

Implementing GST in BUSY

Overview of GST

GST i.e. Goods and Services Tax is a proposed system of indirect taxation in India merging most of the existing taxes into single system of taxation. The introduction of Goods and Services Tax (GST) is a very significant step in the field of indirect tax reforms in India. By amalgamating a large number of Central and State taxes into a single tax, it mitigates cascading or double taxation in a major way and pave the way for a common national market. From the consumer point of view, the biggest advantage is in terms of reduction in the overall tax burden on goods, which is currently estimated to be around 25%-30%. Last but not the least, this tax, because of its transparent and self-policing character, is easier to administer.

Salient Features of GST

The salient features of GST are as under:

- GST is applicable on “supply” of goods or services.
- GST is based on the principle of destination based consumption taxation.
- It is a dual GST with the Centre and the States simultaneously levying it on a common base. The GST to be levied by the Centre is called as Central GST (CGST) and that to be levied by the States [including Union territories with legislature] is called as State GST (SGST). A union territory without legislature has to levy Union territory GST (UTGST).
- An Integrated GST (IGST) is to be levied on inter-State supply (including stock transfers) of goods or services. It is to be collected by the Centre so that the credit chain is not disrupted.
- Import of goods is treated as inter-State supplies and is subject to IGST in addition to the applicable customs duties.
- Import of services is treated as inter-State supplies and is subject to IGST.
- Credit of CGST paid on inputs can be used only for paying CGST on the output and the credit of SGST/UTGST paid on inputs can be used only for paying SGST/UTGST. In other words, the two streams of input tax credit (ITC) cannot be cross utilized, except in specified circumstances of inter-State supplies for payment of IGST. The credit is permitted to be utilized in the following manner:
 - ITC of CGST allowed for payment of CGST & IGST in that order;
 - ITC of SGST allowed for payment of SGST & IGST in that order;
 - ITC of UTGST allowed for payment of UTGST & IGST in that order;
 - ITC of IGST allowed for payment of IGST, CGST & SGST/UTGST in that order.
 - ITC of CGST cannot be used for payment of SGST/UTGST and vice versa.

Let us understand with the help of an example how input tax credit can be used under GST and what cross adjustments will take place. Let’s assume that the Input tax credit of IGST worth Rs. 5,00,000 is available with the supplier. And output CGST is Rs.1,00,000, output IGST is Rs. 3,00,000, and output SGST is Rs. 2,00,000.

Now in order to avail the benefits of tax credit , the ITC shall be first adjusted from IGST then CGST and SGST. However, output CGST can’t be adjusted from ITC of SGST and vice-versa i.e. ITC of CGST/SGST can only be adjusted against output IGST. Following table shows the cross adjustment of IGST,CGST and SGST.

Particulars	ITC of IGST	Output IGST	Output CGST	Output IGST
Amounts	5,00,000	3,00,000	1,00,000	2,00,000
Adjustment of IGST	(3,00,000)	(3,00,000)		
Adjustment of CGST	(1,00,000)		(1,00,000)	
Adjustment of SGST	(1,00,000)			(1,00,000)
Output Tax Payable				1,00,000

From the above example we can see that Output IGST and CGST is completely adjusted in ITC of IGST whereas Output SGST is partially adjusted. Thus, Rs. 1,00,000 SGST is output tax payable.

Implementation in BUSY

To implement GST in BUSY, you need to perform the following steps:

Step 1: Configure GST

Step 2: Create Masters and enter GST related details

Step 3: Enter vouchers and apply GST on them.

Step 4: View/Print GST Reports

We will now discuss these steps in detail.

Step 1: Configure GST

The first step is to configure GST in BUSY. There are two sub-steps in configuring GST. The sub-steps are:

- Enable GST
- Configure GST Account-wise

Enable GST

You can enable GST and specify Default Tax Rate at the time of company creation itself. By specifying default tax rate relevant *Sale Type*, *Purchase Type* and *Tax Category* masters will be created automatically. Given here is a screenshot of *Create Company* window.

Create Company

Company Information

Name	Star Electricals	Address	Shop No. 21.22
Print Name	Star Electricals		Inner Circle
Short Name			Connaught Place
			Delhi
Country	India	CIN	
State	Delhi	IT PAN	ARBPE1496S Ward
F.Y. Beginning from	01-04-2017	Tel.No.	Fax
Books Commencing from	01-07-2017	E - Mail	

Additional Information

Currency Information		VAT/GST Information	
Currency Symbol	Rs. (Rs., \$ etc.)	Enable VAT/GST	Y Type GST
Currency String	Rupees (Rupees, Dollar etc.)	Enable Cess	N Cession
Currency Sub-String	Paisa (Paisa, Cent etc.)	GSTIN	07ARBPE1496S1Z1
Currency Font	Rupee Foradian	Type of Dealer	Regular
Currency Character	₹	Default Tax Rate-1	12.00
		Default Tax Rate-2	28.00
		(You can switch between VAT / GST as per your need)	

Copy Masters, Configuration and Users from existing Company

Not Required
 Copy Masters and Config
 Copy Masters, Config and Users

Esc=>Quit F2=>Done

If you have not enabled GST at the time of company creation then you can enable it through *Administration > Configuration > Features/Options > VAT/GST* tab. On clicking the VAT/GST tab, a VAT/GST window will appear. Given here is the screenshot of VAT/GST window.

VAT / GST

Enable VAT/GST Reporting ▶
 (Above option can not be changed if any Sales, Sales Return, Purchase or Purchase Return voucher has been entered)

Type **GST** **Create Default GST Masters** **Signatory's Details**

Type of Dealer **Regular**

VAT/GST Details

CST No.
LBT No.

VAT Details

TIN Adjust output CST in Input VAT
 Pick VAT Op. Bal. from 'VAT Ledger A/c(s)'

GST Details

GSTIN **07ARBPT1496S2Z1**

Transport Details in Local Sales/Purchase **N**

Add. Tax / Cess Config

Enable Add. Tax / Cess **N**

Item-wise Cess to be Calculated on:

Item Amount TaxAmount Item and TaxAmount

Show Sale / Purchase Amt. as Taxable Amt. in GST Reports **N**

Show captions of 'Sale / Purchase' vouchers as 'Supply Outward / Supply Inward'

Save **Quit**

Esc=>Quit F2=>Done

In the VAT/GST window, specify the type of tax as GST. After specifying the tax type as GST certain data fields become active. Enter the GST related data in the relevant data fields. To create default masters in GST, click the *Create Default GST Masters* button.

Click *Save* button to save the configuration settings for GST.

Configure GST Account-wise

After GST is configured in BUSY, you need to configure GST account-wise for sundry debtors and sundry creditors. Given here is the screenshot of the *Account Master - Add* window.

Add Account Master

General Info. Name Hari Om Electricals (Alias) Print Name Hari Om Electricals Group Sundry Debtors Op. Bal. 0.00 (Rs.) DriCr D Prev. Year Bal. 0.00 (Rs.) DriCr D Maintain Bill By Bill Balancing Y Credit Days Credit Days for Sale 0 Credit Days for Purc. 0		Address Info Address Shop No.342 Sector-9, Dwarka Delhi Country India State / POS Delhi (Code : 07)	
Type of Dealer Registered		Tel. No. Fax Mobile No. E-Mail Enable Email Query Enable SMS Query Contact Person IT PAN ARBWE1234S Ward Aadhaar No. LST No. CST No. TIN LBT No. GSTIN / UIN 07ARBWE1234S1Z1 Service Tax No. IE Code	
Transport Station Specify Default Sale Type N Freeze Sale Type Default Sale Type Specify Default Purc. Type N Freeze Purc. Type Default Purc. Type			

Notes Opt. Fields ACC IMAGE Save Quit

Esc=>Quit F2=>Done

Select the *Type of Dealer* from the list. Following four options appear in the list:

- **Registered** - Select this option when party is a registered dealer i.e. party is having GSTIN No.
- **Un-Registered** - Select this option when party is a un-registered dealer i.e. party is not having GSTIN No.
- **Composition** - Select this option when party is a composite dealer i.e. party is a small assessee and its turnover is less than 75 lacs in previous year.
- **UIN Holder** - Select this option when party is a UIN Holder. A party will be UIN Holder under following cases:
 - Any specialized agency of the United Nations Organization or
 - Any Multilateral Financial Institution and Organization notified under the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947),
 - Consulate or
 - Embassy of foreign countries ;
 - Any other person or classes of person notified by the Commissioner

When you specify the Group as Sundry Debtors or Sundry Creditors a *State/POS* data field becomes active. Enter the *State/POS* and its code will be displayed accordingly. Next, enter GSTIN No. and other GST related details for the account.

Click *Save* button to save the account information.

NOTE: When the group selected is **Expenses**, a *GST Details* option appears. Enter the required information in the data fields. This is required in case of RCM.

Now that you have configured GST in BUSY, you can create masters that are necessary for recording GST related details.

Step 2: Create Masters and enter GST related details

To enter and maintain GST related details, certain masters are required. BUSY will create certain masters automatically as per the Default Tax Rates specified by you at the time of company creation. Let us discuss the following masters which are required to maintain GST related details:

- Tax Category
- Sale/Purchase Type

Let us discuss these masters in detail.

Tax Category

Tax Category master specifies the tax rates which will be applicable for the items with whom the *Tax Category* master will be tagged. Under a single Tax Category, you can specify different tax rates and the date from which they are applicable. Certain Tax Category masters are created automatically as per the Default Tax Rates specified by you at the time of company creation. These can be modified or deleted as per your requirements. Given here is the screenshot of the *Tax Category Master - Add* window.

Tax Category Details Tax Type : GST

Name **18%** Type **Goods**

Stock Account

GST Rate Info

Tax Rate (IGST) **18.00** (For Inter-State Transactions)

Tax Rate (CGST) **9.00** (For Local Transactions)

Tax Rate (SGST) **9.00** (For Local Transactions)

Tax on MRP **N** (Only for Multi-Tax Vouchers)

Change Tax Rate on the Basis of Price **Y** **Nett. Price** **<= 1,000.00**
(Price/MRP as specified in Item Grid will be considered to check applicable Tax Rate)

Tax Rate (IGST) **5.00**

Tax Rate (CGST) **2.50**

Tax Rate (SGST) **2.50**

Change in Tax Rates

S.No	w.e.f.	IGST-Tax %	CGST-Tax %	SGST-Tax %	Tax Type	Cess %
1						---
2						---
3						---
4						---
5						---

Save Quit

Esc=>Quit F2=>Done

You can specify 'Y' in *Change Tax Rate on the basis of Price* data field if Item Tax Rate depends upon its price. For example, if price of an Item is less than 1000 then 5% tax is to be charged and if price is more than 1000 then 18%

tax will be charged. After specifying 'Y' in the data field some options will appear where you have to specify the price and tax related details.

Enter appropriate information in the data fields and click *Save* button to save the new *Tax Category*.

Sale/Purchase Type

A Sale/Purchase Type is classification of sale/purchase based on the type of sale/purchase (central or local) and the rate of GST charged. This classification is required for the purpose of reporting. Certain Sale/Purchase Types are created automatically as per the Default Tax Rates specified by you at the time of company creation. These can be modified or deleted as per your requirements. Given here is the screenshot of the *Sale Type Master - Add* window.

Add Sale Type Master Tax Type : GST

Sale Type: L/GST-18%

Sales Account Information
 Specify here (Single A/c) **Sales**
 Specify here (Separate accounts for different Tax-Rates) [Configure](#)
 Specify in voucher

Region
 Local
 Inter-State

Type of Transaction
 Stock Transfer Others

Taxation Type
 Taxable (Voucher-wise) Taxable (Item-wise)
 Exempt Zero Rated
 Reverse Charge
(Above information can not be changed if any transaction exist for this Sale Type)

Form Information
 Issue ST Form
 Form Issuable
 Receive ST Form
 Form Receivable

Tax Calculation
 Single Tax Rate Multi Tax Rate
CGST Rate (in %) **9.00**
SGST Rate (in %) **9.00**
Cess %
Freeze Tax in Sales **N**
Freeze Tax in Sales Return **N**

For Printing in Documents
Invoice Heading
Invoice Description

Sales through E-Commerce Portal **N**
E-Commerce Portal Name
Other information
Skip in GST Reports **N**

Save **Quit**

Esc=>Quit F2=>Done

Enter appropriate information in the data fields and click *Save* button to save the new *Sale Type Master*.

Now that you have created masters for GST in BUSY, you can record GST related transactions using vouchers.

Step 3: Enter vouchers and apply GST on them

If you have paid/received GST on sale/purchase of goods then you can enter GST related details in the appropriate vouchers. To record GST related details click *Transactions* menu > Select the appropriate voucher.

Let us understand the recording of GST with the help of an example. Star Traders is a dealer of Electronic Items based in Delhi. It sold Electronic Items to Arnav Enterprises, a dealer based in another state Punjab and collected IGST @28%. Given here is a screenshot of the *Sales* voucher that Star Traders enters for sale of electronic items.

Add Supply Outward Voucher

Series **Main** Date **10-07-2017** (Mon) Vch No. **4** Sale Type **I/GST-28%**

Party **Arnav Enterprises** Mat. Centre **Main Store**
 (Cur. Bal. : Rs. 1,15,840.00 Dr) (GSTIN / UIN : 038WERE123452Z3)

Narration

S.N.	Item	Qty.	Unit	Price (Rs.)	Amount (Rs.)
1	Sony Bravia 32" LED TV	15	Pcs.	38,000.00	5,70,000.00
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					

(Cur. Stock = -1 Pcs.) **15** **5,70,000.00**

GST Summary			S.N.	Bill Sundry	@	Amount (Rs.)
Tax Rate	Taxable Amt.	IGST	1	IGST	28.000 %	1,59,600.00
28%	5,70,000.00	1,59,600.00	2			
			3			
			4			
			5			

7,29,600.00

Vch. Detail Master Detail Party Dash Board VCH IMAGE ACC IMAGE ITEM IMAGE Update Discount Check Scheme Save Quit

Esc=>Quit F2=>Done F4=>Std.Nar./BOM F6=>Vch.Type F7=>Repeat F9=>Del.Line

Enter appropriate information in the voucher and click *Save* button to save the voucher.

Once you have entered Sales voucher and received GST, the next step is to make payment to government for GST collected. For this you need to enter a *Payment* voucher. Given here is a screenshot of the *Payment* voucher that Star Traders enters for payment of GST.

Add Payment Voucher

Voucher Series: **Main** Date: **07-08-2017** (Mon) Vch No.

GST Nature: **GST Payment to Government**

S.No	D/C	Account	Debit (Rs.)	Credit (Rs.)	Short Narration
1	D	IGST Output	1,59,600.00		
2	C	State Bank of India		1,59,600.00	
3					
4					
5					
6					
7					

GST Payment Details

GST Payment Details

GST Adjustment Details

CGST Amount	0.00	SGST Amount	0.00
IGST Amount	1,59,600.00		
Challan No.	12345	Dated	07-08-2017
Cheque/DD No.	000231	Dated	07-08-2017
Bank Name	Punjab National Bank		
Bank Code	0023662	Period Ending	31-07-2017
Interest	0.00	Penalty	0.00

Esc=>Quit F2=>Done

Under *GST Nature* data field, select the required option from the list depending upon the transaction you are entering for. In the list following four options appear:

- **Not Applicable** - Select this option when you are entering payment transaction for any expense which is inclusive of GST. For example, Payment made for food ordered from Haldirams already includes GST.
- **UnReg-RCM Purchase/Expense** - Select this option when you are entering payment transaction for Purchase/Expense made through unregistered dealer. For example, Payment made for buying office stationery through an unregistered dealer.
- **Registered Purchase/Expense** - Select this option when you are entering payment transaction for Purchase/Expense made through Registered dealer. For example, Payment made for Telephone Bill to Bharti Airtel and the receipt of payment is specifying company GSTIN No. in order to claim ITC.
- **Refund Against Advance Receipt** - Select this option when you are entering payment transaction for refund of amount received in advance.
- **GST Payment to Government** - Select this option when you are entering payment transaction for paying GST to government.

Enter appropriate information in the voucher and click *Save* button to save the voucher.

Step 4: View/Print GST Reports

Once you have recorded GST related transactions, you can view the GST related reports and returns. To view GST reports, click *Display > GST Reports >* Select a report from the following options:

- GST Summaries
 - GST Summary
 - Item-wise Sales GST Summary
 - Item-wise Purchase GST Summary
 - Party-wise Sales GST Summary
 - Party-wise Purchase GST Summary
- GST Registers
 - Sales Register
 - Purchase Register
- Form GSTR-3B
- GSTR-1
- GSTR-2
- GSTeReturn
- Check Party GSTIN
 - Parties with Invalid GSTIN
- Input Available on Existing Stock

Select the report option as per your requirement and view report.

Given here is a brief description for each of the GST report.

[GST Summaries](#)

GST Summary is a detailed summary of all the transactions related to GST. The report calculates Input tax, Output tax, Tax Payable and so on.

[GST Registers](#)

GST Registers displays summary of sale, purchase vouchers for a specified time period.

[Form GSTR-3B](#)

GSTR-3B is a simpler return that a taxable person under GST needs to file in the first two months of GST (July and August, 2017).

[GSTR-1](#)

GSTR-1 is the monthly GST return to be filed by taxable person registered under GST. GSTR-1 will include the details of all outward supplies made in the given period.

[GSTR-2](#)

GSTR-2 is the monthly GST return to be filed by taxable person registered under GST. GSTR-2 will include the details of all inward supplies made in the given period.

[GSTeReturn](#)

A *GSTeReturn* is a report that is to be submitted in an electronic media such as floppy disk, CD etc to the authorities.

[Check Party GSTIN](#)

Check Party GSTIN report displays list of the parties and Tax invoices (sales and purchase) with invalid GSTIN.

[Input Available on Existing Stock](#)

This report will display the details of Input Available on existing stock i.e. Input available on stock before 1st July;2017 before Implementation of GST.

With this, we have completed Implementation of GST in BUSY.

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