.6 Warning Message

6. If all the details are correct then on accepting the sales voucher, Tally will automatically ask for exporting the details for e-Way bill

The **Export Details for e-Way Bill** screen appears as shown in figure 1.7:

Export Details for e-Way Bill		Mukta Traders		Ctrl + M
Sales	No. 1			28-Feb-2018 Wednesday
Reference no.:	1			
Party A/c name	: Kishore Enterprises			
Current balance	:			
Sales ledger	: Sales			
Name of Item	Quantity	Rate per	Amount	
Laptop	25 Nos	38,500.00 Nos	9,62,500.00	
Integrated Tax			1,73,250.00	

Exporting Details for e-Way Bill

Format : JSON e-Way Bill Details (Data Interchange)

Export Location : C:\Program Files\Tally\Tally.ERP9\6.4

Output File Name : Ewaybill_1_280218_125220.json

Open Exported Folder ? Yes

Export ?

Yes or No

Provide GST/e-Way Bill details : Yes

Narration:

25 Nos	11,35,750.00
--------	--------------

Figure 1.7 Export Details for e-Way Bill screen

9. Press **Enter** to create a JSON file. The folder in which the JSON is created now appears.
10. Once after JSON file is created we can upload the JSON file to the portal to generate the e-Way Bill.

To upload the JSON to portal follow the below mentioned steps:

- Login to **GST Portal**>click **e-Way Bill System** > **Click here to go to e-Way Bill Portal**.
- To generate the e-Way Bill, choose the required links:
 - **e-Waybill** > **Generate Bulk**

- **Consolidated EWB > Generate Bulk**
- Click **Choose File** > select the JSON > click **Upload & Generate**. The e-way bill gets generated.

11. After generating the e-way bill no., open Tally.ERP 9 we will get **e-Way Bill Information** screen, enter the **e-Way Bill No.** and **e-Way Bill Date** as shown in the figure 1.8

e-Way Bill Information		Mukta Traders		Ctrl + M
Sales	No. 1			28-Feb-2018 Wednesday
Reference no.:	1			
Party A/c name	: Kishore Enterprises			
Current balance	:			
Sales ledger	: Sales			
Name of Item		Quantity	Rate per	Amount
Laptop		25 Nos	36,500.00 Nos	9,62,500.00
Integrated Tax				1,73,250.00
<div style="border: 1px solid black; padding: 5px; margin: 10px auto; width: 80%;"> <p align="center">Update e-Way Bill Information</p> <p>Invoice No. : 1 Invoice Date : 28-Feb-2018</p> <p>Party Name : Kishore Enterprises Invoice Amount : 11,35,750.00</p> <hr/> <p>e-Way Bill No. : 101001111112</p> <p>e-Way Bill Date : 20-Feb-2018</p> </div>				
Provide GST/e-Way Bill details: Yes				
Narration:		25 Nos		11,35,750.00

Figure 1.8 e-Way Bill Information screen

Note: We can also update e-way bill number details from Gateway of Tally>Display>Statutory Reports>GST Reports>e-Way Bill>Update e-Way Bill Information.

1.1.2 Printing of Invoice with E-Way Bill Details

To print the invoice with e-way bill number, open the sales voucher in alteration mode and click **P: Print**, In the voucher printing screen, click **F12: Configure** and ensure the option **Print e-Way Bill No.?** is set to **Yes** as shown in figure 1.9

The **Invoice Print Configuration** screen appears as shown in the figure 1.9:

Tax Invoice

Mukta Traders No.209,19th Cross, Twin Tower GSTIN/UIN: State Name : Karnataka, Code : 29 E-Mail : muktatraders@gmail.com		Invoice No.	e-Way Bill No.		Dated	
		1	101001111112		28-Feb-2018	
		Delivery Note		Mode/Terms of Payment		
		Supplier's Ref.		Other Reference(s)		
Buyer Kishore Enterprises GSTIN/UIN : State Name : Tamil Nadu, Code : 33		Buyer's Order No.		Dated		
		Despatch Document No.		Delivery Note Date		
		Despatched through		Destination		
		Terms of Delivery				

Sl No.	Description of Goods	HSN/SAC	Quantity	Rate	per	Amount
1	Laptop	8471	25 Nos	38,500.00	Nos	9,62,500.00
	Integrated Tax					1,73,250.00
Total			25 Nos			₹ 11,35,750.00

Amount Chargeable (in words) E. & O.E
INR Eleven Lakh Thirty Five Thousand Seven Hundred Fifty Only

HSN/SAC	Taxable Value	Integrated Tax		Total Tax Amount
		Rate	Amount	
8471	9,62,500.00	18%	1,73,250.00	1,73,250.00
Total	9,62,500.00		1,73,250.00	1,73,250.00

Tax Amount (in words) : **INR One Lakh Seventy Three Thous and Two Hundred Fifty Only**

Declaration
 We declare that this invoice shows the actual price of the goods described and that all particulars are true and correct.

for Mukta Traders

 Authorised Signatory

This is a Computer Generated Invoice

Figure 1.10 Invoice Print with e-Way Bill No

1.1.3 Export for e-Way Bill Report

In this report, we can:

- Resolve the exceptions by entering the mandatory details that were not provided during voucher entry such as HSN Code and mandatory information's required for e-way bill generation
- Check the invoice status to export or update e-way bill number and date
- View the invoices ready for export and exported invoices
- Create JSON or export data to JSON preparation tool
- We can generate e-Way Bill for single or multiple invoices together based on the business needs

Activity :

Illustration: As on 28-02-2018, Mukta Traders, Karnataka supplied 12 Printers at ₹5000 each to prathima, Tamil Nadu. Additionally, GST@18% is charged on the invoice.

- Create **Prathima** ledger under **sundry debtors**
- Create the stock item as **Printers** ,In **GST Applicable** field, select as **Applicable**, enable **Set/alter GST Details**, do not provide **HSN/SAC Details**, Make sure to provide the Opening quantity as 20 Nos. and Rate as ₹.4500
- Record the transaction

The Navigation to view **Export for e-Way Bill** report from Tally.ERP 9 is, from **Gateway of Tally>Display>Statutory Reports>GST >e-Way Bill>Export for e-Way Bill**

The **Export for e-Way Bill** report appears as shown in figure 1.11:

P: Print	E: Export	M: E-Mail	O: Upload	S: TallyShop	G: Language	K: Keyboard	K: Control Centre	H: Support Centre	H: Help	F2: Date
Export for e-Way Bill										F2: Period
Status-wise View										For 28-Feb-2018
Particulars										Voucher Count
Invoices with incomplete/mismatch in information										1
HSN Code not specified										1
Information required for e-Way Bill not provided										1
Invoices Ready for Export										
Invoices Exported										1
Note: Press Enter on a line item to drill down and resolve the exceptions.										
Q: Quit										F12: Configure

Figure 1.11 Export for e-Way Bill report

In Figure 1.11, we can see that there are few transactions under **Invoices with incomplete mismatch in information**

To resolve the exception **HSN Code not specified**, follow the steps given below

1. Select the exception **HSN Code not specified** and press **Enter**
2. List of stock items for which **HSN Code not specified** appears, select the required stock item
3. Enter the **HSN/SAC Name** and **HSN/SAC**
4. Press **Ctrl+A** to accept.

To resolve the exception **Information required for e-Way Bill not provided**, follow the steps given below

1. Select the exception **Information required for e-Way Bill not provided**, and press **Enter**
2. Select the required voucher and press **Enter**
3. Enter the missing details such as,
 - a. Sub Type
 - b. Document Type
 - c. Consignor Pin code
 - d. Consignor State
 - e. Consignor GSTIN
 - f. Consignee Pin code
 - g. Consignee State
 - h. Consignee GSTIN
 - i. Mode
 - j. Distance (in KM)
 - k. Vehicle No
 - l. Transporter ID
 - m. Doc/Lading/RR/Air Way No

- n. Doc/Lading/RR/Air Way Date
4. Press **Ctrl+A** to accept

From **Export for e-Way Bill** report we can click **F12: Configure** and enable the required options, also we can change the **e-Way Bill Threshold for Report**.

Configuration	Mukta Traders	Ctrl + M
Status-wise View	For 28-Feb-2018	
Particulars	Voucher Count	
Invoices with incomplete/mismatch in information	1	
HSN Code not specified	1	
Information required for e-Way Bill not provided	1	
Invoices Ready for Export		
Invoices Exported	1	
<div><div>Configuration</div><div><div>Include purchases made from unregistered dealer</div><div>? No</div></div><div><div>Include purchases from suppliers other than unregistered dealers</div><div>? No</div></div><div><div>Include sales returns</div><div>? No</div></div><div><div>Show sales where delivery notes are tracked</div><div>? No</div></div><div><div>e-Way Bill Threshold for Report</div><div>: 50,000.00</div></div></div>		
Note: Press Enter on a line item to drill down and resolve the exceptions.		

Figure 1.12 Export for e-Way Bill report configuration screen

1.1.3.1 Update e-Way Bill Information

Update e-way bill information report displays the invoices for which e-way bill number and date are not provided.

To view **Update e-Way Bill Information**, Go to **Gateway of Tally > Display > Statutory Reports > GST > e-Way Bill > Update e-Way Bill Information**. Alternatively, we can press **Ctrl+I** from the **Export for e-Way Bill** report to view this report.

1.1.3.2 e-Way Bill Report

e-Way Bill Report displays the invoices that have e-Way Bill number and date.

The **e-Way Bill Report** appears as shown in the figure 1.13

[illegible]

Figure 1.13 e-Way Bill report

In e-Way Bill report we can perform below listed activities:

- Click **F4: party** and select the required party ledger
- Press **Ctrl+G** for status-wise view of **Export for e-Way Bill** report
- Press **Ctrl+I** to enter the e-Way Bill number and date in the **Update e-Way Bill Information** report
- Press **Ctrl+W** to enter the e-Way Bill details for the invoice in **Manage e-Way Bill screen** (same as **Statutory Details** screen of the invoice)
- Click **C: Consolidated** to group the invoices based on mode, vehicle number, place and state, we can view invoice wise details of individual invoices and also export JSON for consolidated invoices

1.2 Composition Scheme

Composition Scheme under GST is a simple and easy mechanism for small tax payers, wherein the tax payers have less tedious GST formalities and **pay** GST at a lower or fixed composition tax rate on their turnover.

1.2.1 Turnover Limit for GST Composition Scheme

Any tax payer, whose turnover is less than INR 1.5 Crore, in Rest of India, and less than INR 75 Lakhs in Special Category States (North Eastern States and Himachal Pradesh), can opt for the composition scheme under GST. The point to be noted is that the GST composition scheme limit is based on the turnover of all businesses which are registered with the same PAN, and thus all businesses under the same PAN can either be registered as regular dealers or can be registered as composition dealers but cannot be a combination of both.

***Note:** Businesses with same PAN number are required to add the turnover of all businesses in order to opt. for composition scheme.*

1.2.2 Persons Ineligible for the GST Composition Scheme

The following taxable persons cannot opt for the composition scheme under GST:

- Taxpayer supplying exempt supplies
- Supplier of services other than restaurant related services
- Manufacturer of ice cream, pan masala, or tobacco
- Casual taxable person or a non-resident taxable person
- Businesses which supply goods through an e-commerce operator

1.2.3 Important features of GST Composition scheme

The businesses registered for composition scheme under GST has to comply with the following rules:

- Composition dealers cannot claim input tax credit
- Composition dealers cannot make any inter-state supply of goods
- Composition dealers cannot supply GST exempted goods
- Composition dealers has to pay tax at normal rates for transactions under reverse charge mechanism
- Composition tax payers has to mention as **Composition Taxable Person** on every notice or signboard displayed prominently at their place of business
- Services worth up to INR 5 lakh can be supplied under the scheme, by a taxable person who is also supplying goods
- As per the GST composition scheme rules, a composition dealer cannot issue a GST tax invoice, because he can neither charge tax from his customers, nor claim input tax credit. In other words, the tax needs to be paid out of their own pocket. Thus, as per the rules with regards to the GST composition scheme bill format, a composition dealer needs to issue a bill of supply, and in addition the words 'composition taxable person' should be clearly mentioned on it, as discussed above.

1.2.4 GST Composition Scheme Rate

The GST composition scheme rate is a standard lower rate of tax, which is specified as follows:

1. For manufacturers and traders of goods, the composition tax rate is 1%
2. For restaurants not serving alcohol for human consumption, the composition tax rate is 5%

1.2.5 Activation of GST as a Composition Registration Type

Activity: Create a company in Tally.ERP 9 with the following details:

- **Company:** Name: National Traders
- **Address:** No.34, 5th Main Road, Sriman Nagar, Bangalore Karnataka-560078
- **Financial Year:** 01-04-2017

Let us now configure the company registration as composition dealer in Tally.ERP 9,
To configure the registration as composition,

1. Go to **Gateway of Tally** >click **F11: Features**>click **F3: Statutory**.
2. Set the options **Enable Goods and Services Tax (GST)** to **Yes** and **Set/alter GST details** to **Yes**
3. Enter the details as shown in the figure 1.14

Company GST Details		National Traders		Ctrl + M
Company: National Traders				
GST Details				
State	:	Karnataka	?	No
Registration type	:	Composition	?	No
Assessee of Other Territory	:	No	?	No
GSTIN/UIN	:	29	?	No
Applicable from	:	1-Jul-2017		
Tax rate for taxable turnover (From 1-Jul-2017)	:	1 %		
e-Way Bill applicable	:	No		
Enable tax rate for purchase (Includes purchases under reverse charge)	:	Yes		

F1: Accounts F2: Inventory F3: Statutory F6: Add-Ons

Figure 1.14 Company GST Details screen

4. Press **Ctrl+A** twice to accept the statutory and taxation screen.

Note :

- The option **Enable tax rate for purchase** allows to enter the tax rate in the purchase ledger, for calculating tax on purchases from regular dealers and reverse charge transactions.

- If GST is already enabled in the company as regular dealer to maintain the books under composition scheme the registration type has to be changed from regular to composition.

The rate defined in the field **Tax rate for taxable turnover**, will be applied on the total taxable turnover for the return period to calculate the tax liability in GSTR 4.

1.2.6 Recording of Transactions under Composition Scheme

In this section, we will learn to record the purchases and sales transaction under composition scheme.

1.2.6.1 Accounting of Purchase Transaction

We can record purchase of goods or services with or without reverse charge, under composition scheme of GST.

Illustration: As on 01-03-2018, National Traders a composition dealer, Karnataka purchased 25 Aluminium Ladders worth ₹. 3,980 each from RKM Hardware Distributors, on which GST@18% is charged

Let us now record an intrastate purchase transaction, to record follow the steps given below:

Step 1: Creation of Inventory Master

To create a stock item,

1. Go to **Gateway of Tally>Inventory Info>Stock Items>Create**, create the stock item as shown in the figure 1.15

Stock Item Creation

Ctrl + M

Name : Aluminium Ladders
(alias) :

Under : Primary
Units : Nos

Statutory Information

GST Applicable : ☐ Applicable
Set/alter GST Details ? ☒ Yes
Type of Supply : Goods
Rate of Duty (eg 5) :

Opening Balance :

QuantityRate perValue

Gateway of Tally ...
Inventory Info ...
Stock Items

Single Stock Item

Create
Display
Alter

Multiple Stock Items

Create
Display
Alter

Quit

Figure 1.15 Stock Item Creation Screen

2. In **GST Applicable** field, select as **Applicable**, enable **Set/alter GST Details**
3. Configure the GST details as shown in the figure 1.16

GST Details National Traders Ctrl + M

GST Details for Stock Item:
Aluminium Ladders

HSN/SAC Details

Description : **Aluminium Ladders**
 HSN/SAC : **76169990**
 Is non-GST goods ? **No**

Tax Details

Calculation type : **On Value**
 Taxability : **Taxable**
 Is reverse charge applicable ? **No**

Tax Type	Valuation Type	Rate
Integrated Tax	Based on Value	18 %
Central Tax	Based on Value	9 %
State Tax	Based on Value	9 %
Cess	Based on Value	1 %

Opening Balance : Quantity Rate per Value

Gateway of Tally ...
 Inventory Info ...
Stock Items

Single Stock Item
 Create
 Display
 Alter

Multiple Stock Items
 Create
 Display
 Alter
 Quit

Figure 1.16 Stock Item GST Details Screen

4. Select the **Type of Supply** as **Goods** and save the stock item.

Step 2: Creation of Accounting Masters

Purchase Ledger

To create purchase ledger,

1. Go to **Gateway of Tally>Accounts Info>Ledgers>Create**, create the purchase ledger as shown in the figure 1.17

Central Tax

Ledger Creation		National Traders		Ctrl + M
Name : Central Tax (alias) :		Total Opening Balance		
Under : Direct Expenses		Mailing Details Name : Address : Country : Provide bank details ? No		
Inventory values are affected ? No		Tax Registration Details PAN/IT No. :		
Type of Ledger ? Central Tax				
Appropriate tax values in purchase invoice ? Yes				
Percentage of calculation ? 0 %				
Rounding method : [Not Applicable				
Statutory Information Is GST Applicable ? [Not Applicable Set/alter GST Details ? No				
Opening Balance (on 1-Apr-2017) :		Accept ? Yes or No		

Step 3: Recording of Intrastate Purchase of Taxable Goods

1. Go to **Gateway of Tally > Accounting Vouchers > press F9: Purchases.**
2. Enter the details as shown in the figure 1.20:

Accounting Voucher Creation		National Traders		Ctrl + M	
Purchase No. 1 Supplier invoice no.: 1		Date : 1-Mar-2018		1-Mar-2018 Thursday	
Party A/c name : RKM Hardware Distributors Current balance : Purchase ledger : Purchase					
Name of Item	Quantity	Rate	per	Amount	
Aluminium Ladders	25 Nos	3,980.00	Nos	99,500.00	
Central Tax				8,955.00	
State Tax				8,955.00	
Narration:					
				25 Nos	
				Accept ? Yes or No	

Figure 1.20 Purchase Voucher Creation Screen

Note:

- The invoice received from composition or unregistered dealers will not have tax in it. Hence, it is not required to select tax ledgers on such purchases.
- Interstate purchase of taxable services can be accounted in **Accounting Invoice** mode.

1.2.6.2 Accounting of Sales Transaction and Printing of Invoice

Let us now record a sales transaction as a composition dealer.

Illustration: As on 01-03-2018, Nation Traders a composition dealer, Karnataka sold 20 Aluminium Ladders worth ₹. 4,500 each from SM Hardware Distributors.

Activity: Create the following ledgers in Tally.ERP 9

- Party Ledger:** Create SM Hardware Distributors under sundry debtors, enable the option **Set/alter GST details** to **Yes** and select the **Registration type** as Regular and provide GSTIN number.
- Create **Sales ledger** as shown in the figure 1.21

Ledger Creation		National Traders		Ctrl + M	
Name : Sales (alias) :			Total Opening Balance		
Under : Sales Accounts Inventory values are affected ? Yes Type of Ledger ? <input type="checkbox"/> Not Applicable			Mailing Details Name : Address : Provide bank details ? No		
Statutory Information Is GST Applicable ? <input type="checkbox"/> Applicable Set/alter GST Details ? No Type of Supply : Goods			Tax Registration Details PAN/IT No. :		
Opening Balance (on 1-Apr-2017) :			Accept ? Yes or No		

Figure 1.21 Sales Ledger Creation Screen

To record the sales transaction as a composition dealer, follow the steps given below:

1. Go to **Gateway of Tally > Accounting Vouchers > press F8: Sales.**
2. Enter the details as shown in the figure 1.22:

Accounting Voucher Creation		National Traders		Ctrl + M	
Sales No. 1 Reference no.: 1				1-Mar-2018 Thursday	
Party A/c name : SM Hardware Distributors Current balance : Sales ledger : Sales					
Name of Item	Quantity	Rate per	per	Amount	
Aluminium Ladders	20 Nos	4,500.00	Nos	90,000.00	
<input type="checkbox"/> End of List					
Narration:				20 Nos Accept ? Yes or No	

Figure 1.22 Sales Voucher Creation Screen

3. To print the invoice click **P: Print** from the sales voucher alteration screen. The report titles appear as per GST rules in the **Voucher Printing** screen as shown in figure 1.23

Voucher Printing		National Traders		Ctrl + M	
Sales No. 1				1-Mar-2018 Thursday	
Reference no.: 1					
Party A/c name : SM Hardware Distributors					
Current balance : 90,000.00 Dr					
Sales ledger : Sales					
Name of Item		Quantity	Rate per	Amount	
Aluminium Ladders		20 Nos	4,500.00 Nos	90,000.00	
Voucher Printing <div style="display: flex; justify-content: space-between;"> <div> Printer : Adobe PDF (Documents*.pdf) Number of copies : 1 Print language : English Print format : Neat Mode Range of pages to print : All </div> <div> Paper type : A4 <small>(Printing dimensions)</small> Paper size : (8.27" x 11.69") or (210 mm x 297 mm) Print area : (8.27" x 11.69") or (210 mm x 297 mm) </div> </div>					
Report Titles Bill of Supply Composition taxable person. Not eligible to collect tax on supplies (with Print Preview) Without company phone no., Without company website					
					Print ? Yes or No
Narration: <div style="float: right; border-top: 1px solid black; border-bottom: 1px solid black; width: 150px; text-align: right;"> 20 Nos 90,000.00 </div>					

Figure 1.23 Sales Voucher Printing Screen

4. Press **Enter** to print
5. The sales invoice print appears with the title **Bill of Supply** as shown in figure 1.24

Bill of Supply

Composition taxable person. Not eligible to collect tax on supplies

National Traders #34, 5th Main Road Sriman Nagar Bangalore GSTIN/UID: 29 State Name : Karnataka, Code : 29 E-Mail : Nationaltraders@gmail.com		Invoice No. 1		Dated 1-Mar-2018		
		Delivery Note		Mode/Terms of Payment		
		Supplier's Ref. 1		Other Reference(s)		
Buyer SM Hardware Distributors GSTIN/UID : 29, State Name : Karnataka, Code : 29		Buyer's Order No.		Dated		
		Despatch Document No.		Delivery Note Date		
		Despatched through		Destination		
		Terms of Delivery				
Sl No.	Description of Goods	HSN/SAC	Quantity	Rate	per	Amount
1	Aluminium Ladders	76169990	20 Nos	4,500.00	Nos	90,000.00
Total			20 Nos			₹ 90,000.00
Amount Chargeable (in words) INR Ninety Thousand Only						E. & O.E
HSN/SAC						Value of Supply
76169990						90,000.00
Total						90,000.00
Tax Amount (in words) : NIL						
Declaration We declare that this invoice shows the actual price of the goods described and that all particulars are true and correct.						for National Traders Authorized Signatory

This is a Computer Generated Invoice

Figure 1.24 Bill of Supply

1.2.6.3 Accounting of Purchase Return

We can record purchase returns against an earlier purchase transaction using a debit note.

Illustration: As on 02-03-2018, Nation Traders returned 5 Aluminium Ladders worth ₹. 3,980 each to RKM Hardware Distributors with GST@18%, as the goods were damaged.

Activity: Activate debit notes and credit notes, to activate, go to **Gateway of Tally>click F11: Features>click F1: Accounts**, set the following options to **Yes**.

- Use debit and credit notes.
- Record credit notes in invoice mode.
- Record debit notes in invoice mode.

Press **Ctrl+A** to accept the **Accounting Features** sub-screen.

Recording of purchase returns in debit note voucher

1. Go to **Gateway of Tally>Accounting Vouchers>Click Ctrl+F9: Debit Note**.
2. Enter the details as shown in the figure 1.25:

Accounting Voucher Creation		National Traders		Ctrl + M
Debit Note	No. 1	Original Invoice Dt. : 1-Mar-2018		2-Mar-2018 Friday
Original invoice no.:	1			
Party A/c name :	RKM Hardware Distributors			
Current balance :	1,17,410.00 Cr			
Purchase ledger :	Purchase			
Name of Item	Quantity	Rate per	Amount	
Aluminium Ladders	5 Nos	3,980.00 Nos	19,900.00	
Central Tax			1,791.00	
State Tax			1,791.00	
Provide GST details : Yes				
Narration:			5 Nos	Accept ? Yes or No

Figure 1.25 Debit Note Voucher

Note: In Debit Note, enable **Provide GST details** to select **Reason for issuing note**.

1.2.6.4 Accounting of Sales Return

We can record sales returns against an earlier sales transaction using a credit note.

Illustration: As on 02-03-2018, SM Hardware Distributors returned 3 Aluminium Ladders worth ₹. 4500 each as the goods were damaged.

Recording of sales returns in credit note voucher

1. Go to **Gateway of Tally>Accounting Vouchers>click Ctrl+F8: Credit Note.**
2. Enter the details as shown in the figure 1.26:

Accounting Voucher Creation		National Traders		Ctrl + M
Credit Note	No. 1			2-Mar-2018 Friday
Original invoice no.:	1	Original Invoice Dt. : 1-Mar-2018		
Party A/c name :	SM Hardware Distributors			
Current balance :	90,000.00 Dr			
Sales ledger :	Sales			
Name of Item	Quantity	Rate per	Amount	
Aluminium Ladders	3 Nos	4,500.00 Nos	13,500.00	
[End of List				
Provide GST details : Yes				
Narration:				<div>3 Nos</div> <div>Accept ?</div> <div>Yes or No</div>

Figure 1.26 Credit Note Voucher

Note: In Credit Note, enable **Provide GST details** to select **Reason for issuing note**.

1.2.6.5 Accounting of Interstate Purchase Transaction

In Tally.ERP 9, we can record the interstate purchase transaction as a composition dealer from a regular dealer and this can be recorded using purchase voucher.

Illustration: As on 05-03-2018, National Traders a composition dealer, Karnataka purchased 50 Pressure Cookers of 5 liters, worth ₹. 2,650 each from Chandra Traders Tamil Nadu, on which Integrated Tax @12% is charged.

Let us now record an interstate purchase transaction, to record follow the steps given below:

Activity: Create the following masters in Tally.ERP 9

- **Party Ledger:** Create Chandra traders under sundry creditors, select the **State** as Tamil Nadu, enable the option **Set/alter GST details** to **Yes** and select the **Registration type** as Regular.

- **Stock Item:** Create Pressure Cookers-5L, select Units as Nos, In **GST Applicable** field, select as **Applicable**, enable **Set/alter GST Details** and provide **HSN/SAC Details** , select **Calculation type** as **On Value**, select **Taxability** as **Taxable** and provide the **Tax Rate** as shown in figure 1.27

GST Details		National Traders		Ctrl + M						
GST Details for Stock Item: Pressure Cookers-5L										
HSN/SAC Details										
Description	Pressure Cookers									
HSN/SAC	76151011									
Is non-GST goods	? No									
Tax Details (From 2-Mar-2018)										
Calculation type	: On Value									
Taxability	: Taxable									
Is reverse charge applicable	? No									
Tax Type	Valuation Type	Rate								
Integrated Tax	Based on Value	12 %								
Central Tax	Based on Value	6 %								
State Tax	Based on Value	6 %								
Cess	Based on Value	0 %								
<table border="1"> <thead> <tr> <th>Quantity</th> <th>Rate per</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>Opening Balance</td> <td></td> <td></td> </tr> </tbody> </table>					Quantity	Rate per	Value	Opening Balance		
Quantity	Rate per	Value								
Opening Balance										
<div> Gateway of Tally Inventory Info Stock Items Single Stock Item Create Display Alter Multiple Stock Items Create Display Alter Quit </div>										

Figure 1.27 Stock Item GST Details Screen

- Create Integrated Tax ledger as shown in figure 1.28

Ledger Creation		National Traders		Ctrl + M
Name : Integrated Tax (alias) :		Total Opening Balance		
Under : Direct Expenses		Mailing Details		
Inventory values are affected ? No		Name :		
Type of Ledger ? Integrated Tax		Address :		
Appropriate tax values in purchase invoice ? Yes		Country :		
Percentage of calculation ? 0 %		Provide bank details ? No		
Rounding method : I Not Applicable		PAN/IT No. :		
Statutory Information		Tax Registration Details		
Is GST Applicable ? I Not Applicable				
Set/alter GST Details ? No				
Opening Balance (on 1-Apr-2017) :		Accept ?		
		Yes or No		

Figure 1.28 Integrated Tax Ledger Creation Screen

To record the interstate purchase transaction as a composition dealer, follow the steps given below:

1. Go to **Gateway of Tally > Accounting Vouchers > press F9: Purchases.**
2. Enter the details as shown in the figure 1.29:

Accounting Voucher Creation		National Traders		Ctrl + M	
Purchase No. 2		Supplier invoice no.: 2		Date : 5-Mar-2018	
Party A/c name : Chandra Traders		Current balance :		5-Mar-2018 Monday	
Purchase ledger : Purchase					
Name of Item	Quantity	Rate	per	Amount	
Pressure Cookers-5L	50 Nos	2,650.00	Nos	1,32,500.00	
Integrated Tax				15,900.00	
Narration:					
				<div>50 Nos</div> <div>Accept ?</div> <div>Yes or No</div>	

Figure 1.29 Interstate Purchase Voucher Creation Screen

1.2.6.6 Accounting of Purchase of Services under Reverse Charge

In Tally.ERP 9, we can record the purchase of services under reverse charge. To account this transaction we can use the purchase voucher.

Note:

- In case of reverse charge, import of service and purchase from unregistered dealer, a composition dealer, needs to pay only central tax and state tax to the government.
- In case of purchase from unregistered dealer, we need to pay the tax at normal rate only for the months of July and August 2017. From September it is not required to pay the tax on such purchases.
- For a composition dealer ITC is not available for the tax paid under reverse charge mechanism.

Illustration: As on 05-03-2018, National Traders, purchased transportation services from Zida Transport, Karnataka @ ₹. 2, 00,000 which attracts reverse charge.

To record the purchase transaction, follow the steps given below:

Activity:

- **Party Ledger:** Create Zida Transport under sundry creditors, select the state as Karnataka, enable the option **Set/alter GST details** to **Yes** and select the **Registration type** as Regular.
Note: If the **Registration type** is not **Regular**, then the transaction recorded using this party will appear under **Not relevant for returns** section of **GSTR-4**
- **Purchase ledger:** Create Transport Service ledger under Purchase Accounts, In **Is GST Applicable** field, select as **Applicable** and enable **Set/alter GST details** to **Yes** as shown in the figure 1.30 and configure GST Details for ledger as shown in figure 1.30

Ledger Creation		National Traders		Ctrl + M	
Name : Transport Service (alias) :			Total Opening Balance		
Under : Purchase Accounts		Mailing Details			
Inventory values are affected ? Yes Type of Ledger ? Not Applicable		Name : Address :			
		Provide bank details ? No			
Statutory Information		Tax Registration Details			
Is GST Applicable ? Applicable Set/alter GST Details ? yes Type of Supply : Services		PAN/IT No. :			
Opening Balance (on 1-Apr-2017) :					

Figure 1.30 Transport Service Ledger Creation Screen

Configure GST Details for Transport service ledger, as shown in figure 1.31

GST Details		National Tr
<u>GST Details for Ledger:</u> Transport Service		
HSN/SAC Details		
Description	:	Transport Service
HSN/SAC	:	996512
Is non-GST goods	?	No
Tax Details		
(From 5-Mar-2018)		
Taxability	:	Taxable
Is reverse charge applicable	?	Yes
Tax Type	Valuation Type	Rate
Integrated Tax	Based on Value	5 %
Central Tax	Based on Value	2.50 %
State Tax	Based on Value	2.50 %
Cess	Based on Value	0 %

Figure 1.31 GST Details for Transport Service Ledger

Select **Type of Supply** as **Services** and save the ledger.

To record the purchase of services attracting reverse charge, follow the steps given below:

1. Go to **Gateway of Tally > Accounting Vouchers > click F9: Purchases>click Alt+I Accounting Invoice**
2. Enter the details as shown in the figure 1.32:

Accounting Voucher Creation		National Traders	Ctrl + M
Purchase	No. 3		5-Mar-2018
Supplier invoice no.:	3	Date :	5-Mar-2018
Party A/c name :	Zida Transport		Monday
Current balance :			
Particulars	Rate	per	Amount
Transport Service			2,00,000.00
Narration:			
			Accept ?
			Yes or No

Figure 1.32 Purchase Voucher Creation Screen

Since this transaction attracts reverse charge, the tax implication of this transaction can be viewed in **GSTR-4**.

To view **GSTR-4**,

Go to **Gateway of Tally>Display>Statutory Reports>GST>GSTR-4**, press **F2: Period** and enter the period for which transactions are recorded.

The **GSTR- 4** report appears as shown in the figure 1.33

GSTR-4 National Traders Ctrl + M						
GSTR-4 1-Mar-2018 to 31-Mar-2018						
Returns Summary						
Total number of vouchers for the period						
Included in returns						6
Not relevant for returns						3
Incomplete/Mismatch in information (to be resolved)						0
Particulars	Voucher Count	Taxable Value	Integrated Tax Amount	Central Tax Amount	State Tax Amount	Cess Amount
Outward Supplies						
Turnover of Taxable Sales @ 1%	2	76,500.00		382.50	382.50	
Inward Supplies						
Purchases Attracting Reverse Charge	1	2,00,000.00		5,000.00	5,000.00	
Purchase Taxable @ 5%		2,00,000.00		5,000.00	5,000.00	
Total	3	2,76,500.00		5,382.50	5,382.50	10,765.00

Figure 1.33 GSTR-4 Report

Observation: In GSTR 4 report as shown in figure 1.33, we can observe that the central and state tax is calculated automatically for the purchases that attracts reverse charge under the head **Purchases Attracting Reverse Charge**.

1.2.6.7 Accounting of Purchase of Services with Discount

In this section, we will learn how the discount impact the value of valuation of supply for the calculation of GST.

In Tally.ERP 9, we can record the purchase of services with discount. To account this transaction we can use the purchase voucher.

Illustration: As on 05-03-2018, National Traders, purchased transportation services from Zida Transport, Karnataka @ ₹. 2, 45,000 with discount of 5%, on which reverse charge is applicable.

To record the purchase transaction, follow the steps given below:

Activity:

- **Discount Ledger:** Create Discount ledger as shown in figure 1.34

Ledger Creation		National Traders		Ctrl + M	
Name : Discount				Total Opening Balance	
(alias) :					
Under : Indirect Expenses		Mailing Details			
Inventory values are affected ? No		Name :			
Type of Ledger ? [Not Applicable		Address :			
		Country :			
		Provide bank details ? No			
Statutory Information		Tax Registration Details			
Is GST Applicable ? [Not Applicable		PAN/IT No. :			
Set/alter GST Details ? No					
Include in assessable value calculation for: GST					
Appropriate to : Services					
Method of Calculation : Based on Value					
Opening Balance (on 1-Apr-2017) :				Accept ?	
				Yes or No	

Figure 1.34 Discount Ledger Creation Screen

Note: To deduct the discount value from the assessable value of the invoice, configure the details like

- Include in assessable value calculations for : GST
- Appropriate to: Services
- Method of Calculation: Based on Value

To record the purchase of services with discount attracting reverse charge, follow the steps given below:

3. Go to **Gateway of Tally > Accounting Vouchers > Click F9: Purchases>** make sure the purchase voucher is in **Accounting Invoice mode**.
4. Enter the details as shown in the figure 1.35:

Accounting Voucher Creation		National Traders		Ctrl + M
Purchase	No. 4			5-Mar-2018
Supplier invoice no.:	4	Date :	5-Mar-2018	Monday
Party A/c name : Zida Transport Current balance : 2,00,000.00 Cr				
Particulars	Rate	per	Amount	
Transport Service				2,45,000.00
Discount	(-)5 %			(-)12,250.00
Narration:				
				Accept ? Yes or No

Figure 1.35 Purchase of Services with Discount

Note: Since this transaction attracts reverse charge, the tax implication of this transaction can be viewed in **GSTR-4**.

To view **GSTR-4**, Go to **Gateway of Tally>Display>Statutory Reports>GST>GSTR-4**.

1.2.6.8 Accounting of Sale of Services with Discount

In Tally.ERP 9, we can record sale of services with discount. To account this transaction we can use the sales voucher.

Illustration: As on 06-03-2018, National Traders, rendered transportation services (by road) worth ₹. 3, 00,000 to Himalaya Developers, Karnataka. Additionally discount of 5% is provided.

To record the sale of service with discount, follow the steps given below:

Activity:

- **Party Ledger:** Create Himalaya Developers under sundry debtors, select the state as Karnataka, enable the option **Set/alter GST details** to **Yes** and select the **Registration type** as Regular.
- **Transport Services (by road):** Create Transport Services (by road) ledger under Sales Accounts, In **Is GST Applicable** field, select as **Applicable** and enable **Set/alter GST details** to **Yes** as shown in the figure 1.36 and configure GST Details for ledger as shown in figure 1.37

Ledger Creation		National Traders		Ctrl + M	
Name : Transport Services (by Road) (alias) :			Total Opening Balance		
Under : Sales Accounts Inventory values are affected ? Yes Type of Ledger ? Not Applicable		Mailing Details Name : Address : Provide bank details ? No			
Statutory Information Is GST Applicable ? Applicable Set/alter GST Details ? Yes Type of Supply : Services		Tax Registration Details PAN/IT No. :			
Opening Balance (on 1-Apr-2017) :					

Figure 1.36 Transport Services (by Road) Ledger Creation screen

Configure GST Details for Transport Services (by Road) ledger, as shown in figure 1.37

GST Details		National Traders		Ctrl + M	
GST Details for Ledger: Transport Services (by Road)			Total Opening Balance		
HSN/SAC Details Description : Transport Service HSN/SAC : 996791 Is non-GST goods ? No			Mailing Details Name : Address :		
Tax Details (From 5-Mar-2018) Taxability : Taxable			Taxability <input type="radio"/> Unknown <input type="radio"/> Exempt <input type="radio"/> Nil Rated <input checked="" type="radio"/> Taxable		
Statutory Information Is GST Applicable ? Applicable Set/alter GST Details ? Yes Type of Supply : Services			Tax Registration Details PAN/IT No. :		
Opening Balance (on 1-Apr-2017) :					

Figure 1.37 GST Details for Transport Services (by Road) Ledger

Select **Type of Supply** as **Services** and save the ledger.

To record the sale of services with discount, follow the steps given below:

1. Go to **Gateway of Tally > Accounting Vouchers > click F8: Sales>** make sure the sales voucher is in **Accounting Invoice mode**.
2. Enter the details as shown in the figure 1.38:

Accounting Voucher Creation		National Traders	Ctrl + M
Sales No. 2		6-Mar-2018 Tuesday	
Reference no.: 2			
Party A/c name : Himalaya Developers			
Current balance :			
Particulars	Rate	per	Amount
Transport Services (by Road)			3,00,000.00
Discount	(5 %		(15,000.00
Narration:			Accept ? Yes or No

Figure 1.38 Sale of Service with Discount

3. To print the invoice click **P: Print** from the sales voucher alteration screen. The **Report Titles** appear as per GST rules in the **Voucher Printing** screen as shown in figure 1.39:

Voucher Printing		National Traders	Ctrl + M																		
Sales No. 2		6-Mar-2018 Tuesday																			
Reference no.: 2																					
Party A/c name : Himalaya Developers																					
Current balance : 2,85,000.00 Dr																					
Particulars	Rate	per	Amount																		
Transport Services (by Road)			3,00,000.00																		
Discount	(5 %		(15,000.00																		
<table border="1"> <thead> <tr> <th colspan="2">Voucher Printing</th> </tr> </thead> <tbody> <tr> <td>Printer : Adobe PDF (Documents*.pdf)</td> <td>Paper type : A4</td> </tr> <tr> <td>Number of copies : 1</td> <td></td> </tr> <tr> <td>Print language : English</td> <td>(Printing dimensions)</td> </tr> <tr> <td>Print format : Neat Mode</td> <td>Paper size : 8.27" x 11.69" or (210 mm x 297 mm)</td> </tr> <tr> <td>Range of pages to print : All</td> <td>Print area : 8.27" x 11.69" or (210 mm x 297 mm)</td> </tr> <tr> <th colspan="2">Report Titles</th> </tr> <tr> <td colspan="2"> Bill of Supply Composition taxable person. Not eligible to collect tax on supplies (with Print Preview) Without company phone no., Without company website </td> </tr> <tr> <td colspan="2"> Print ? Yes or No </td> </tr> </tbody> </table>				Voucher Printing		Printer : Adobe PDF (Documents*.pdf)	Paper type : A4	Number of copies : 1		Print language : English	(Printing dimensions)	Print format : Neat Mode	Paper size : 8.27" x 11.69" or (210 mm x 297 mm)	Range of pages to print : All	Print area : 8.27" x 11.69" or (210 mm x 297 mm)	Report Titles		Bill of Supply Composition taxable person. Not eligible to collect tax on supplies (with Print Preview) Without company phone no., Without company website		Print ? Yes or No	
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Report Titles																					
Bill of Supply Composition taxable person. Not eligible to collect tax on supplies (with Print Preview) Without company phone no., Without company website																					
Print ? Yes or No																					
Narration:			2,85,000.00																		

Figure 1.39 Sales Voucher Printing Screen

- [illegible]

Figure 1.40 Bill of Supply

Since this transaction is an outward supply, the tax implication of this transaction can be viewed in **GSTR-4**, under **Outward Supplies**.

To view **GSTR-4**,

Go to **Gateway of Tally>Display>Statutory Reports>GST>GSTR-4**.

1.2.6.9 Imports of Goods under Composition dealer

As per GST regime, a person importing goods has to pay customs duty and integrated tax (IGST). Integrated tax will be levied at the rate applicable to the imported goods in India. An importer can claim full tax credit of IGST paid on imports, however there is no tax credit will be given on customs duty paid and it remains a cost for the importer.

In Tally.ERP 9, we can record import of goods as a composition dealer. To account this transaction we can use the purchase voucher.

Illustration: As on 09-03-2018, National Traders, imported the following goods from Fine Traders, Singapore.

Name of Item	Quantity	Rate	Amount
Oven	10	S\$ 1,000	S\$ 10,000

To record the import transaction, follow the steps given below:

Step 1: Creation of Accounting and Inventory Masters

Activity:

- **Party ledger:** Create Fine Traders under sundry creditors, select the **Country** as Singapore and accept the ledger.
- **Purchase ledger:** Create Import of Goods ledger under Purchase Accounts, In **Is GST Applicable** field, select as **Applicable**, set **Set/alter GST Details** to **No** Select the **Type of Supply as Goods** and save the ledger
- **Stock item:** Create Oven as shown in the figure 1.41

Stock Item Creation		National Traders		Ctrl + M
Name : Oven (alias) :				
Under : I Primary				
Units : Nos				
		Statutory Information GST Applicable : I Applicable Set/alter GST Details ? Yes Type of Supply : Goods Rate of Duty (eg 5) :		
Opening Balance :		Quantity	Rate per	Value

Gateway of Tally
 Inventory Info
Stock Items

Single Stock Item
 Create
 Display
 Alter

Multiple Stock Items
 CReate
 Display
 AlTer

 Quit

Figure 1.41 Stock Item Creation screen

Enable **Set/alter GST Details** and configure **GST Details** as shown in figure 1.42 and select the type of supply as goods and save the stock item creation screen

GST Details		National Traders		Ctrl + M
GST Details for Stock Item: Oven				
HSN/SAC Details				
Description : Ovens				
HSN/SAC : 8417				
Is non-GST goods ? No				
Tax Details (From 6-Mar-2018)				
Calculation type : On Value				
Taxability : Taxable				
Is reverse charge applicable ? No				
Tax Type	Valuation Type	Rate		
Integrated Tax	Based on Value	18 %		
Central Tax	Based on Value	9 %		
State Tax	Based on Value	9 %		
Cess	Based on Value	0 %		
Opening Balance :		Quantity	Rate per	Value

Gateway of Tally
 Inventory Info
Stock Items

Single Stock Item
 Create
 Display
 Alter

Multiple Stock Items
 CReate
 Display
 AlTer

 Quit

Figure 1.42 Stock Item GST Details screen

Step 2: Configuration of Multi Currency

Enabling **multi-currency** feature, As we are importing goods from Singapore, to account the transaction in Singapore currency let us enable multicurrency

1. To enable multicurrency, **Go to Gateway of Tally > click F11: Features > click F1:Accounts > Enable the option Enable multi-currency**
2. Create Currency , to create Singapore dollars, Go to **Gateway of Tally>Accounts Info>Currencies >Create > Enter Symbol as S\$, as shown in the figure 1.43**

Currency Creation	
Symbol	: S\$
Formal name	: Singapore Dollars
Number of decimal places	: 2
Show amount in millions	? No
Suffix symbol to amount	? No
Add space between amount and symbol	? No
Word representing amount after decimal	:
No. of decimal places for amount in words	: 2

Figure 1.43 Currency Creation screen

Step 3: Recording of Purchase Transaction (Imports)

To record the import of goods, follow the steps given below:

1. Go to **Gateway of Tally > Accounting Vouchers > click F9: Purchases> click Alt+I :Item Invoice**
2. Enter the details as shown in the figure 1.44:

Accounting Voucher Creation		National Traders		Ctrl + M
Purchase	No. 5	Date : 9-Mar-2018		9-Mar-2018 Friday
Supplier invoice no.: 5				
Party A/c name : Fine Traders				
Current balance :				
Purchase ledger : Import of Goods				
Name of Item	Quantity	Rate per	Amount	
Oven	10 Nos	S\$1,000.00	Nos	S\$10,000.00
Provide GST details : Yes				
Narration:				
10 Nos S\$10,000.00 @ ₹ 1:S\$ = ₹ 10,000.00				

Figure 1.44 Accounting Voucher Creation screen

3. After entering the quantity, mention the Singapore dollar symbol as S\$ and enter the rate
The **Forex Rate of Exchange** screen appears as shown in figure 1.45

Rate in Forex	Rate of Exchange	Rate in ₹
S\$1,000.00/Nos	@ ₹ 1/S\$	₹ 1,000.00/Nos

Figure 1.45 Forex Rate of Exchange screen

4. Enter the **Rate of Exchange** as shown in the Figure 1.46

Rate in Forex	Rate of Exchange	Rate in ₹
S\$1,000.00/Nos	@ ₹50/S\$	₹ 1,000.00/Nos

Figure 1.46 Forex Rate of Exchange screen

5. After specifying the **Quantity** and **Rate**, the **GST Details** screen appears as shown in figure 1.47

Calculate the value of customs duty according to the rate specified by the department, and add it to the original taxable value as shown in the figure 1.47

GST Details		National Traders		Ctrl + M				
Purchase No. 5	Supplier invoice no.: 5	Date : 9-Mar-2018	9-Mar-2018 Friday					
Party A/c name : Fine Traders	Current balance :	Purchase ledger : Import of Goods						
Name of Item	Quantity	Rate per	Amount					
Oven	10 Nos	S\$1,000.00 Nos	S\$10,000.00					
			S\$10,000.00					
<table border="1"> <thead> <tr> <th colspan="2">Tax Classification Details</th> </tr> </thead> <tbody> <tr> <td>Taxable Value</td> <td>: 6,00,000.00 (5,00,000.00)</td> </tr> </tbody> </table>					Tax Classification Details		Taxable Value	: 6,00,000.00 (5,00,000.00)
Tax Classification Details								
Taxable Value	: 6,00,000.00 (5,00,000.00)							
Provide GST details	: Yes							
Narration:	10 Nos S\$10,000.00 @ ₹ 50/S\$ = ₹ 5,00,000.00							

Figure 1.47 GST Details screen

6. Enable **Provide GST details** and enter bill of entry no, date and port code
7. Save the entry

The completed imports of goods transaction appears as shown in the figure 1.48

Accounting Voucher Creation		National Traders		Ctrl + M
Purchase	No. 5	Date : 9-Mar-2018		9-Mar-2018 Friday
Supplier invoice no.: 5				
Party A/c name : Fine Traders				
Current balance :				
Purchase ledger : Import of Goods				
Name of Item	Quantity	Rate per	Amount	
Oven	10 Nos	S\$1,000.00	Nos	S\$10,000.00
[End of List				
Provide GST details : Yes				
Narration:				
10 Nos S\$10,000.00				Accept ? Yes or No

Figure 1.48 Accounting Voucher Creation screen

1.2.6.10 Imports of Services under Composition dealer

Under GST, a supply will be considered as an import of service if,

- The supplier of the service is located outside India.
- The recipient of the service is located in India and
- The place of supply of the service is in India.

Illustration: As on 09-03-2018, National Traders, purchased professional legal services worth S\$5000 from Globe Services - Singapore.

To record the purchase transaction, follow the steps given below:

Activity:

- **Party ledger:** Create Globe Services under sundry creditors, select the **Country** as Singapore and accept the ledger.
- **Purchase ledger:** Create Professional legal services ledger under Purchase Accounts, In **Is GST Applicable** field, select as **Applicable**, enable **Set/alter GST Details**, enter the GST details as shown in figure 1.49 and, Select the **Type of Supply as Services** and save the ledger

GST Details		National Traders		Ctrl + M																
GST Details for Ledger: Professional Legal Services				Total Opening Balance																
HSN/SAC Details Description : Professional Legal Services HSN/SAC : 998213 Is non-GST goods ? No				Mailing Details																
Tax Details Taxability : Taxable Is reverse charge applicable ? Yes <table border="1"> <thead> <tr> <th>Tax Type</th> <th>Valuation Type</th> <th>Rate</th> </tr> </thead> <tbody> <tr> <td>Integrated Tax</td> <td>Based on Value</td> <td>18 %</td> </tr> <tr> <td>Central Tax</td> <td>Based on Value</td> <td>9 %</td> </tr> <tr> <td>State Tax</td> <td>Based on Value</td> <td>9 %</td> </tr> <tr> <td>Cess</td> <td>Based on Value</td> <td>0 %</td> </tr> </tbody> </table>				Tax Type	Valuation Type	Rate	Integrated Tax	Based on Value	18 %	Central Tax	Based on Value	9 %	State Tax	Based on Value	9 %	Cess	Based on Value	0 %	Tax Registration Details	
Tax Type	Valuation Type	Rate																		
Integrated Tax	Based on Value	18 %																		
Central Tax	Based on Value	9 %																		
State Tax	Based on Value	9 %																		
Cess	Based on Value	0 %																		
Set/alter GST Details ? Yes Type of Supply : Services																				
Opening Balance (on 1-Apr-2017) :																				

Figure 1.49 GST Details screen

To record the import of services attracting reverse charge, follow the steps given below:

1. Go to **Gateway of Tally > Accounting Vouchers > click F9: Purchases>click Alt+I Accounting Invoice**
2. Enter the details as shown in the figure 1.50:

Accounting Voucher Creation		National Traders		Ctrl + M	
Purchase No. 6 Supplier invoice no.: 6 Date : 9-Mar-2018 Party A/c name : Globe Services Current balance :		9-Mar-2018 Friday			
Particulars	Rate	per	Amount		
Professional Legal Services			\$5,000.00		
Narration:				\$5,000.00 @ ₹ 50/\$ = ₹ 2,50,000.00	

Figure 1.50 Purchase Voucher Screen- Import of Service

3. Enter the Forex Rate of Exchange as shown in the figure 1.51 and save the entry

Forex Rate of Exchange		National Traders		Ctrl + M						
Purchase No. 6	Supplier invoice no. 6	Date : 9-Mar-2018	9-Mar-2018 Friday							
Party A/c name : Globe Services										
Current balance :										
Particulars	Rate	per	Amount							
Professional Legal Services			S\$5,000.00							
<table border="1"> <thead> <tr> <th>Forex Amount</th> <th>Rate of Exchange</th> <th>Value in ₹</th> </tr> </thead> <tbody> <tr> <td>S\$5,000.00</td> <td>@ ₹ 50/S\$</td> <td>₹ 2,50,000.00</td> </tr> </tbody> </table>					Forex Amount	Rate of Exchange	Value in ₹	S\$5,000.00	@ ₹ 50/S\$	₹ 2,50,000.00
Forex Amount	Rate of Exchange	Value in ₹								
S\$5,000.00	@ ₹ 50/S\$	₹ 2,50,000.00								
Narration: S\$5,000.00 @ ₹ 50/S\$ = ₹ 2,50,000.00										

Figure 1.51 Forex Rate of Exchange screen

Note: If the party ledger is from country other than India, and the purchase ledger has **Type of Supply as Services**, then the tax will be calculated under reverse charge.

Since this transaction attracts reverse charge, the tax implication of this transaction can be viewed in **GSTR-4**.

To view **GSTR-4**,

Go to **Gateway of Tally>Display>Statutory Reports>GST>GSTR-4**, press **F2: Period** and enter the period for which transactions are recorded.

The **GSTR- 4** report appears as shown in the figure 1.52

GSTR-4		National Traders					Ctrl + M
GSTR-4		1-Apr-2017 to 9-Mar-2018					
Returns Summary							
Total number of vouchers for the period							10
Included in returns							6
Not relevant for returns							4
Incomplete/Mismatch in information (to be resolved)							0
Particulars	Voucher Count	Taxable Value	Integrated Tax Amount	Central Tax Amount	State Tax Amount	Cess Amount	Total Tax Amount
Outward Supplies							
Turnover of Taxable Sales @ 1%	3	3,61,500.00		1,807.50	1,807.50		3,615.00
Inward Supplies							
Purchases Attracting Reverse Charge	2	4,32,750.00		10,818.75	10,818.75		21,637.50
Purchase Taxable @ 5%		4,32,750.00		10,818.75	10,818.75		21,637.50
Import of Service	1	2,50,000.00	45,000.00				45,000.00
Import of Service @ 18%		2,50,000.00	45,000.00				45,000.00
Total	6	10,44,250.00	45,000.00	12,626.25	12,626.25		70,252.50

Figure 1.52 GSTR-4 Screen

1.2.6.11 Adjusting of Tax Liability in case of Advance Payments under Composition Scheme

If the advance payments are made for the purchases under reverse charge, and if the purchase does not happen in the same tax period, we need to record a journal voucher to increase the tax liability

We will now see how to record advance payment and journal voucher to increase the tax liability.

Step 1: Recording Advance Payment as a Composition Dealer

Illustration: As on 01-02-2018, National Traders, paid an advance amount of ₹1, 00,000 to Zida Traders.

To record the payment transaction, follow the steps given below:

Record advance payment transaction, as shown in the figure 1.53

- Create Kotak Bank ledger under Bank Accounts and provide opening balance as ₹2,00,000

Accounting Voucher Creation		National Traders	Ctrl + M
Payment No. 1		1-Feb-2018 Thursday	
Account : Kotak Bank Cur Bal: 1,00,000.00 Dr			
Particulars	Amount		
Zida Transport Cur Bal: 3,32,750.00 Cr Advance ADV-01 1,00,000.00 Dr	1,00,000.00		
Narration:			
			Accept ? Yes or No

Figure 1.53 Advance Payment Voucher Creation screen

After making an advance payment to the party, if the purchase does not happen in the same period, we need to record the journal voucher to increase the tax liability.

Step 2: Raising of Tax liability

We will now record the journal voucher to increase of tax liability.

Activity: Create *Tax on Advance ledger under Current Assets*

- To increase the tax liability, go to, **Gateway of Tally>Accounting Vouchers>F7: Journal** and press **Alt+J: Stat Adjustment**.
 - Type of duty/tax – By default it will be selected as **GST**
 - Nature of adjustment – Select as **Increase of Tax Liability**
 - Additional Details – Will be taken automatically as **Advances Paid under Reverse Charge**
 - Press **Enter** to save the **Stat Adjustment** screen
- Debit** the **Tax on Advance** ledger and enter the value as 18,000
- Credit** the **Central Tax** ledger, in the GST details screen enter the rate and taxable value (As per this illustration the taxable value is 1,00,000 and the rate is 9%)
- Credit** the **State Tax** ledger, in the GST details screen the rate and taxable value will get captured automatically.
- Enable the option **Provide GST Details to Yes**, to enter the details as shown in figure 1.54:

[illegible]

6. Accept the screen

Accounting Voucher Creation		National Traders		Ctrl + M	
Journal		No. 1		1-Feb-2018 Thursday	
Used for: Increase of Tax Liability (Additional Details: Advances Paid under Reverse Charge)					
Particulars			Debit	Credit	
Dr	Tax on Advance		18,000.00		
	Cur Bal: 18,000.00 Dr				
Cr	Central Tax			9,000.00	
	Cur Bal: 9,000.00 Cr				
Cr	State Tax			9,000.00	
	Cur Bal: 9,000.00 Cr				
Provide GST details: Yes					
Narration:			18,000		

Accept ?
 Yes or No

7. Press **Ctrl+A** to accept

Activity: Once after recording the journal voucher (adjustment entry). We can check the implication of this transaction in GSTR-4, while checking GSTR-4 provide the from period as 1-2-2018 to as 28-2-2018,

Step: 3 Recording of Purchase Transaction Against Advance Reference

If the tax liability is raised for the advances paid in the previous period (Feb-2018) on purchases attracting reverse charge, and if the purchase is recorded in next month (Mar-2018), we can decrease the tax liability using a journal voucher.

Activity: Record the following transaction

Illustration: As on 10-03-2018, National Traders, purchased transportation services from Zida Transport, Karnataka @ ₹. 1, 00,000 which attracts reverse charge, for which the advance payment was received on 01-02-2018.

Hint: Make sure while recording purchase transaction select Type of Ref as Agst Ref- ADV-01

Step: 4 Recording Journal Voucher for Decreasing the Tax Liability

This step is followed because, once after recording the purchase transaction against the advances paid, the liability will be raised in the GSTR-4 report. In order to reverse the impact of journal voucher which we have recorded to increase the tax liability on advances received, we are recording the journal voucher to decrease the tax liability.

We will now record the decrease of tax liability.

To Decrease the tax liability, go to,

1. **Gateway of Tally>Accounting Vouchers>F7: Journal** and press **Alt+J: Stat Adjustment**.
 - Type of duty/tax – By default it will be selected as **GST**
 - Nature of adjustment – Select as **Decrease of Tax Liability**
 - Additional Details – Will be taken automatically as Purchase against **Advance Payment**
 - Press **Enter** to save the **Stat Adjustment** screen
2. **Debit the Central Tax** ledger, in the GST details screen enter the rate and taxable value (As per this illustration the taxable value is 1, 00,000 and the rate is 9%)
3. **Debit the State Tax** ledger, in the GST details screen the rate and taxable value will get captured automatically.
4. **Credit the Tax on Advance** ledger, amount will get captured automatically.
5. Enable the option **Provide GST Details to Yes**, to enter the details as shown in figure 1.56:

Statutory Details		National Traders	Ctrl + M
Journal	No. 2	Used for: Decrease of Tax Liability (Additional Details: Purchase against Advance Payment)	List of Ledger Accounts
Particulars			<input type="checkbox"/> Not Applicable Chandra Traders Fine Traders Globe Services Himalaya Developers RKM Hardware Distributors SM Hardware Distributors Zida Transport
Dr Central Tax Cur Bal: 0.00 Dr Dr State Tax Cur Bal: 0.00 Dr Cr Tax on Advance Cur Bal: 0.00 Cr			
Advance Details Ledger Name : Zida Transport Place of supply : Karnataka Supply Type : Intra State			

Figure 1.56 Statutory Details screen

The **Journal Voucher Creation** appears as shown in the figure 1.57:

Accounting Voucher Creation		National Traders	Ctrl + M
Journal	No. 2	Used for: Decrease of Tax Liability (Additional Details: Purchase against Advance Payment)	10-Mar-2018 Saturday
Particulars		Debit	Credit
Dr Central Tax		9,000.00	
Cur Bal: 0.00 Dr			
Dr State Tax		9,000.00	
Cur Bal: 0.00 Dr			
Cr Tax on Advance			18,000.00
Cur Bal: 0.00 Cr			
Provide GST details: Yes			
Narration:		18,000	Accept ?
			Yes or No

Figure 1.57 Journal Voucher screen

- Press **Ctrl+A** to accept

Observation: Once after recording the journal voucher (adjustment entry), it will nullify the balances of tax liability which was raised on Advance paid. This entry details can be viewed in GSTR-4 under Advance payments>Adjustment of Advances, the values will appear in minus.

1.2.7 Generating of GSTR-4 Report

The GSTR-4 report includes the details of taxable outward and inward supplies, including supplies under reverse charge, made by GST composition dealer in a given period.

We can generate the GSTR-4 with the details required for filing returns.

To view GSTR-4,

Go to **Gateway of Tally > Display > Statutory Reports > GST > GSTR-4**, press **F2** and mention **From** and **To** period as 1-3-2018 and 31-3-2018.

The **GSTR-4** report appears as shown in figure 1.58

GSTR-4		National Traders					Ctrl + M
GSTR-4		1-Apr-2017 to 6-Mar-2018					
Returns Summary							
Total number of vouchers for the period							
Included in returns							8
Not relevant for returns							5
Incomplete/Mismatch in information (to be resolved)							3
							0
Particulars	Voucher Count	Taxable Value	Integrated Tax Amount	Central Tax Amount	State Tax Amount	Cess Amount	Total Tax Amount
Outward Supplies							
Turnover of Taxable Sales @ 1%	3	3,61,500.00		1,807.50	1,807.50		3,615.00
Inward Supplies							
Purchases Attracting Reverse Charge 2		4,32,750.00		10,818.75	10,818.75		21,637.50
Purchase Taxable @ 5%		4,32,750.00		10,818.75	10,818.75		21,637.50
Total	5	7,94,250.00		12,626.25	12,626.25		25,252.50

Figure 1.58 GSTR-4

- Click **F12: Configure** and enable the options as shown in figure 1.59

Configuration	
Show break-up of nett values	? Yes_
Show tax types in separate columns	? Yes

Figure 1.59 GSTR-4 Configuration screen

- Click **F1: Detailed** to view the breakup of sales and sales returns as shown in figure 1.60

GSTR-4 National Traders							Ctrl + M
GSTR4							1-Apr-2017 to 6-Mar-2018
Returns Summary							
Total number of vouchers for the period							8
Included in returns							5
Not relevant for returns							3
Incomplete/Mismatch in information (to be resolved)							0
Particulars	Voucher Count	Taxable Value	Integrated Tax Amount	Central Tax Amount	State Tax Amount	Cess Amount	Total Tax Amount
Outward Supplies							
Turnover of Taxable Sales @ 1%	3	3,61,500.00		1,807.50	1,807.50		3,615.00
Gross Value	3,75,000.00	3,750.00					
Returns	(-)13,500.00	(-)135.00					
Inward Supplies							
Purchases Attracting Reverse Charge 2		4,32,750.00		10,818.75	10,818.75		21,637.50
Purchase Taxable @ 5%		4,32,750.00		10,818.75	10,818.75		21,637.50
Gross Value	4,32,750.00	21,637.50					
Total	5	7,94,250.00		12,626.25	12,626.25		25,252.50

Figure 1.60 GSTR-4

There are two sections in this report,

- Returns summary, which is a snapshot of the business operations in the given period.
- Particulars, which displays transactions participating in the returns.

Returns Summary

This section provides a summary of all transactions recorded in the reporting period. We can drill down on each row and view the transaction details.

Return Summary appears as shown in the figure 1.61

GSTR-4 National Traders							Ctrl + M
GSTR4							1-Mar-2018 to 31-Mar-2018
Returns Summary							
Total number of vouchers for the period							8
Included in returns							5
Not relevant for returns							3
Incomplete/Mismatch in information (to be resolved)							0

Figure 1.61 Returns Summary Screen

We can drill down on **Total number of vouchers for the period**, the drill down shows the **Statistics** which shows the listing of the vouchers participating in the GST returns as shown in the figure 1.62

Not relevant for returns

We can drill down on **Not relevant for returns** and view the **Summary of Excluded Vouchers**

The transactions which appears under excluded vouchers are

- **Excluded by User:** These are the transactions which are manually excluded from the list of included or uncertain transactions
- **No GST Implications:** Displays the count of receipts, payments, and journal vouchers that do not have any GST implication.
- **Non GSTR-4 Transactions:** Displays the transactions which are part of other returns, for example: GSTR – 1, GSTR-2 or GSTR-3B and hence will not have any implication on GSTR-4.

Incomplete/Mismatch in information (to be resolved)

This displays the count of all vouchers for which information required for filing returns is missing in the invoice. We can correct exceptions in the vouchers before exporting GST returns.

In this company we do not have any exceptions, the below mentioned exceptions may appear in **GSTR- 4**

Exception: Taxability, Reverse charge applicability, Taxable value, Rate of tax modified in voucher, this exception displays the count of transactions in which the nature of transaction, taxable value or rate of tax defined in the ledger master has been modified in the transaction level

1. To resolve this exception, select the required voucher.
2. Click **Alt+R :Resolve** and select the relevant options you can also click **Alt+A: Accept as is**, if you do not want to change any information.
3. Press Enter to accept.

Exception: Information required for generating table-wise details not provided, this exception displays the count of transactions excluded from table-wise format of GSTR-4 due to incomplete information. The button Exception Types (Ctrl+E) is provided to resolve all party ledger level or voucher level corrections from a single screen.

1. To resolve this exception, select **Information required for generating table-wise details not provided** , and press **Enter**
2. Select any voucher and press **Enter** to display the **Exceptions as per Return Tables** screen
3. Enter the missing information or update the incorrect details, and press **Enter** and accept the screen

1.3 Filing of GSTR-4

The GSTR-4 form is a quarterly return form for those taxpayers who have opted to go for the GST Composition Scheme in the new indirect tax regime. Under the GST composition scheme, taxpayers will be required to file one only return in every three months (quarter) rather than three returns in every month as is the case for a regular dealer.

GSTR-4 report includes the details of taxable outward supplies, and inward supplies under reverse charge, made by a GST composition dealer in a given period. With Tally.ERP 9, you can file GSTR-4 in three easy ways:

- By generating JSON from Tally.ERP 9
- By using the GST Offline tool
- By filing your returns directly on the GST portal

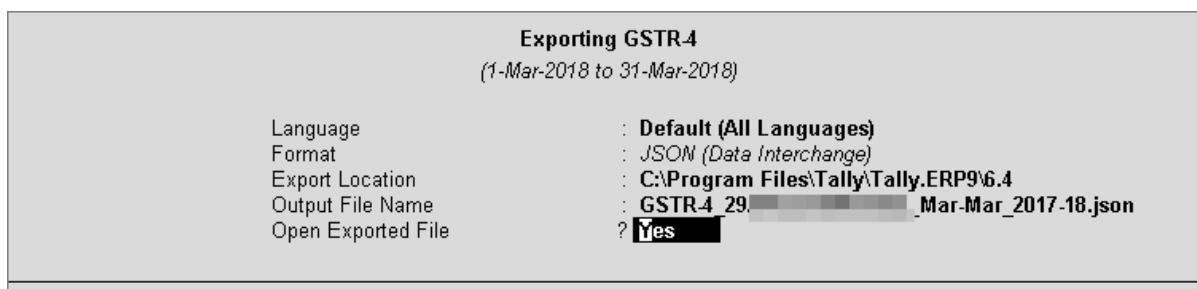
Prerequisites for filing GSTR-4

- Internet connectivity is required for uploading the JSON file, downloading the offline tool, and filing returns.
- Microsoft Office is required for exporting data to the offline tool, as GSTN recommends MS Excel 2007 or later (if you are using offline tool for filing returns).

Filing GSTR-4 by generating JSON from Tally.ERP 9

To generate GSTR-4 returns in the JSON format, follow the steps given below,

1. Go to **Gateway of Tally > Display > Statutory Reports > GST > GSTR-4**
2. Click **F2: Period:** Select the period for which returns need to be filed.
3. Click **Ctrl+E : Export Return**, and select the details as shown in **Exporting GSTR-4** in figure 1.64



Exporting GSTR-4	
(1-Mar-2018 to 31-Mar-2018)	
Language	: Default (All Languages)
Format	: JSON (Data Interchange)
Export Location	: C:\Program Files\Tally\Tally.ERP9\6.4
Output File Name	: GSTR4_29, Mar-Mar_2017-18.json
Open Exported File	? Yes

Figure 1.64 Exporting GSTR-4 screen

4. Press **Enter** to export
5. After exporting compress the JSON file generated from Tally.ERP 9 in the .zip format and upload it to the GST portal

To File GSTR-4 returns

1. Log in to the GST portal

2. Click **Services > Returns > Returns Dashboard**
3. Select the **Return Filing Period**, and click **SEARCH**
4. Click **GSTR4**
5. Click **PREPARE OFFLINE**
6. Click **Choose File** to import the JSON file generated from Tally.ERP 9 or the offline tool. Once the JSON file is uploaded successfully, we will be notified by a message.
7. Verify the uploaded details
8. Submit the returns and e-sign

Filing GSTR-4 by using the GST Offline Tool

To generate GSTR-4 using GST offline tool, follow the steps given below,

1. Go to the GST portal
2. Click **Downloads > Offline Tools > GSTR 4 Offline Tool**
3. A **.zip** file containing the **GSTR_4_Offline_Utility** will be downloaded
4. Extract the file **GSTR_4_Offline_Utility.xls** from the .zip file and copy it to the location where Tally.ERP 9 is installed.

To export GSTR-4 returns to the offline tool

1. Go to **Gateway of Tally > Display > Statutory Reports > GST > GSTR-4**
Note: Ensure to use a fresh offline tool each time before exporting the GSTR-4 data.
2. Click **F2: Period** – Enter the period for which returns need to be filed.
3. Click **Ctrl+E : Export Return**, and select the details as shown in **Exporting GSTR-4** in figure 1.65

Exporting GSTR-4	
(1-Mar-2018 to 31-Mar-2018)	
Language	: Default (All Languages)
Format	: Excel (Spreadsheet)
Export Location	: C:\Program Files\Tally\Tally.ERP9\GSTR 4 Offline Utility\GSTR 4 Offline Utility v2.0.xls
Output File Name	: GSTR 4 Offline Utility.xls
Open Exported File	? Yes

Figure 1.65 Exporting GSTR-4 screen

Note: If the offline tool **GSTR_4_Offline_Utility.xls** is not available in **Export Location**, then the error message will appear as **GSTR_4_Offline_Utility.xls does not exist while exporting GSTR-4**.

4. After exporting GSTR-4 for offline utility, open offline utility and click Validate to view the status of each sheet
5. In Home tab click **Get Summary**
6. Click **Generate JSON File to upload**
7. On successful validation, the message appears as shown in figure 1.66

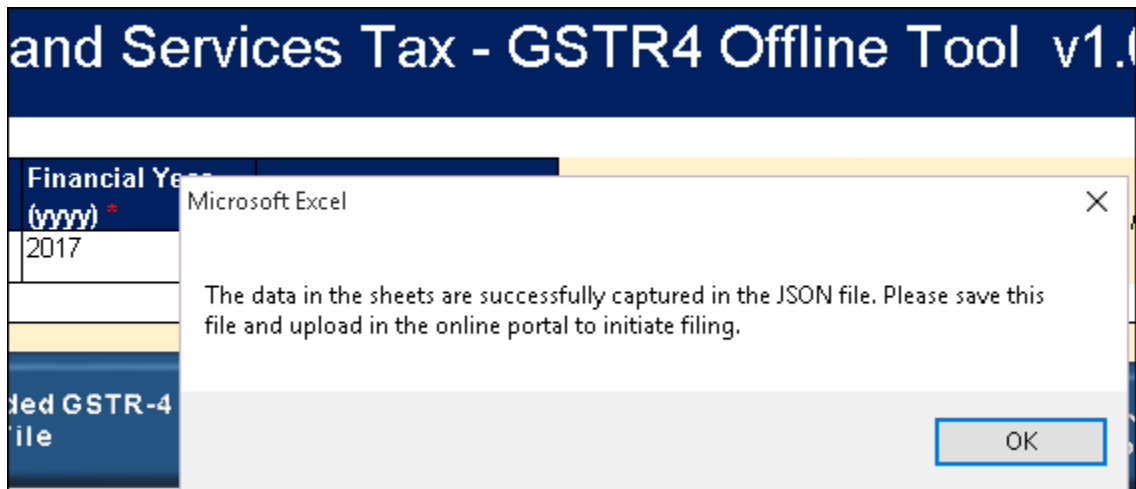


Figure 1.66 Successful Validation message

Note: If there are errors while validating, the message appears as shown in figure 1.67

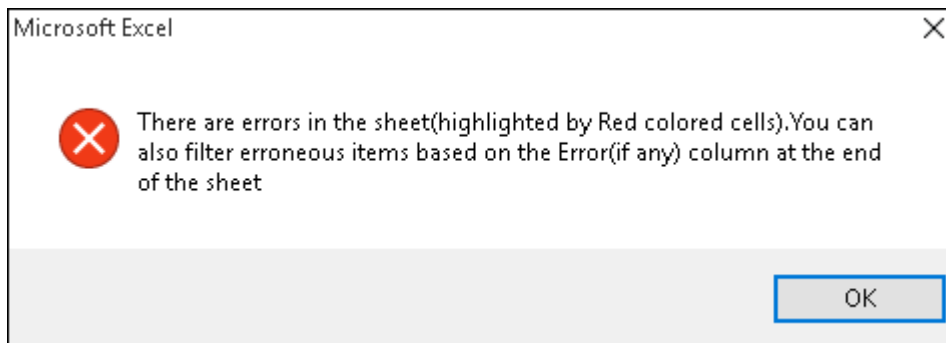


Figure 1.67 Error Message Screen

8. Save the file in the required location
9. Upload the generated JSON file on the GST portal

Filing GSTR-4 directly on the GST portal

If the data volume is very low, we can directly file the returns on the GST portal

To file returns directly on the GST portal, follow the steps given below,

1. Log in to the GST portal
2. Select the **Return Filing Period**, and click **SEARCH**
3. Click **GSTR4**
4. Click **PREPARE ONLINE**
5. Open each GSTR-4 table, copy the data exported from Tally.ERP 9 to GSTR-4 offline tool, and fill the tables manually
6. Submit your returns and e-sign

1.4 Other Enhancements in Release 6.4

The following are the other enhancements or enhancements done in Tally.ERP 9 Release 6.4

- Enhancements in cess ledger

We can create cess ledger to calculate cess on quantity and value for **Regular Dealers** of GST. The cess on quantity ledger will be created as shown in the figure 1.68

Ledger Creation		Mukta Traders		Ctrl + M	
Name	: Cess on Quantity			Total Opening Balance	
(alias)	:			40,25,000.00 Dr	
				Difference	
				40,25,000.00 Dr	
Under	: Duties & Taxes (Current Liabilities)	Name	:	<u>Mailing Details</u>	
Type of duty/tax	: GST	Address	:		
Tax type	: Cess	List of Valuation Types			
Valuation type	: Based on Quantity	<input type="checkbox"/> Any <input checked="" type="checkbox"/> Based on Quantity <input type="checkbox"/> Based on Value			
Inventory values are affected	? No				
Rate per unit	? 0				
Rounding method	:	Provide bank details	? No		
<u>Statutory Information</u>		<u>Tax Registration Details</u>			
		PAN/IT No.	:		
Opening Balance (on 1-Apr-2017) :					

Figure 1.68 Cess on Quantity Ledger Creation Screen