

Import Purchase in BUSY

Overview

Under GST regime, apart from custom duty, IGST is also paid during import of goods. IGST is levied at the local GST rate applicable to the goods being imported. Importer can claim tax credit of IGST paid on imports. No tax credit is available on custom duty paid and it remains a cost for the importer. This type of import where IGST has been paid is called as '**Taxable Import**'.

In some special cases, IGST is not levied during import process and that is called as '**Exempt Import**'.

In case of Import, apart from supplier's invoice (overseas) various other expenses are incurred during import process such as Shipping Charges, Custom Clearing charges, Freight charges etc. which also need to be taken care of.

Import Purchase in BUSY

To implement complete Import purchase cycle in BUSY, first we need to create various masters which are required at the time of entering vouchers.

Step 1: Create *Purchase Type* Masters

- a.) Create '**I/GST-Import (Taxable)**' *Purchase Type* master for Taxable import with following characteristics:
- **Taxation Type** – Taxable
 - **Region** – Inter-state
 - **Type of Transaction** – Import (Normal)
 - **Tax Calculation** – Multi Tax Rate

Given below is the screenshot of '**I/GST-Import (Taxable)**' *Purchase Type* master:

Add Purchase Type Master Tax Type : GST

Purchase Type: **I/GST-Import(Taxable)**

Purchase Account Information

Specify here (Single A/c) Goods **Purchase**

Specify here (Separate accounts for different Tax-Rates) Services **Purchase**

Specify in voucher

Region

Local Inter-State

Type of Transaction

Stock Transfer Others

Import(Normal) SEZ Unit

Taxation Type

Taxable (Voucher-wise) Taxable (Item-wise)

Exempt Non-GST

Composition Dealer Zero Rated

UnReg / RCM

(Above information can not be changed if any transaction exist for this Purc. Type

Form Information

Issue ST Form

Form Issuable

Receive ST Form

Form Receivable

Other Information

Tax Calculation

Single Tax Rate Multi Tax Rate

IGST Rate (in %)

Cess %

Freeze Tax in Purchase

Freeze Tax in Purchase Return

For Printing in Documents

Invoice Heading

Invoice Description

Skip in GST Reports N

Esc=>Quit F2=>Done

b.) Create '**Import(Exempt)**' Purchase Type master for Exempt import with following characteristics:

- **Taxation Type** – Exempt
- **Region** – Inter-state
- **Type of Transaction** – Import (Normal)

Given below is the screenshot of '**Import (Exempt)**' Purchase Type master:

Add Purchase Type Master Tax Type : GST

Purchase Type **Import(Exempt)**

Purchase Account Information

Specify here (Single A/c) **Purchase**

Specify here (Separate accounts for different Tax-Rates)

Specify in voucher

Region

Local **Type of Transaction**

Inter-State Stock Transfer

Import(Normal) Others

SEZ Unit

Taxation Type

Taxable (Voucher-wise) Taxable (Item-wise)

Exempt Non-GST

Composition Dealer Zero Rated

UnReg / RCM

(Above information can not be changed if any transaction exist for this Purc. Type)

Form Information

Issue ST Form

Form Issuable

Receive ST Form

Form Receivable

Tax Calculation

Single Tax Rate Multi Tax Rate

IGST Rate (in %)

Cess %

Freeze Tax in Purchase

Freeze Tax in Purchase Return

For Printing in Documents

Invoice Heading

Invoice Description

Other Information

Skip in GST Reports N

Esc=>Quit F2=>Done

Step 2: Create Account 'IGST Paid Against Import'

Create a new Account **'IGST Paid Against Import'** required for maintaining account for IGST paid against imported goods. This account will be debited at the time of making IGST payment and will be credited at the time of booking purchase. Ultimately this account will be nullified. Given below is the screenshot of **'IGST Paid Against Import'** Account master.

Add Bill Sundry Master

Name: Custom Duty
 Alias: Custom Duty
 Print Name: Custom Duty
 Bill Sundry Type: Additive
 Bill Sundry Nature: Others
 Default Value: 0.000
 Sub Total Heading: Total
 Affects the Cost of Goods in Sale: N
 Affects the Cost of Goods in Purchase: Y
 Affects the Cost of Goods in Material Issue: N
 Affects the Cost of Goods in Material Receipt: N
 Affects the Cost of Goods in Stock Transfer: N

Accounting In Sale
 Affects Accounting: N
 Adjust In Sale Amount
 Account Head to Post
 Adjust In Party Amount
 Account Head to Post
 Post Over and Above

Accounting In Purchase
 Affects Accounting: N
 Adjust In Purchase Amount
 Account Head to Post
 Adjust In Party Amount
 Account Head to Post
 Post Over And Above

Accounting In Material Issue/Receipt/Stock Transfer
 Material Issue Material Receipt Stock Transfer
 Affect Accounting
 Other Side
 Account Head To Post
 Adjust in MC
 Account Head To Post
 Post Over And Above

Amount of Bill Sundry to be fed as
 Absolute Amount Per Main Qty.
 Per Part Qty. Per Packaging Qty.
 Percentage

of 100.00 % of
 Nett Bill Amount Selective Calculation N
 Items Basic Amt.
 Total MRP of Items
 Taxable Amount
 Previous Bill Sundry(s) Amount
 Other Bill Sundry

Previous Bill Sundry(s) Details
 No. of Bill Sundry(s): 1
 Consolidate Bill Sundries Amt.: N

Bill Sundry to be Calculated On
 Bill Sundry Amount Bill Sundry Applied On

Bill Sundry Amount Round Off
 Round off Bill Sundry Amount: N
 Rounding off Nearest to: Rs.

Save Quit

Esc=>Quit F2=>Done

b.) **IGST (Import)** – This *Bill sundry* is to be applied in *Purchase* voucher for IGST charged on goods imported. It will also be a Non-impact Bill Sundry i.e. it will not affect the invoice amount but it will affect the accounting and will be reflected in GSTR-2(5A) report. Given below is the screenshot of IGST (Import) *Bill Sundry* master:

Add Bill Sundry Master

Name: **IGST Import**
 Alias:
 Print Name: **IGST Import**
 Bill Sundry Type: **Additive**
 Bill Sundry Nature: **IGST**
 Default Value: **0.000**
 Sub Total Heading: **Total**

Affects the Cost of Goods in Sale: **N**
 Affects the Cost of Goods in Purchase: **N**
 Affects the Cost of Goods in Material Issue: **N**
 Affects the Cost of Goods in Material Receipt: **N**
 Affects the Cost of Goods in Stock Transfer: **N**

Accounting In Sale

Affects Accounting	Y
Adjust In Sale Amount	Y
Account Head to Post	
Adjust In Party Amount	Y
Account Head to Post	
Post Over and Above	

Accounting In Purchase

Affects Accounting	Y	
Adjust In Purchase Amount	N	Specify Acc. Here
Account Head to Post		IGST Input
Adjust In Party Amount	N	Specify Acc. Here
Account Head to Post		IGST Paid Against Import
Post Over and Above		

Accounting In Material Issue/Receipt/Stock Transfer

Material Issue Material Receipt Stock Transfer

Affect Accounting
 Other Side
 Account Head To Post
 Adjust in MC
 Account Head To Post
 Post Over And Above

Amount of Bill Sundry to be fed as:

Absolute Amount Per Main Qty.
 Per Packaging Qty. Percentage

100.00 % of

Nett Bill Amount
 Items Basic Amt.
 Total MRP of Items
 Taxable Amount
 Previous Bill Sundry(s) Amount
 Other Bill Sundry

Previous Bill Sundry(s) Details

No. of Bill Sundry(s)	1
Consolidate Bill Sundries Amt.	N

Bill Sundry to be Calculated On:

Bill Sundry Amount Bill Sundry Applied On

Bill Sundry Amount Round Off:
 Round off Bill Sundry Amount: **N**
 Rounding off Nearest to: Rs.

Save **Quit**

Esc=>Quit F2=>Done

Under *Accounting in Purchase* section 'IGST Input' account will be debited (to increase the input) and 'IGST Paid Against Import' account will be credited.

Note: This Bill Sundry is to be applied only in case of Taxable Import.

c.) **Others (Freight, Clearing, Shipping)** – This *Bill sundry* is to be applied in *Purchase* voucher for other charges (such as Freight, Custom Clearing Charges, Shipping Charges etc.) paid during import. This will also be a Non-impact *Bill Sundry* i.e. neither it will affect the invoice amount nor accounting. It will only increase the cost of goods. Given below is the screenshot of Others (Freight, Clearing, Shipping) *Bill Sundry* master:

Add Bill Sundry Master

Name: Others(Freight, Clearing, Shipping)
 Alias:
 Print Name: Others(Freight, Clearing, Shipping)
 Bill Sundry Type: Additive
 Bill Sundry Nature: Others
 Default Value: 0.000
 Sub Total Heading: Total

Affects the Cost of Goods in Sale: N
 Affects the Cost of Goods in Purchase: Y
 Affects the Cost of Goods in Material Issue: N
 Affects the Cost of Goods in Material Receipt: N
 Affects the Cost of Goods in Stock Transfer: N

Accounting In Sale
 Affects Accounting: N
 Adjust In Sale Amount
 Account Head to Post
 Adjust In Party Amount
 Account Head to Post
 Post Over and Above

Accounting In Purchase
 Affects Accounting: N
 Adjust In Purchase Amount
 Account Head to Post
 Adjust In Party Amount
 Account Head to Post
 Post Over And Above

Accounting In Material Issue/Receipt/Stock Transfer
 Material Issue Material Receipt Stock Transfer

Affect Accounting
 Other Side
 Account Head To Post
 Adjust In MC
 Account Head To Post
 Post Over And Above

Amount of Bill Sundry to be fed as
 Absolute Amount Per Main Qty.
 Per Alt. Qty. Per Packaging Qty.
 Percentage

of 100.00 % of
 Nett Bill Amount Items Basic Amt.
 Total MRP of Items Taxable Amount
 Previous Bill Sundry(s) Amount Other Bill Sundry

Selective Calculation: N

Previous Bill Sundry(s) Details
 No. of Bill Sundry(s): 1
 Consolidate Bill Sundries Amt.: N

Bill Sundry to be Calculated On
 Bill Sundry Amount Bill Sundry Applied On

Bill Sundry Amount Round Off
 Round off Bill Sundry Amount: N
 Rounding off Nearest to: Rs.

Save Quit

Esc=>Quit F2=>Done

After creating above three *Bill Sundry* masters we can proceed to enter vouchers related to import purchase.

Step 4: Create Dummy Party 'Import Purchase'

Create a Dummy Party named 'Import Purchase'. This party is to be debited at the time of entering multi-currency *Journal* voucher to settle the foreign currency amount with Indian INR and to be credited at the time of entering *Purchase* voucher. At the end this Party amount will be nullified.

Add Account Master

General Info.

Name **Import Purchase**
 (Alias)
 Print Name **Import Purchase**

Group **Sundry Creditors**

Multi Currency **Y**

Op. Bal. (Composite) **0.00** (Rs.) Dr/Cr **D**
 Prev. Year Bal. **0.00** (Rs.) Dr/Cr **C**

Type of Dealer **Un-Registered**

Transport Station

Specify Default Sale Type **N**
 Default Sale Type Freeze Sale Type

Specify Default Purc. Type **N**
 Default Purc. Type Freeze Purc. Type

Address Info

Address

Country **India** State / POS **Delhi** (Code : 07)

Tel. No.
 Fax
 Mobile No.
 E-Mail
 Enable Email Query Enable SMS Query

Contact Person
 IT PAN Ward
 Aadhaar No.
 LST No.
 CST No.
 TIN
 LBT No.
 GSTIN / UIN
 Service Tax No.
 IE Code

Notes Opt. Fields ACC IMAGE Save Quit

Esc=>Quit F2=>Done

Step 5: Enter vouchers for multi-currency related transactions and additional expenses incurred

Enter *Journal* or *Payment* voucher for multi-currency related transactions and expenses such as Freight, Shipping Charges and Custom Clearing Charges.

Given below are the screenshots of voucher(s) to be entered.

a.) *Journal* voucher for multi-currency related transaction.

Enter a multi-currency *Journal voucher* in which Debit the dummy Party named 'Import Purchase' and Credit the Party from whom you have imported the goods and specify the amount in currency used by that party (such as dollar, euro etc.). This entry is to settle the foreign currency amount with Indian INR so that while posting Purchase voucher, you can enter it in INR. Now, while entering Purchase voucher use dummy Party you have created i.e. 'Import Purchase'.

List - F5 Delete - F8 Copy

Modify Journal Voucher

Voucher Series **Main** Date **20-07-2017** (Thu) Vch No.

GST Nature **Not Applicable/Non-GST**

S.No	D/C	Account	Debit (\$)	Credit (\$)	Short Narration
1	D	Import Purchase	6,875.49		
2	C	Galibo(Thailand) Company Limited		6,875.49	
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					

(Cur. Bal. : Rs. 4,39,000.04 Cr, \$ 6,875.49 Cr) **6,875.49** **6,875.49** Currency : \$; Con. Rate : 63.850000

Long Narration

Vch. Other Detail Master Other Detail ACC IMAGE VCH IMAGE Save Quit

Esc=>Quit F2=>Done F4=>Std.Nar. F6=>Vch.Type F7=>Repeat F9=>Del. Line PgDn => Next PgUp =>

b.) *Journal* voucher for expense incurred for shipping charges from a Registered dealer.

Note: While entering *Journal* or *Payment* voucher for additional expenses incurred, you need to select GST Nature depending upon the party. If party is registered then select GST Nature as '**Registered Expense (B2B)**' whereas if party is unregistered then select GST Nature as '**RCM/UnReg. Expense**'.

Add Journal Voucher

Voucher Series **Main** Date **11-07-2017** (Tue) Vch No.

GST Nature **Registered Expense (B2B)**

S.No	D/C	Account	Debit (Rs.)	Credit (Rs.)	Short Narration
1	D	Shipping Charges	25,000.00		
2	D	IGST Input	4,500.00		
3	C	Raj India Pvt. Ltd.		29,500.00	

Registered Expense

Expense Account Name : Shipping Charges
Expense Amount to be Adjusted : Rs. 25,000.00

Party **Raj India Pvt. Ltd.**
Region : Inter-State ; Place of Supply : Maharashtra (27)

SN	Purc. Inv. No.	Purc. Bill Date	Taxable Amt	IGST%	IGST Amt	ITC Eligibility
1	0023	11-07-2017	25,000.00	18.00	4,500.00	Input Services
2						
3						
4						
5						
6						
7						

25,000.00 4,500.00

Adjustment would be reflected in : GSTR2

Tax Summary

Tax Rate	Taxable Amt	IGST
18%	25,000.00	4,500.00

Esc=>Quit F2=>Done

Note: Since this expense is B2B, you will get Input Credit for the GST paid for Shipping Charges.

c.) *Journal* voucher entered for expense incurred for Custom Clearing Charges from a Registered dealer.

Add Journal Voucher

Voucher Series **Main** Date **20-07-2017** (Thu) Vch No.

GST Nature **Registered Expense (B2B)**

S.No	D/C	Account	Debit (Rs.)	Credit (Rs.)	Short Narration
1	D	Agency Service Charges	6,000.00		
2	D	CGST Input	540.00		
3	D	SGST Input	540.00		
4	C	India Clearing House		7,080.00	

Registered Expense

Expense Account Name : Agency Service Charges
Expense Amount to be Adjusted : Rs. 6,000.00

Party **India Clearing House**

Region : Local ; Place of Supply : Delhi (07)

SN	Purc. Inv. No.	Purc. Bill Date	Taxable Amt	GST%	CGST Amt	SGST Amt	ITC Eligibility
1	0012	20-07-2017	6,000.00	18.00	540.00	540.00	Input Services
2							
3							
4							
5							
6							
7							

6,000.00
540.00
540.00

Tax Summary			
Tax Rate	Taxable Amt	CGST	SGST
9+9%	6,000.00	540.00	540.00

Adjustment would be reflected in : GSTR2

(Cur. Bal. : Rs. 0.00) Vch. Other Detail Mas Esc=>Quit F2=>Done

Note: Since this expense is also B2B, you will get Input Credit for the GST paid for Custom Clearing Charges.

d.) *Journal* voucher entered for expense incurred for freight charges from an Unregistered dealer.

Add Journal Voucher

Voucher Series **Main** Date **20-07-2017** (Thu) Vch No.

GST Nature RCM/Unreg. Expense

S.No	D/C	Account	Debit (Rs.)	Credit (Rs.)	Short Narration
1	D	Freight & Forwarding Charges	5,000.00		
2	C	Raj Transport Company		5,000.00	
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
			5,000.00	5,000.00	

(Cur. Bal. : Rs. 0.00)

Long Narration

Vch. Other Detail Master Other Detail ACC IMAGE VCH IMAGE Save Quit

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

Note: Since this expense is from Unregistered dealer, GST on Freight will be reflected under RCM Liability.

Step 6: Enter Import Purchase Voucher

Now enter *Purchase* voucher for the goods imported and tag the *Bill Sundries* respectively.

Case 1 (Taxable Import): Given below is the screenshot of *Purchase* voucher to be entered in case of taxable import.

Series **Main** Date **20-07-2017** (Thu) Vch No. **2017/007** **Add Purchase Voucher**
 Party **Import Purchase** (Cur. Bal. : Rs. 4,39,000.04 Dr) (GSTIN / UPI :) Mat. Centre **Main Store** Purc Type **I/GST-Import(Taxable)**

ITC Eligibility **Input Goods/Services**

Narration: This Item is taxable at 18%

S.N.	Item	Qty.	Unit	Price (Rs.)	Amount (Rs.)
1	Folding Plastic Stool - Multi Coloured	1,200.00	Pcs.	220.00	2,64,000.00
2	Sports Gloves	500.00	Pcs.	350.00	1,75,000.00
3					
4					
5					
6					
7					
8					
9					

This Item is taxable at 12%

All these Bill Sundries will have no impact on bill amount

(Cur. Stock = 0.00 Pcs.) **1,700.00** **4,39,000.00**

S.N.	Bill Sundry	@	Amount (Rs.)
* 1	Custom Duty		60,000.00
* 2	IGST (Import)	18.000 %	54,015.00
* 3	IGST (Import)	12.000 %	23,870.00
* 4	Others(Freight, Clearing, Shipping)		41,580.00

Totals: Taxable Amt. 4,99,000.00, IGST 77,885.00

* (+) 179465.00 **4,39,000.00**

This is the total amount of all three Journal vouchers entered for expenses incurred

Vch. Detail Master Detail Party Dash Board VCH PAGE ACC IMAGE ITEM IMAGE Update Disc./Markup Check Scheme Save Quit

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

NOTE: Items entered in the voucher are taxable at different rates. First item is taxable at 18% and second is taxable at 12%. Thus, in Bill sundry IGST (Import) 18% and 12% is levied. BUSY will automatically calculate the tax amount as per the tax rate specified in item master. Like, in this voucher IGST (Import) 18% is calculated on first item taxable amount and IGST (Import) 12% is calculated on second item taxable amount.

Case 2 (Exempt Import): Given below is the screenshot of *Purchase* voucher to be entered in case of exempt import.

Series **Main** Date **20-07-2017** (Thu) Vch No. **2017/007** **Add Purchase Voucher**
 Party **Import Purchase** (Cur. Bal. : Rs. 4,39,000.04 Dr) (GSTIN / UIN :) **Mat. Centre Main Store** **Purc Type Import(Exempt)**

ITC Eligibility **Input Goods/Services**

Narration

S.N.	Item	Qty.	Unit	Price (Rs.)	Amount (Rs.)
1	Folding Plastic Stool - Multi Coloured	1,200.00	Pcs.	220.00	2,64,000.00
2	Sports Gloves	500.00	Pcs.	350.00	1,75,000.00
3					
4					
5					
6					
7					
8					
9					
10					
11					

(Cur. Stock = 0.00 Pcs.)

No tax is charged in Bill Sundry as goods imported are exempted

S.N.	Bill Sundry	@	Amount (Rs.)
* 1	Custom Duty		60,000.00
* 2	Others(Freight, Clearing, Shipping)		41,580.00
3			
4			
5			

GST Summary

Tax Rate	Taxable Amt.	IGST
0%	4,39,000.00	
Totals	4,39,000.00	0.00

(+) 101580.00 (Currency : Rs.) **4,39,000.00**

Vch. Detail Master Detail Party Dash Board VCH PAGE ACC IMAGE ITEM IMAGE Update Disc./Markup Check Scheme Save Quit

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

Note: In above Purchase voucher(s) we have shown all values in INR and it is advisable to do so for proper GST reporting. We have already passed a Journal voucher in multi-currency to settle foreign Party account.

Step 7: Enter Payment voucher for payment of Custom duty and IGST amount

Given below is the screen shot for Payment voucher towards payment of Custom Duty & IGST.

Add Payment Voucher

Voucher Series: **Main** Date: **20-07-2017** (Thu) Vch No. _____

GST Nature: **Not Applicable/Non-GST**

S.No	D/C	Account	Debit (Rs.)	Credit (Rs.)	Short Narration
1	D	Custom Duty	60,000.00		
2	D	IGST Paid Against Import	77,885.00		
3	C	State Bank of India		1,37,885.00	
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					

(Cur. Bal. : Rs. 6,520.00 Cr) **1,37,885.00 1,37,885.00**

Long Narration

Vch. Other Detail Master Other Detail Party Dash Board VCH IMAGE ACC IMAGE **Save** **Quit**

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

IGST is to be paid only in case of Taxable Import

Step 8: Reflection in GST Reports

You can view **GSTR-2 (5A)** Report for Import of Goods. Given below is the screenshot of GSTR-2 (5A) Report.

5A - Import of Goods/Capital Goods from Overseas									
Sl. No.	Party Name	Invoice No.	Invoice Date	Invoice Value	Rate	Taxable Value	Integrated Tax	Eligibility of ITC	Integrated Tax availabl...
	Galibo(Thailand)Company Limited	2017/007	20-07-2017	4,39,000.00	12.00 %	1,98,918.00	23,870.00	Input Goods	23,870.00
					18.00 %	3,00,082.00	54,015.00	Input Goods	54,015.00

Other expense booked as **'Registered Expense (B2B)'** will also be reflected in GSTR-2 in appropriate tables.

Conclusion

By creating masters as shown above and feeding all vouchers in specified manner, complete Import Purchase cycle can easily be implemented in BUSY.