Invoice Reconciliation

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Background:

Post Implementation of GST, ITC reconciliation is the backbone of the GST ecosystem and during last 5 years ITC reconciliation process has observed multiple changes and finally effective January 2022, Government has introduced a new provision according to which ITC can be availed only if the same is fully reconciled with GSTR 2B. Accordingly in order to achieve smooth GST compliance process it is important to have robust ITC reconciliation mechanism in place.

In view of the above, we have implemented a new process where all unreconciled invoices will be automatically sent to respective supplier for their action and ensuring 100% reconciliation.

Scope:

- Auto identification of unreconciled Invoices
- Auto mail trigger for unreconciled Invoices to respective suppliers.
- Receiving of mail related to mismatch cases, vendor shall access to Invoice reconciliation portal.
- Facility to upload comments in one go or by excel file.
- This program does not include any correction in the invoices. For that, vendor has to login to GSTIN portal and necessary correction can be done.

Benefits:

- Optimization of Input Tax Credit under GST.
- Real time intimation to suppliers w.r.t unreconciled invoices.
- Better compliance w.r.t Invoice reconciliation.
  Suppliers can rectify the mistake and avoid charging of interest on unreconciled invoices.
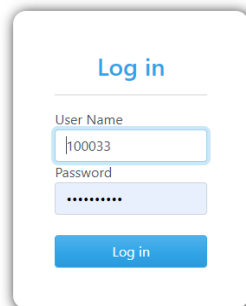- Auto reminders to the supplier about errors (if any).

Pre-requisites:

- Supplier e-mail id to whom data need to be sent should be maintained in SAP (Transaction code ZF225 and ZFI311).
- Invoices where ITC availed must be accepted in ASP.

Process Flow - HMCL User:

Login Screen:

- Visit to URL :- https://invoicerec.azurewebsites.net/
- Respective user shall Login to Invoice Reconciliation Portal using the credentials.
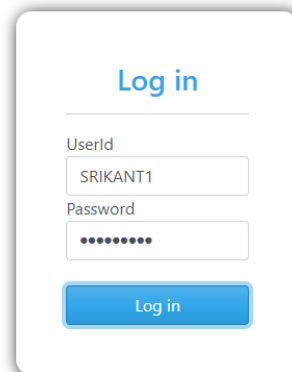- For HMCL users login shall be done through ADID credentials.
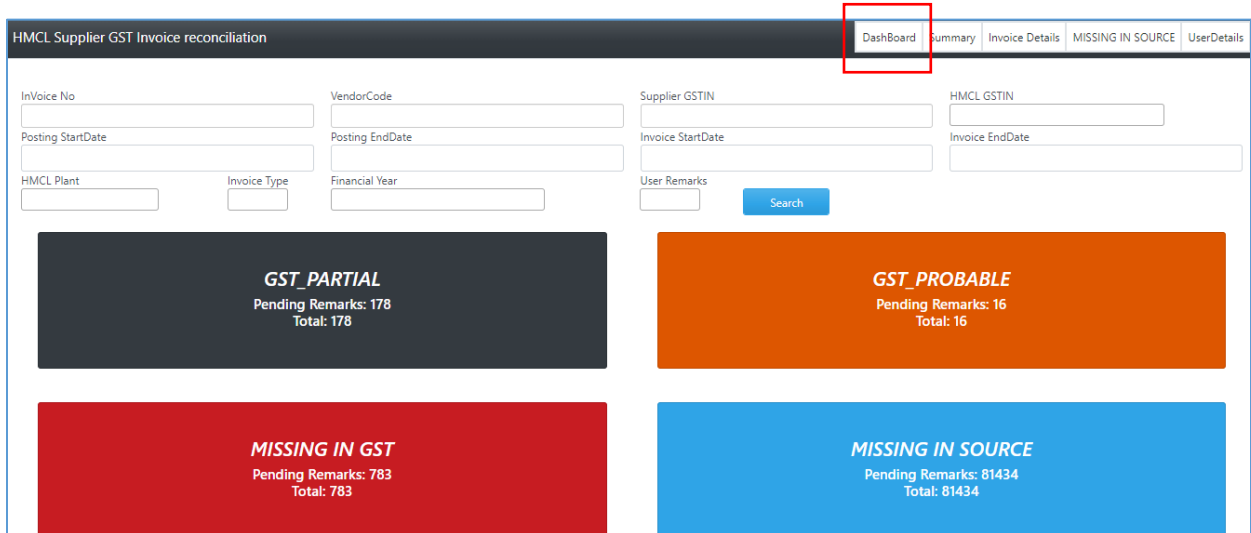
Dashboard – HMCL User View

- After login on Invoice Reconciliation portal user can see reconciliation dashboard.
- User shall click on Dashboard button
- User can see 4 tiles count for ***GST_Partial***, ***GST_Probable, Missing in GST and Missing in source*** and clicking on the tiles count user can also see invoice wise details.

GST partial – Indicates Invoices available in GSTR 2B but there is mismatch in GST amount for > INR 20

GST probable – Indicates Invoices available in GSTR 2B but there is mismatch of GSTIN or POS.

Missing in GST – Indicates invoices not available in GSTR 2B or if available then with different Invoice number which system cannot reconcile.

Missing in source – Indicates invoices available in GSTR 2B but HMCL has not received such invoices

Invoice Details Screen – HMCL User View

- User can click on Invoice Details Tab to see invoice wise details.
- Search button -> Can filter records using the provided the fields.
- Click on **Back to full list** button -> After filtered records user can clear the filter's field values and search all data.
- Click on **Download** Button to download the Invoice details in excel sheet.

Step 1: After downloading the excel, review mismatch reasons and supplier remarks if updated by suppliers.

Step 2: Action to be taken by HMCL user where pendency is more than 45 days.

*In case where supplier email id is not correct in the portal then you need to take it up with relevant supliers

Suppliers email id updation in ZF225

- Respective plant finance user shall ensure that email id of respective supplier is maintained.

- All email id maintained should be of person who are dealing with us.

- There is option for escalation email id as well, make sure that same is also maintained.

- **System will also send the mail where email id is not maintained and make sure that respective email ids are also maintained.**

- In case any mail id maintained is not correct and system received notification for failure of mail sending then same will be updated on monthly basis.

- Basis system notification, finance user shall update correct email id.

- To update escalation mail ids and alternate mail ids, ZFI311 to be used.

- ZFI311 shall work as report and for authorized users as maintenance window as well.

Authorized user should be able to download the template, fill and upload the same in the application to update the mail ids.

ID	Name	Plant	PMAILID	MAILID1	MAILID2	MAILID3
0000100042	BLOWELL AUTO PVT. LTD.		gsbapl@yahoo.com			
0000100044	BONY POLYMER PVT LTD.(PLA...		sangeeta@bonypolymers.com			
0000100047	BAJAJSONS LIMITED (UNIT - II...		info@bajajsons.com			
0000100048	CEAT LIMITED		shyam.khanna@ceat.in			
0000100051	DAMAN AUTO INDUSTRIES PV...		dmnauto@bom8.vsnl.net.in			
0000100052	DENSO INDIA PVT. LTD.		ANKUSH.KHURANA.A6S@AP.DENSO.COM			
0000100054	EESHAN PRECISION INDUSTRI...		parkview1@vsnl.com			

SAP					
MAILID2	MAILID3	ESCMAIL1	ESCMAIL2	BMAILID	

Process Flow - Supplier:

Mail notification for unreconciled invoices:

- Suppliers will receive the email from HMCL with URL to login and relevant User ID and password

- Please note that every month password will get automatically changed and same will be available in latest mail.

- Suppliers need to login the portal and take necessary action against unreconciled invoices as provided in below steps.

Login Screen:

- Visit to URL :- https://invoicerec.azurewebsites.net/

- Suppliers have to Login to Invoice Reconciliation Portal using the credentials received through mail.

Log in

User Name

100033

Password

••••••••••

Log in

Dashboard – Supplier View

- After login on Invoice Reconciliation portal supplier can see reconciliation dashboard.
- User shall click on Dashboard button
- User can see 3 tiles count for GST_Partial, GST_Probable, missing in GST and clicking on the tiles count user can also see invoice wise details.

<table>
<tr><td>

GST_PARTIAL
Pending Remarks: 0
Total: 1

</td><td>

GST_PROBABLE
Pending Remarks: 0
Total: 0

</td></tr>
<tr><td>

MISSING IN GST
Pending Remarks: 670
Total: 672

</td><td></td></tr>
</table>

GST partial – Indicates Invoices available in GSTR 2B but there is mismatch in GST amount for > INR 20

GST probable – Indicates Invoices available in GSTR 2B but there is mismatch of GSTIN or POS.

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- Click on **Download** Button to download the Invoice details in excel sheet.
- In case of credit note issued by suppliers against rejection sent by HMCL / any other wrong credit notes against warranty etc. then same must be amended to Zero in your respective GSTR 1 otherwise it will lead to non-compliance at supplier's end and government may take adverse action against such credit notes. Please note HMCL issues Supply invoice against rejection hence credit notes are not required.

Step 1: After downloading the excel, review mismatch reasons and update your remarks w.r.t unreconciled invoices.

Step 2: Vendor can Update Comment in remarks column in list in one go

Step 3: Submit By Excel - Vendor Can also bulk update the remarks against each record by uploading the downloaded excel sheet with updated comments.