**GST Practice Steps:**

1. Create company
2. Activate GST in company (F11-Statutory)
3. Create GST Ledgers ( Duty ledgers)
4. Create Sales-Purchase Ledger with GST Applicable
5. Create Stock Items and Group. Set up Tax rates
6. Create Ledger for Suppliers and Customers ( or use Cash)
7. Generating GST vouchers
8. Review of work done

GST rate can be set at following levels:

1. Company Level
2. Sales/Purchase Ledger Level
3. Stock Group Level
4. Stock Item Level

In this practice, the GST will be set at Stock Item Level

**Step 1: New Company in Tally.ERP9**

Create a company Swayam Education Pvt Ltd based in Odisha.(Pin Code: 751004)

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| **Step 2: Activate GST for your Company in Tally.ERP9** |
| On creation of the company To use Tally will ask for features to enabled. For GST compliance, you need to activate the GST feature. Once activated, GST-related features are available in ledgers, stock items, and transactions, and GST returns can be generated. |
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| 3.         Enable Goods and Services Tax (GST) - **Yes**.  4.         Set/alter GST details - **Yes**. |
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| http://tallyerp9book.com/TallyERP9-Transaction/Images/GST/TallyERP9GST-Transaction-2.jpg |
| **State**: Displays the state you have selected for your company. Helps in identifying local and interstate transactions. If you change the state, it will be updated in the company details.  5.         Specify the **GSTIN/UIN** for the business. This can be printed in the invoices as required. You can specify this later.  6.         Specify **Applicable from** date. GST will be applicable for your transactions from this date onwards.  You can record transactions using the ledgers with GST details, and print invoices with GSTIN. |

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| **Step 3: Creating GST Ledgers - CGST-SGST-IGST in Tally.ERP9** |
| |  | | --- | | To account for the different taxes to be paid under GST (central tax, state tax, union territory tax, integrated tax, and cess), you have to create a tax ledger for each tax type.  In our above Practical Examples….the following GST Ledgers will be created :  i.          SGST                 [ State Tax at the time of Sale/Purchase Locally ]  ii.          CGST                 [ Central Tax at the time of Sale/Purchase Locally ]  iii.         IGST                  [ Integrated Tax at the time of Sale/Purchase from Outside State ]  iv Purchase Ledger  v Sales Ledgers  **i.        To create ‘SGST’ ledger**  1.         **Gateway of Tally** > **Masters**  >   **Create** > **Accounting Masters>** **Ledgers** > | |  | | http://tallyerp9book.com/Pages/Web-Image/GST/TallyERP9GST-32a.jpg | |  | | 2.    In **Under**, select **Duties & Taxes**.  3.    Select **GST** as the **Type of duty/tax**.  4.    Select **State Tax** as the **Tax type**.  *Note : Percentage of Calculation should be 0% ( Don’t Change ) due to multiple Tax Rate*  Similarly, you can create ledgers of all above 5 Ledgers ( i to v ) by selecting the relevant **Tax type** under **GST**. | |  | | **ii.        To create ‘CGST’ ledger**  **Gateway of Tally** > **Masters**  >   **Create** > **Accounting Masters>** **Ledgers** > | |  | | http://tallyerp9book.com/Pages/Web-Image/GST/TallyERP9GST-33.jpg | |  | | 2.    In **Under**, select **Duties & Taxes**.  3.    Select **GST** as the **Type of duty/tax**.  4.    Select **Central Tax** as the **Tax type**.  *Note : Percentage of Calculation should be 0% ( Don’t Change ) due to multiple Tax Rate* | |  | | **ii.        To create ‘IGST’ ledger**  **Gateway of Tally** > **Masters**  >   **Create** > **Accounting Masters>** **Ledgers** > | |  | | http://tallyerp9book.com/Pages/Web-Image/GST/TallyERP9GST-34.jpg | |  | | 2.    In **Under**, select **Duties & Taxes**.  3.    Select **GST** as the **Type of duty/tax**.  4.    Select **Integrated Tax** as the **Tax type**.  *Note : Percentage of Calculation should be 0% ( Don’t Change ) due to multiple Tax Rate* | |  | |  | |  | | **Step 4: Creating Sales/Purchase Ledger : GST-Sales, GST-Purchase** | | | **To Create a Sales Ledger i.e. GST-Sales**  1.         **Gateway of Tally** > **Masters**  >   **Create** > **Accounting Masters>** **Ledgers** >  2.         Enter the **Name** of the Sales ledger i.e. GST-Sales  3.         Select **Sales Account** from the **List of Groups** in the **Under** field.  4.         Set the option **Inventory values are affected?** to **Yes**,.  5.         **Is GST Applicable** - **Applicable**. | | | http://tallyerp9book.com/TallyERP9-Transaction/Images/GST/TallyERP9GST-Transaction-8.jpg | | | 6.         **Set/alter GST Details** - **No**,  Don’t specify the details in the GST Details because GST Rate specified in all Items (specified above) will automatically Calculate the CGST and SGST ,.  7.         Select the **Type of supply**. By default the type of supply is set to **Goods**. | | | http://tallyerp9book.com/TallyERP9-Transaction/Images/GST/TallyERP9GST-Transaction-9.jpg | | |  | | | 8.         Press **Ctrl + A** to save.  *[ Note : Only one Ledger i.e. GST-Sale will be created for all type of GST Sales ]* | | |
| *[ Note : Similarly Create GST Purchase Ledger ]*  **Step 5: Creating Stock Items and Stock Groups for GST Compliance** |
| If the items you sell have different tax rates, update your stock item masters or stock groups with the applicable GST rates, and select the type of supply, as applicable.  ***5.1 Create Unit of Measurement***  ***Gateway of Tally****>****Masters*** *>* ***Create*** *>* ***Inventory Masters>******Unit****>*  ***5.2 Create Stock Item***  In case you need different tax rates for different items, modify the stock items to include the applicable tax rates.  **Gateway of Tally** > **Masters**  >   **Create** > **Inventory Masters>** **Stock Items** > |
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| http://tallyerp9book.com/TallyERP9-Transaction/Images/GST/TallyERP9GST-Transaction-3.jpg |
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| 2**.    Set/alter GST Details: Yes** to specify the details in the **GST Details** screen, and save. |
| http://tallyerp9book.com/TallyERP9-Transaction/Images/GST/TallyERP9GST-Transaction-4.jpg |
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| ***Note:****If you have modified the tax rates before, press****Alt + L****to view the history of tax rate changes.* |
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| http://tallyerp9book.com/TallyERP9-Transaction/Images/GST/TallyERP9GST-Transaction-5.jpg |
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| 3.    Select the **Type of supply**.  4.    Press **Ctrl + A** to save.  ***>>        Create & Setup the GST Rate of the following Stock Items as per above Setup  >>***     |  |  |  | | --- | --- | --- | | **Name of Items** | **UoM** | **GST Rate** | | **Monitors** | **Pcs** | **28%** | | **Hp- Laptop** | **Pcs** | **18%** | | **Mi Note-4 Mobiles** | **Pcs** | **12%** | | **Antivirus Software CDs** | **Pcs** | **18%** | |

**Step 6: Creating Supplier and Customer Ledgers**

**To Create Ledger**

1. Go to **Gateway of Tally** > **Accounts Info.** > **Ledgers** > **Create**.
2. Suppliers should be created under “Sundry Creditors” and should enter correct GSTIN
3. Customers should be created under “Sundry Debtors” and should enter correct GSTIN

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| **Step 7: Create Vouchers and Calculation of GST ( IGST, CGST & SGST)**  Go to **Gateway of Tally** > **Accounting Voucher**  > **Sales/Purchase (etc) on right side of the screen**. |
| The following Transaction has been done by the **Swayam Education Pvt. Ltd.** Based on this transaction compute the GST payable to the Government.  **1.         Purchase from Raj Infotech-Local Dealer, (**21AAACI1681G1Z1)  **5 CDs of Antivirus Software @ Rs. 800 each, with Input GST rate @ 18%. i.e. Rs.. 720 -  [ CGST (9%) Rs.360 and SGST (9%) Rs.360 ]**  **2.         Purchase from Microtek India Ltd.-Local Dealer , (**21BFCPS1586M1Z6) **10 Monitors @  Rs. 4000 each, with Input GST @ 28% i.e. Rs.11,200 – [ CGST (14%) Rs.5600 and SGST (14%) Rs. 5600. ]**  **3.         Purchase 2 ‘Hp-Laptop’ @ Rs. 45,000 with Input IGST @ 18% i.e. Rs. 16,200.**  **And**  **2 Mi-Note 4 Mobiles @ Rs. 10,000 each with Input IGST 12% i.e. Rs.2,400 –  in Cash from  Outside State – West Bengal from Registered Dealer ( with GSTN – 22AAAAA0000A1Z5 ) .**  **4.         Sale of 5 Antivirus Software CDs @ Rs.1500 to Rajib Roy & Sons with output GST 18% i.e. Rs. 1350 – [CGST (9%) Rs. 675 and SGST (9%) Rs.675 ]**  **5.         Sale of 10 Monitors @ Rs.4500 , to H. Goenka Traders with Output GST @ 28% i.e. Rs. 12600 – [ CGST (14%) Rs. 6300 and SGST (14%) Rs. 6300 ]**  **6.         Sale of 2  ‘Hp-Laptop’ @ Rs 50,000 with Output GST @ 18% i.e. Rs.18,000 [ CGST (9%) Rs.9,000 and SGST (9%) Rs.9,000 ] in Cash within State**  **7.         Sale of 2  Mi-Note 4 Mobiles Outside State @ Rs. 15,000 each with Output IGST 12% i.e. Rs. 3600  in Cash to a Party in Outside State i.e. Andhra Pradesh.**    **Step 8: Review of the work**   1. Go to **Gateway of Tally** > **Display -> Day Book**  |  |  |  |  | | --- | --- | --- | --- | | **For PURCHASE & PAYMENT :** | **IGST** | **CGST** | **SGST** | | ***For Transaction 1 :*** GST paid to party on assessable value of Rs.4,000 @ 18 % GST is Rs. 720 |  | 360 | 360 | | ***For Transaction 2 :*** GST paid  to Party on the assessable Value of Rs. 40,000 @ 28% GST is Rs. 11,200 |  | 5600 | 5600 | | ***For Transaction 3 :*** IGST paid on the assessable Value of Rs. 90,000 @ 18% GST is Rs. 16,200 &  Rs. 20,000 @ 12% GST is Rs. 2,400 [ 16200+2400] | 18600 |  |  | | **Total of Input GST [ IGST, SGST & CGST]** | **18600** | **5960** | **5960** | | **For SALES :** |  |  |  | | ***For Transaction 4 :*** GST received from Party on assessable value of Rs. 7,500  @ 18% GST Rs. 1350 |  | 675 | 675 | | ***For Transaction 5 :*** GST received from Party on assessable value of Rs. 45,000 @ 28 % GST Rs. 12600 |  | 6300 | 6300 | | ***For Transaction 6 :*** GST received on the assessable Value of Rs. 1,00,000 @ 18% GST is Rs. 18,000. |  | 9000 | 9000 | | ***For Transaction 7 :*** IGST received on the assessable Value of Rs. 30,000 @ 12% IGST is Rs.3600 for sale outside State. | 3600 |  |  | | **Total Output GST [ IGST, SGST & CGST]** | **3600** | **15,975** | **15,975** | |

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| ***Table of GST Adjustment with Journal Voucher Entries*** |
| |  |  |  |  | | --- | --- | --- | --- | | Particulars | IGST | CGST | SGST | | Output GST Liability | 3600 | 15,975 | 15,975 | | Less : Input GST Credit |  |  |  | | Input CGST |  | 5960 |  | | Input SGST |  |  | 5960 | | Input IGST | 3600 | 10015 | 4985 | | Amount Payable i.e SGST only | NIL | NIL | 5030 |     *Any IGST credit will first be applied to set off  IGST and then CGST.*  *Balance if any will be applied to setoff SGST.*  *So out of total input IGST of Rs. 18,600, firstly it will be completely setoff against IGST i.e. 3600. Then balance Rs.15,000 against CGST i.e. Rs. 10015 and remaining Balance of Rs. 4985 against SGST*  *From the total Output GST Rs.35,550, only Output SGST of  Rs. 5030 is payable.*  *So the Set-Off Entries will be -*  *1.         Setoff against CGST Output*  *Output CGST A/c  Dr. ………                                    15975*  *To        Input CGST       A/c                                                       5960*  *To        Input IGST         A/c                                                       10015*  *2.         Setoff against SGST Output*  *Output SGST A/c  Dr. ………                             15975*  *To        Input SGST       A/c                                                       5960*  *To        Input IGST         A/c                                                       4985*  *To        Output SGST Payable   A/c                                          5030*  *3.         Setoff against IGST Output*  *Output IGST A/c  Dr. ………                               3600*  *To        Input IGST         A/c                                                       3600*  *4.         Final Payment of Output SGST Payable of Rs. 5030*  *Output SGST Payable A/c  Dr. ………                5030*  *To        Bank                 A/c                                                       5030* |
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