



Country Solution India

IFSCLOUD23R2

Table of Contents

Note:	2
1 Company Set-up	3
2 Solution Overview	5
3 System Define Indian States	6
4 Overview – Indian Taxes	8
5 Tax Code Structures – Manual Tax Base Amount	11
6 HSN/SAC Codes Basic Data Setting and Fetch Tax Structure via HSN/SAC Codes	25
7 HSN/SAC Codes and Intra/Inter State Tax Rates Fetching	29
8 Address Specific Tax Registration Number	88
9 Indian Reverse Charge	100
10 Number of Decimals in Withheld Tax Amount, Supplier Invoice	112
11 Allow Specific Currency Rates for Supplier Tax Withholding	116
12 TCS – Tax Collected at Source	123
13 TDS – Tax Deducted at Source	130
14 India e-Invoice	134
15 Taxes in intracompany goods movement	146
16 Customs Import Declaration Number on Receipt (moved to generic functionality)	159
17 Print Invoice Copy In Base Currency (moved to generic functionality)	159
18 Business Reporting Infrastructure for Tax Reporting	160
19 Support Handling of HSN/SAC Codes in External Invoice for Customer and Supplier	167
20 Appendix	173

Note:

The capabilities listed below have been moved to generic functionality. These capabilities are no longer parameterized by Localization Control Center, they are general for any country. The capabilities moved to generic functionality are:

- Customs Import Declaration Number on Receipt
- Print Invoice Copy In Base Currency

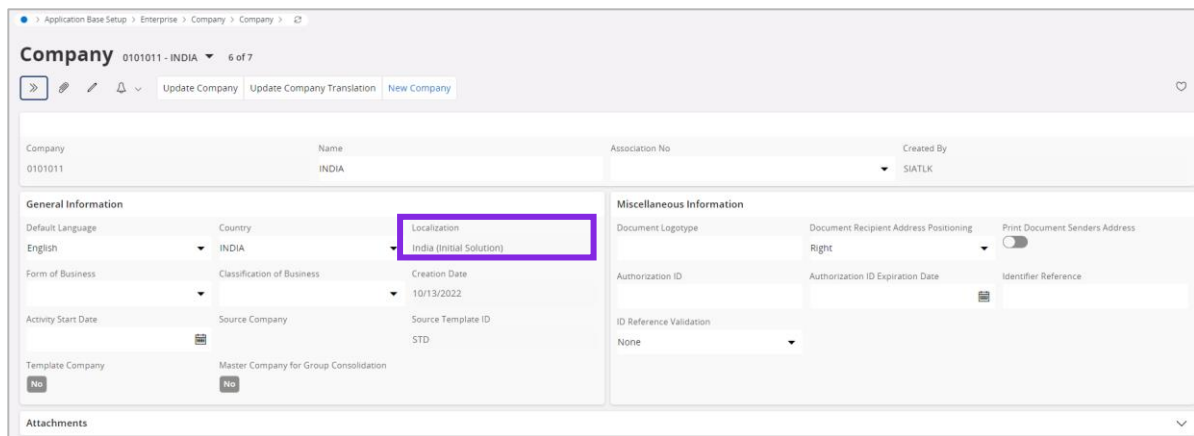
1 Company Set-up

1.1 Overview

In order to utilize the Indian functionality, the company must be set up as using the Indian localization. This is defined on the page **Company/General Information**.

1.2 Define localization.

- Open the page, *Company*.
- Search for the company.
- Select “India” in the drop-down list in the **Localization** field in **General Information** and **Save**. Note that this cannot be changed once transactions are created for the company.

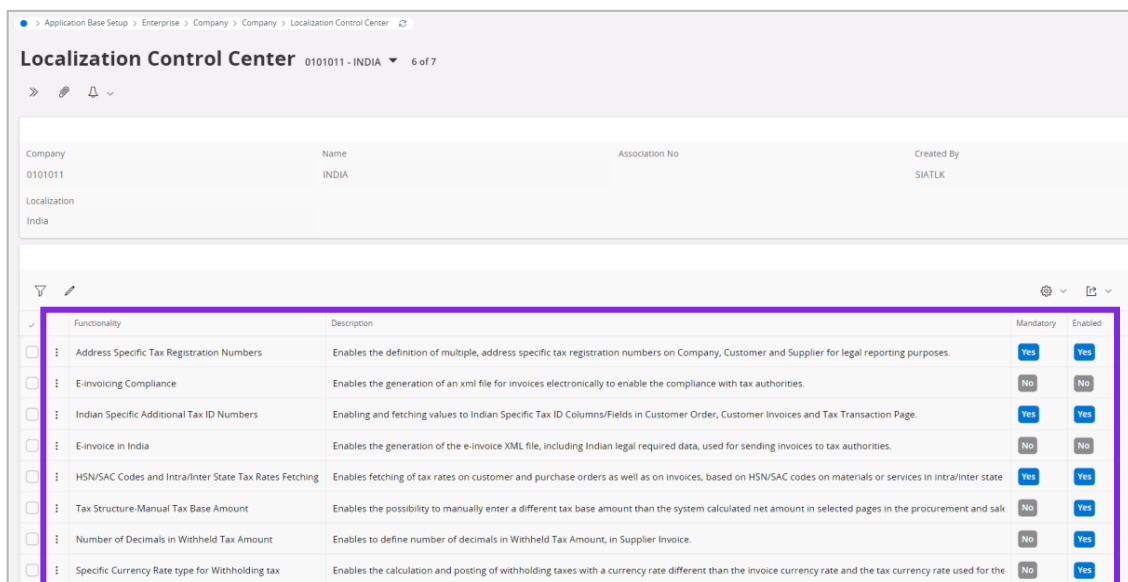


The screenshot shows the 'Company' setup page for company 0101011 - INDIA. The 'General Information' tab is active. The 'Localization' field is highlighted with a red box and set to 'India (Initial Solution)'. Other fields include Default Language (English), Country (INDIA), Form of Business, Classification of Business, Creation Date (10/13/2022), Activity Start Date, Source Company, Source Template ID (STD), and Template Company (No).

1.3 Select Localization functionality.

Specify which functionality to use.

- Open **Localization Control Center** sub menu under **Company**.
- The localization selected in previous step is displayed in the **Localization Control Center** field and cannot be changed.
- All functionalities available for India are presented in the list. **Enable/Disable** the functionalities based on the requirements for the company by selecting the toggle buttons **Enable**. Note that some functionalities are mandatory and cannot be disabled.



The screenshot shows the 'Localization Control Center' page for company 0101011 - INDIA. The 'Localization' field is set to 'India'. Below is a table of functionalities with 'Mandatory' and 'Enabled' toggle buttons.

Functionality	Description	Mandatory	Enabled
<input type="checkbox"/> Address Specific Tax Registration Numbers	Enables the definition of multiple, address specific tax registration numbers on Company, Customer and Supplier for legal reporting purposes.	Yes	Yes
<input type="checkbox"/> E-Invoicing Compliance	Enables the generation of an xml file for invoices electronically to enable the compliance with tax authorities.	No	No
<input type="checkbox"/> Indian Specific Additional Tax ID Numbers	Enabling and fetching values to Indian Specific Tax ID Columns/Fields in Customer Order, Customer Invoices and Tax Transaction Page.	Yes	Yes
<input type="checkbox"/> E-Invoice in India	Enables the generation of the e-invoice XML file, including Indian legal required data, used for sending invoices to tax authorities.	No	No
<input type="checkbox"/> HSN/SAC Codes and Intra/Inter State Tax Rates Fetching	Enables fetching of tax rates on customer and purchase orders as well as on invoices, based on HSN/SAC codes on materials or services in intra/inter state	Yes	Yes
<input type="checkbox"/> Tax Structure-Manual Tax Base Amount	Enables the possibility to manually enter a different tax base amount than the system calculated net amount in selected pages in the procurement and sale	No	Yes
<input type="checkbox"/> Number of Decimals in Withheld Tax Amount	Enables to define number of decimals in Withheld Tax Amount, in Supplier Invoice.	No	Yes
<input type="checkbox"/> Specific Currency Rate type for Withholding tax	Enables the calculation and posting of withholding taxes with a currency rate different than the invoice currency rate and the tax currency rate used for the	No	Yes

1.4 Prerequisites

To handle the Indian multiple tax system, the following prerequisites must be set up in the application.

1.5 prerequisites settings related to IFS CLOUD core functionality

Prerequisites: Application base setup

- The only supported tax method calculation is 'Line Level'.
 - On the **Company/ Tax Control/ Invoice** tab, set the **Tax Rounding Level** field to 'Line Level'.
 - On the **Customer/ Address/ Delivery Tax Information** tab, set the **Tax Rounding Level** field 'Line Level' or 'Specified on company'.
- On the **Company/ Tax Control /Invoice** tab, set the **Amount Method** field to 'Net Amount Entry'.
- On the **Company/ Tax Control /Invoice** tab, leave the **Tax Amount Limit, Outgoing Invoice Lines** toggle not selected.
- On the **Company/ Accounting Rules/ Currency Rate Information** tab leave the **Allow Specific Currency Rates for Tax Transactions** toggle not selected.
- On the **Company/Payment/General** tab:
 - Leave the **VAT Reduction at Discount** toggle unselected.
 - Leave the **Allow Write-off for Partial Payment** toggle not selected.
- The only supported **Tax Type** for tax codes is 'Tax', and "Tax Withhold".
- The only supported **Tax Method** for tax codes is 'Invoice Entry'.
- On the **Company/ Tax Control/ Invoice** tab, set the **Tax Correspondence, invoice line – Manual Postings** to unselected.
- On the **Company/ Tax Control/ General/ Customer Tax Code Validation**, set the **Object Level** toggle to unselected.

1.5.1.1 Prerequisites: Customer Order flow

- On the **Customer/ Order/ Misc Customer Info** tab leave the **Print Tax Info** toggle not selected.
- On the **Company/ Tax Control /Sales & Procurement** tab select the **Customer Order, Taxable** toggle since taxes will be calculated on the customer order.

1.5.1.2 Prerequisites: Purchase Order flow and Supplier Invoice

- On the **Supplier/ Purchase /Misc Supplier Info** tab leave the **Print Tax Info** toggle not selected.
- On the **Company/ Tax Control /Sales & Procurement** tab select the **Purchasing, Taxable** toggle since taxes will be calculated on the purchase order.

2 Solution Overview

System Define Indian States

- GST is a destination based tax applicable for supply of goods and services or both administered concurrently by the **Center** and **State** Governments throughout the value chain.

Tax Code Structure -Manual Tax Base Amount

- Enable Enables manual tax base amount in tax structure.

HSN/SAC Codes & Basic data for fetch tax structure via HSN/SAC.

- Define HSN/SAC Codes in the application.
- Connect Tax Structure to HSN/SAC Codes.
- Connect codes to transaction level.

Validation of states in transaction level

- Validation of states in transaction level to fetch correct HSN/SAC Code and the Tax Structure.

Address Specific Tax Registration Numbers

- Application to provide with the possibility of recording different GSTIN number state wise and could be multiple within a state.
- Invoice and Tax Transaction Information handled to record multiple Tax ID Numbers when goods and services are moved between companies.

Reverse Charge

- Indian Reverse Charge to be facilitated thru the "Use Tax".

New Information to Invoice RDF Level

- Make available legally required new information on invoice RDF Level.

Tax Reporting

- Make available legally required new information for GST reporting in Tax Ledger.

3 System Define Indian States

3.1 Overview Legal Requirement

The Indian State in the buyer's address (the place of supply), and the Indian State in the seller's address (the location of supplier) determines whether a transaction is an Intrastate transaction or an Interstate transaction as per the Section 8, 10, and 12 of the Integrated Goods and Services Tax Act, 2017.

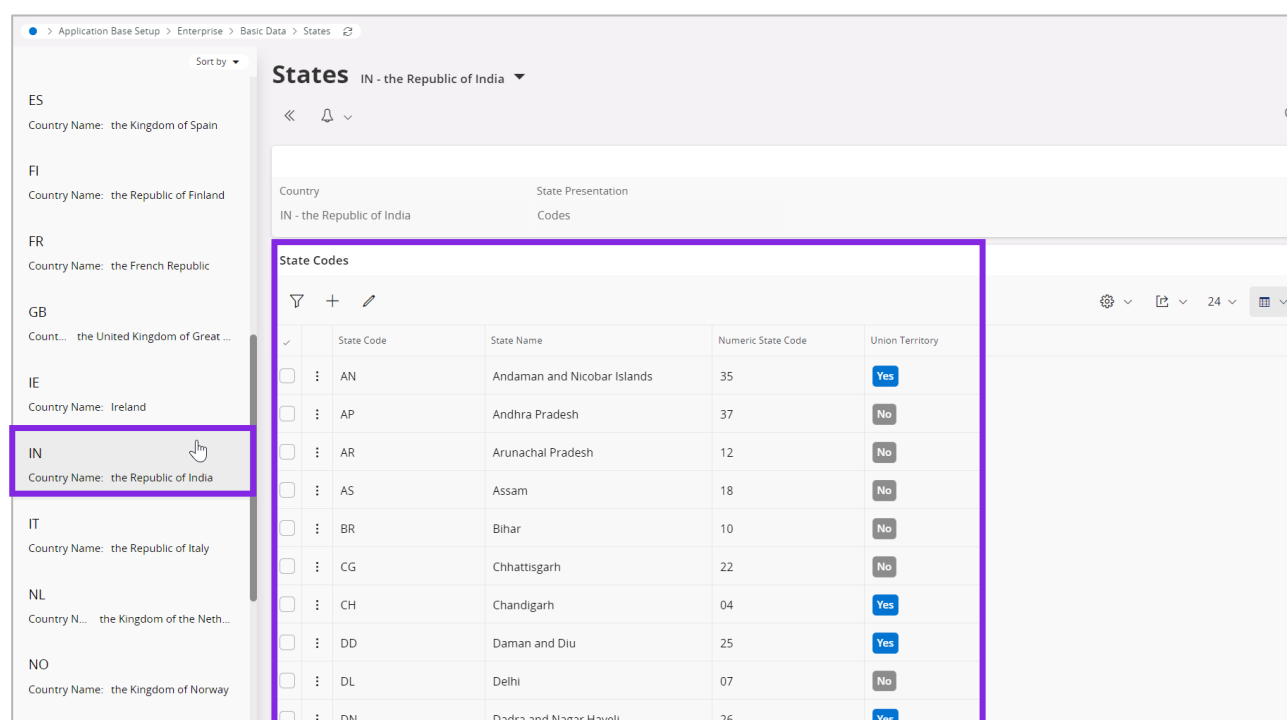
Accordingly, if the two delivery ends of a transaction (buyer's state and seller's state) is within one state, the transaction is categorized as 'Intrastate' and if the same is across two states, then the transaction is categorized as 'Interstate'.

3.2 Solution Overview

To support this requirement of levying the taxes mainly based on the Indian States (whether Intrastate or Interstate) and the product/service category, it's required to facilitate system-defined Indian 'States' and the 'State Codes' in IFS Cloud.

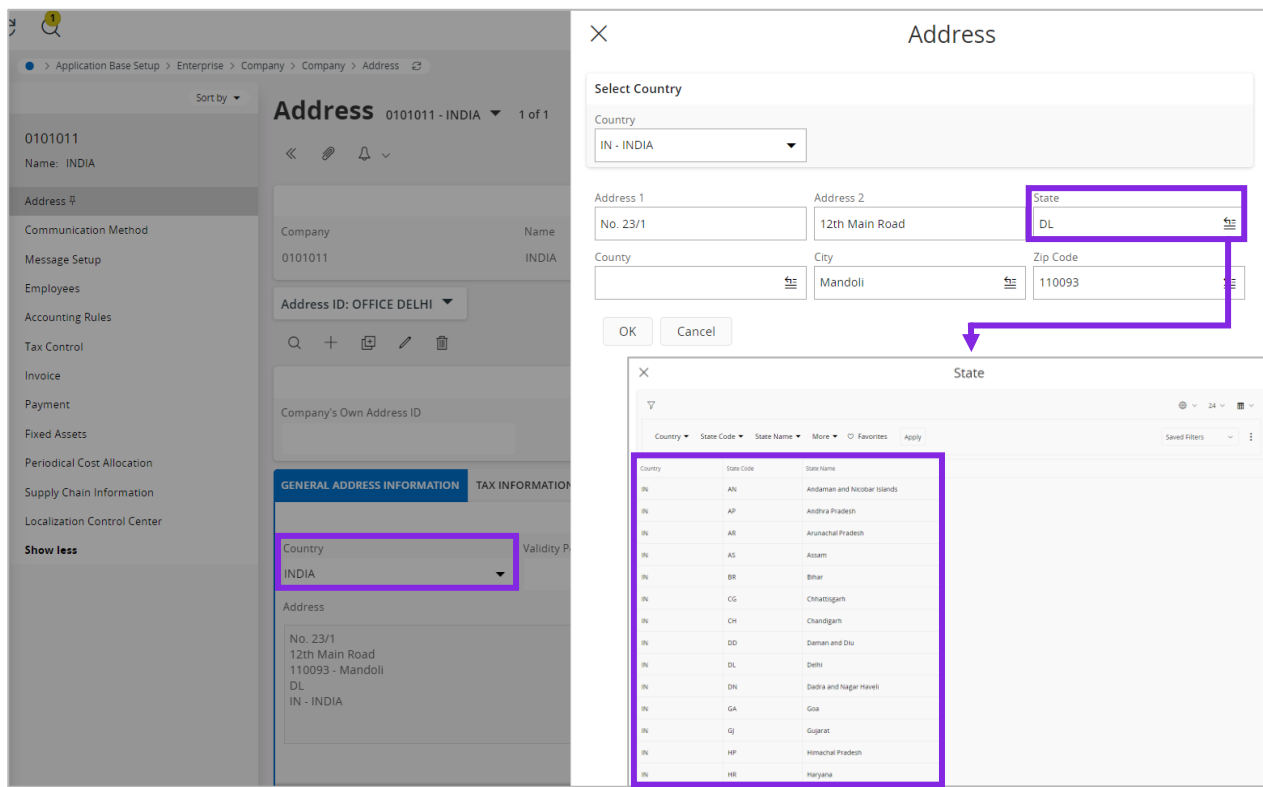
Accordingly, in the **States** page, the user can view the list of system defined Indian **State Codes**, **State Names**, **Numeric State Codes**, and determination of whether the state is a **Union Territory** under **IN** (Indian Republic) country code.

The new **State Code No** column is only visible when there is IN value in the **Country Code** field.



State Code	State Name	Numeric State Code	Union Territory
AN	Andaman and Nicobar Islands	35	Yes
AP	Andhra Pradesh	37	No
AR	Arunachal Pradesh	12	No
AS	Assam	18	No
BR	Bihar	10	No
CG	Chhattisgarh	22	No
CH	Chandigarh	04	Yes
DD	Daman and Diu	25	Yes
DL	Delhi	07	No
DN	Dadra and Nagar Haveli	26	Yes

As a result of the system defined state codes, the user will be able to select the applicable state code from list of values, when registering an address in IFS Cloud if the country is India (IN).



Note: Note that **state** is a mandatory field for companies in India and is validated using the **Address Setup per Country** page (**Address Setup per Country /IN /Validate State code /Yes**). The user is expected to enter full addresses (with cities and states) when entering an address in the application.

“State Code” is also made available on Invoice RDF level to facilitate customer invoice layouts (RDL).

4 Overview – Indian Taxes

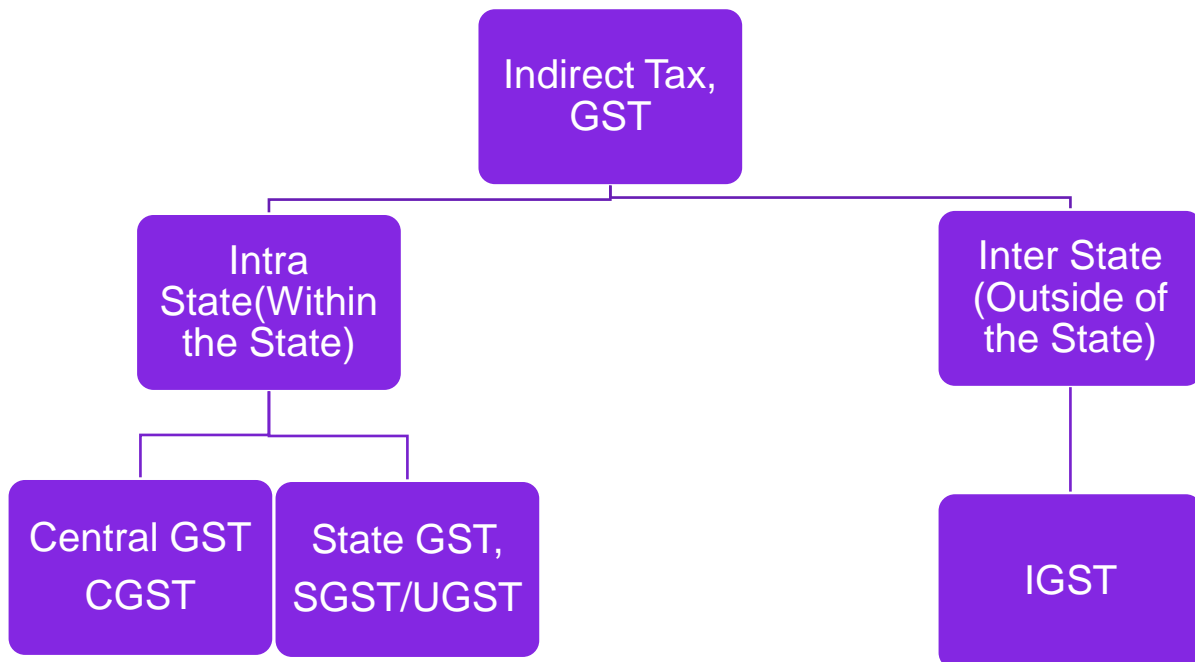
4.1 Overview Legal Requirement

Goods and Services Tax (GST) is an indirect tax which was introduced in India on 1 July 2017 and was applicable throughout India which replaced multiple cascading taxes levied by the central and state governments. It was introduced as The Constitution (One Hundred and First Amendment) Act 2017,[1] following the passage of Constitution 122nd Amendment Bill. The GST is governed by a GST Council and its Chairman is the Finance Minister of India. Under GST, goods and services are taxed at the following rates, 0, 5%, 12% ,18% and 28%. There is a special rate of 0.25% on rough precious and semi-precious stones and 3% on gold.[2] In addition a cess (tax) of 15% or other rates on top of 28% GST applies on few items like aerated drinks, luxury cars and tobacco products.[3] GST was initially proposed to replace a slew of indirect taxes with a unified tax and was therefore set to dramatically reshape the country's 2 trillion dollar economy.[4] The rate of GST in India is between double to four times that levied in other countries like Singapore.[5]

(Extracted from Wikipedia)

4.2 Process Overview

GST in India



Keeping in mind the federal structure of India, there will be three components of GST,

- 1) Central GST (CGST)
- 2) State GST (SGST).
- 3) Inter-State GST (IGST)

Both Centre and States will simultaneously levy GST across the value chain. Tax will be levied on every supply of goods and services. Centre would levy and collect Central Goods and Services Tax (CGST), and States would levy and collect the State Goods and Services Tax (SGST) or UGST (Union territories with legislature) on all transactions within a State.

In case of inter-State transactions, the Centre would levy and collect the Integrated Goods and Services Tax (IGST) on all inter-State supplies of goods and services under Article 269A (1) of the Constitution. The IGST would roughly be equal to CGST plus SGST/UGST. The IGST mechanism has been designed to ensure seamless flow of input tax credit from one State to another.

4.3 Define Indian GST in Tax Calculation Structures

To comply with the Indian multiple tax calculation requirement, IFS Cloud Core functionality, Tax Calculation Structure could be used. In this core functionality of Tax Calculation Structure, multiple rules for tax codes could be defined. To facilitate to Indian GST requirement with the core Tax Calculation Structure, set of tax codes and tax structures are defined to facilitate the CGST, SGST, UGST and IGST.

In Indian localization, all business flows where the GST is applied, it's only the Tax Calculation Structure which could be used. The tax calculation structures are determined by the HSN/SAC Basic Data and the states codes of the buyers and sellers in different transactions. Thus, there is no prerequisite arise to set up individual Tax Codes or Tax Calculation Structures in the customer, supplier, and company basic data level in core application.

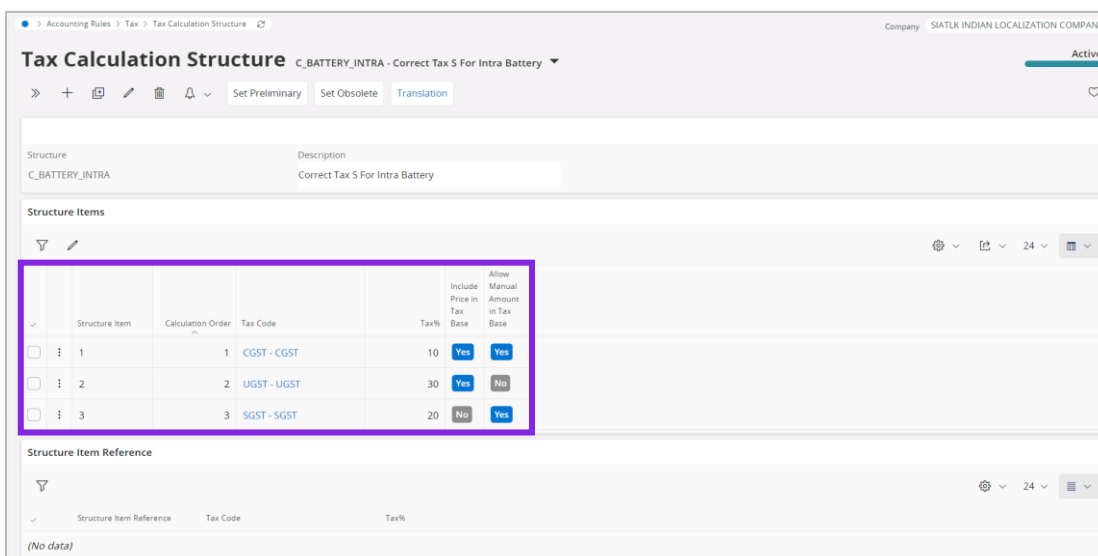
4.4 Define different Tax Structures to Inter State and Intra State transactions

4.4.1 FOR INTRA STATE TRANSACTIONS:

In case of Intra State transactions within States, Seller collects both CGST & SGST from the buyer and CGST needs to be deposited with Central Govt and SGST with State Govt.

In case of Intra State transactions within Union Territories, Seller collects both CGST & UGST from the buyer and CGST needs to be deposited with Central Govt and UGST with Union Territory Govt.

To facilitate this scenario, you need to define a tax structure connecting different tax codes CGST, SGST and UGST separately. Decide how many such tax structures needed for your business and define separate Intra State tax structures comprising three tax codes (CGST, SGST & UGST).



Structure Item	Calculation Order	Tax Code	Tax%	Include Price in Tax Base	Allow Manual Amount in Tax Base
1	1	CGST - CGST	10	Yes	Yes
2	2	UGST - UGST	30	Yes	No
3	3	SGST - SGST	20	No	Yes

Note: In HSN/SAC Code based Tax Fetching, relevant Tax Codes applicable will be fetched to transaction line-item level, based on whether the transaction happens within the same State or same Union Territory. Whether a State is a Union Territory or not, is identified in **States** page. (Refer [System Define Indian States](#))

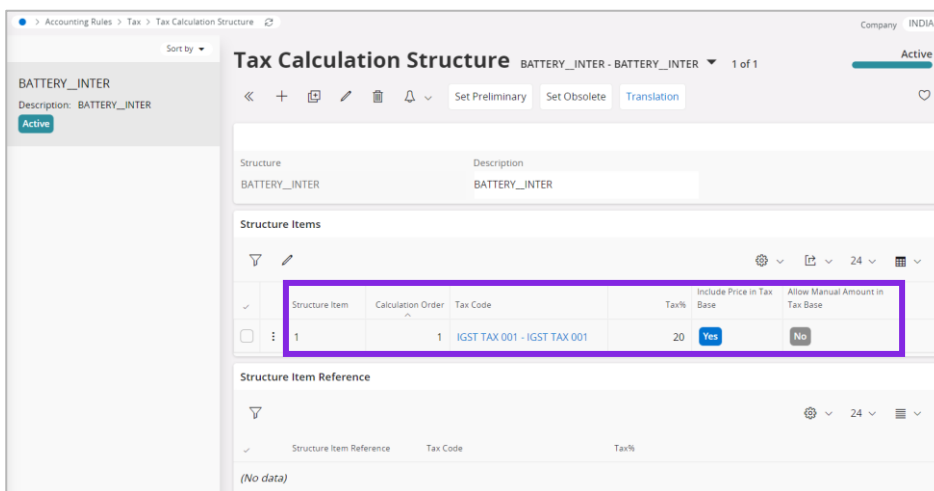
Accordingly,

- For Intrastate transactions within the same State - The Tax Codes with Tax Category UGST, defined in the Tax Calculation Structure, will not be visible in the Tax lines, because Union Territory Taxes are not applicable for States.
- For Intrastate transactions within the same Union Territory - The Tax Codes with Tax Category SGST, defined in the Tax Calculation Structure, will not be visible in the Tax lines, because State taxes are not applicable for Union Territories.

For Inter State Transactions:

Integrated Goods and Service Tax (IGST) shall be levied on Inter State transactions of goods and services which are based on destination principle.

To facilitate this requirement, you need to define a tax structure connecting a single tax codes IGST. Decide how many such tax structures needed for your business and define separate Inter State tax structures comprising a tax code for IGST.



The screenshot displays the 'Tax Calculation Structure' configuration for 'BATTERY_INTER'. The 'Structure Items' table is as follows:

Structure Item	Calculation Order	Tax Code	Tax%	Include Price in Tax Base	Allow Manual Amount in Tax Base
1	1	IGST TAX 001 - IGST TAX 001	20	Yes	No

The 'Structure Item Reference' section below is currently empty, showing '(No data)'.

5 Tax Code Structures – Manual Tax Base Amount

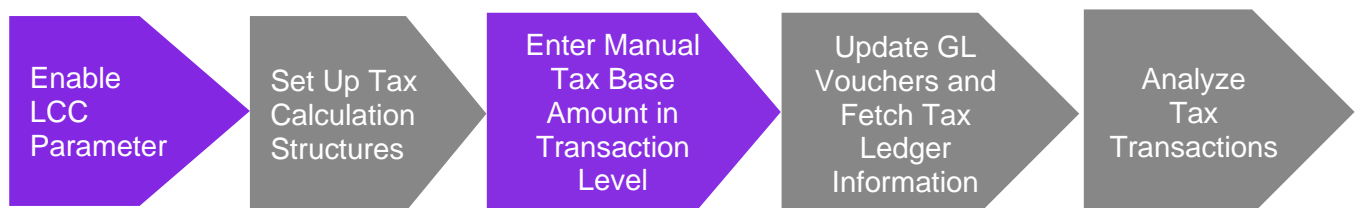
5.1 Overview Legal Requirement

As per the Section 15 Subsection 2 of THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 the value of taxable supply, can vary with the transaction value of an invoice due to many reasons and scenarios such as,

- Taxable value when consideration is not solely in money - In some cases, where consideration for a supply is not solely in money, taxable value must be determined as prescribed in the rules.
- Value of supply between distinct and related persons - As relation may influence the price between two related persons (ex: Subsidiaries) a special valuation rule has been framed to arrive at the taxable value of transactions between related persons.
- GST on FoC goods/service - Goods/service rendered free of cost comes under purview of GST and law has provision to arrive at taxable value.
- Promotional sales on only GST basis - Some time promotional sale is being done where only GST is recovered from the customer.

Considering above there is a requirement to utilize a different fair value other than the net value as the tax base.

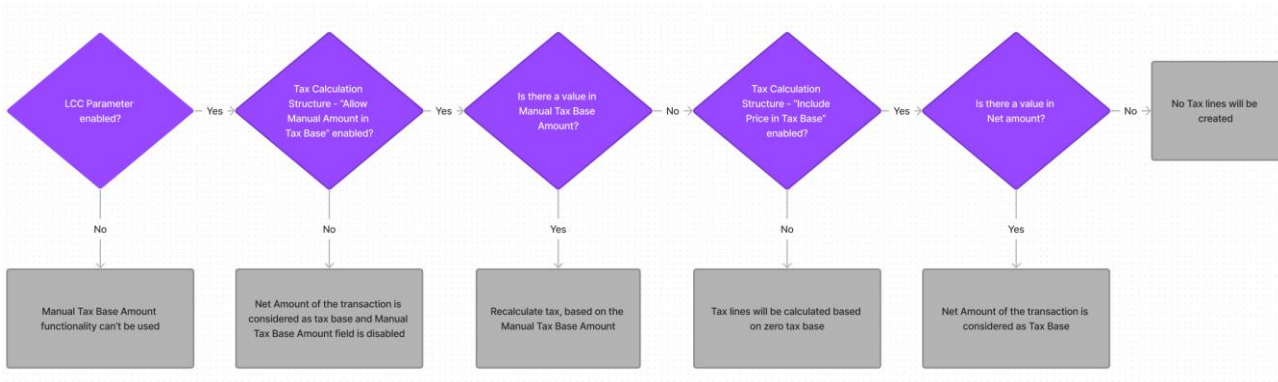
5.2 Process Overview



5.3 Solution Overview

Complying with the above requirement, upon enablement of an LCC parameter, the user is given ability to determine the use of manual tax base amount feature at a detailed level of tax structure line-item.

Once a particular Tax Calculation Structure line is determined to be utilizing the manual tax base amount feature, the taxes pertaining to the said tax line will be calculated based on the manually entered value in **Manual Tax Base Amount** field which is made available on line level in a number of transaction pages.



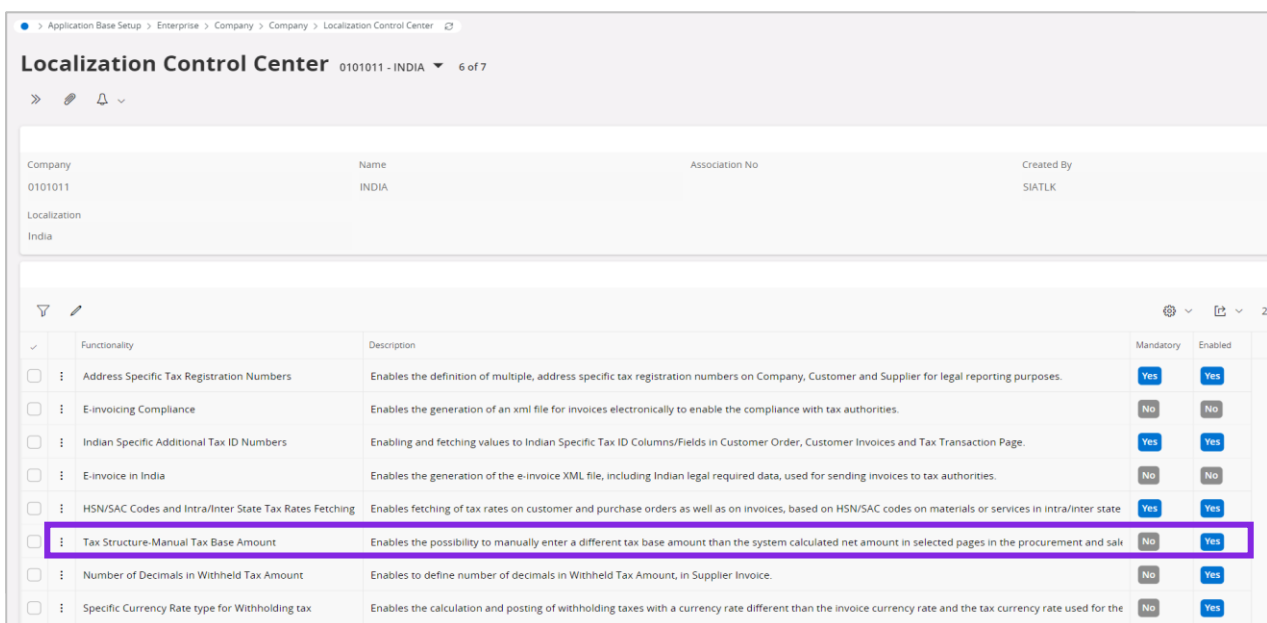
5.4 Prerequisites

- The company must be set-up to use Indian localization, see the [Company Setup](#) chapter.

5.5 Enable Localization Control Center Parameter.

To be able to enable this new functionality, navigate to the **Company/Localization Control Center** and enable the functionality, "Tax Structure- Manual Tax Base Amount".

Please note that this is an optional localization parameter and user need to enable it manually.



Company	Name	Association No	Created By
0101011	INDIA		SIATLK
Localization India			

Functionality	Description	Mandatory	Enabled
<input type="checkbox"/> : Address Specific Tax Registration Numbers	Enables the definition of multiple, address specific tax registration numbers on Company, Customer and Supplier for legal reporting purposes.	Yes	Yes
<input type="checkbox"/> : E-invoicing Compliance	Enables the generation of an xml file for invoices electronically to enable the compliance with tax authorities.	No	No
<input type="checkbox"/> : Indian Specific Additional Tax ID Numbers	Enabling and fetching values to Indian Specific Tax ID Columns/Fields in Customer Order, Customer Invoices and Tax Transaction Page.	Yes	Yes
<input type="checkbox"/> : E-invoice in India	Enables the generation of the e-invoice XML file, including Indian legal required data, used for sending invoices to tax authorities.	No	No
<input type="checkbox"/> : HSN/SAC Codes and Intra/Inter State Tax Rates Fetching	Enables fetching of tax rates on customer and purchase orders as well as on invoices, based on HSN/SAC codes on materials or services in intra/inter state	Yes	Yes
<input type="checkbox"/> : Tax Structure-Manual Tax Base Amount	Enables the possibility to manually enter a different tax base amount than the system calculated net amount in selected pages in the procurement and sale	No	Yes
<input type="checkbox"/> : Number of Decimals in Withheld Tax Amount	Enables to define number of decimals in Withheld Tax Amount, in Supplier Invoice.	No	Yes
<input type="checkbox"/> : Specific Currency Rate type for Withholding tax	Enables the calculation and posting of withholding taxes with a currency rate different than the invoice currency rate and the tax currency rate used for the	No	Yes

5.6 Set up Tax Calculation Structures

Upon enablement of the LCC parameter "Tax Structure-Manual Tax Base Amount", a new column is made visible in **Tax Calculation Structures** page named, **Allow Manual Amount in Tax Base**, where the user can enable the toggle to determine the usage of the Manual Tax Base Amount feature for each tax line applicable for different Tax Calculation Structures.

Accounting Rules > Tax > Tax Calculation Structure

Company: INDIA

Tax Calculation Structure BATTERY_INTRA - BATTERY_INTRA 1 of 1 Active

Structure: BATTERY_INTRA Description: BATTERY_INTRA

Structure Items

Structure Item	Calculation Order	Tax Code	Tax%	Include Price in Tax Base	Allow Manual Amount in Tax Base
1	1	SGST TAX 001 - SGST TAX 001	10	Yes	Yes
2	2	CGST TAX 001 - CGST TAX 001	12.5	Yes	Yes

Structure Item Reference

Structure Item Reference	Tax Code	Tax%
(No data)		

It is allowed to enable both **Include Price in Tax Base** and **Allow Manual Amount in Tax Base** options in **Tax Calculation Structure** page and at transaction line creation level, the tax base will be selected giving priority to the **Net amount**, and if the user wants to introduce a **Manual Tax Base Amount**, upon entering a value in the field, the taxes will be based on that instead.

5.7 Application of Manual Tax Base Amount in Transaction level.

A new column, **Manual Tax Base Amount**, is introduced to some selected pages in Procurement and Sales flows, to be able to enter a manual tax base amount to transaction line level. In this new column, user can manually enter a different tax base amount than the usual net amount which is considered for tax calculation.

The Manual tax Base Amount in transaction level can be edited only if, **“Allow Manual Amount in Tax Base”** option is selected for the connected **tax calculation structure**. Which means, the user needs to first connect a **Tax calculation structure** with **Allow Manual Amount in Tax base** toggle enabled in transaction line level, and then, this new column, **Manual Tax Base Amount** will be used to enter a tax base amount manually.

Financials > Supplier Invoice > New Manual Supplier Invoice

New Manual Supplier Invoice

Header Information | **Line Information** | Posting Information

Invoice							
Company	Supplier	Series ID	Invoice No	Currency	Gross Amount	Net Amount	Tax Amount
0101011	SIATLK WHT IN	SI	MANUAL TAX BASE 01	INR			

Line Information				
Gross Amount	Net Amount	Tax Amount	Non-deductible Tax ...	Cost Amount
0.00	0.00	0.00	0.00	0.00

Lines									
(1)	Line ID	HSN/SAC Code	Multiple Tax Lines	Tax Calculation Structure	Gross Amount	Net Amount	Manual Tax Base Amount	Tax Amount	Delivery Type
<input checked="" type="checkbox"/>			No		0.00	0.00		0.00	

Previous | Next | Finish | Cancel

Following are the sales and procurement pages supported with Manual Tax Base Amounts functionality,

Sales;

- *Customer Order*
- *Customer Order Invoice*
- *Return Material Authorization*

Procurement:

- *Purchase Order*
- *Purchase Order Change Order*
- *Manual Supplier Invoice*
- *Posting Proposal*

Note: Manual Tax Base amount functionality is also supported in creation of **Recurring Invoices** and the user will be able to bring the **Manual Tax Base Amount** to a Recurring Invoice created once the base invoice contains a **Manual Tax Base Amount**.

5.8 SCENARIOS EXPLAINING THE MANUAL TAX BASE AMOUNT

Below are some scenarios explaining the functionality of **Manual Tax Base Amount**.

SCENARIO 1 – TAX CALCULATION STRUCTURE WITH MANUAL TAX BASE AMOUNT ENABLED.

Enter a Tax Calculation Structure with “Allow Manual Amount in Tax Base” option enabled.

Accounting Rules > Tax > Tax Calculation Structure

Company: INDIA

Tax Calculation Structure

TAX_STRUCTURE_SC01 - TAX_STRUCTURE_SC01 1 of 1

Active

Structure: TAX_STRUCTURE_SC01, Description: TAX_STRUCTURE_SC01

Structure Items

Structure Item	Calculation Order	Tax Code	Include Price in Tax Base	Allow Manual Amount in Tax Base
1	1	SGST TAX 001 - SGST TAX 001	10 No	Yes

Use the above **Tax Calculation Structure** in a Transaction line level, eg: **Manual Supplier Invoice** Line level and enter a value in **Manual Tax Base Amount** field.

Financials > Supplier Invoice > New Manual Supplier Invoice

Header Information | **Line Information** | Posting Information

Invoice

Company	Supplier	Series ID	Invoice No	Currency	Gross Amount	Net Amount	Tax Amount
0101011	SIATLK WHT IN	SI	MANUAL TAX BASE 01	INR			

Line Information

Gross Amount	Net Amount	Tax Amount	Non-deductible Tax ...	Cost Amount
1200.00	1000.00	200.00	0.00	1000.00

Lines

Line ID	HSN/SAC Code	Multiple Tax Lines	Tax Calculation Structure	Gross Amount	Net Amount	Manual Tax Base Amount	Tax Amount	Delivery Type
1		No	TAX_STRUCTURE_SC01	1200.00	1000.00	2000.00	200.00	

Note in **Tax Lines**, that the Tax is calculated based on the **Manual Tax Base Amount** and not the **Net Amount** of the Invoice.

1) Tax calculation of the 1st line done based on the "Manual Tax Base Amount" (2000 x 10% = 200)

✕

Manual Supplier Invoice Tax Lines

Gross Amount	Net Amount	Tax Amount	Non-deductible Tax Amount
1200.00	1000.00	200.00	0.00
Total Tax Amount			
200.00			

Tax Line Details

	Tax Base Amount	Tax Code	Tax Type	Tax(%)	Deductible(%)	Tax Amount	Tax Amount in Accounting Currency	Tax Amount in Parallel Currency	Non-deductible Tax Amount	Total Tax Amount	Tax Category 1
⋮	2000.00	SGST TAX...	Tax	10	100	200.00	200.00	100.00	0.00	200.00	SGST - State GST

OK
Cancel

Note: Once the **Allow Manual Amount in Tax Base** toggle in **Tax Calculation Structure** is enabled, the taxes will be calculated based on the Manual Tax Base Amount.

SCENARIO 2 - TAX CALCULATION STRUCTURE WITH DIFFERENT STRUCTURE ITEMS SELECTED FOR BOTH, **INCLUDE PRICE IN TAX BASE** AND **ALLOW MANUAL AMOUNT IN TAX BASE** OPTIONS.

Enter a Tax Calculation Structure with “Allow Manual Amount in Tax Base” toggle option enabled in one structure line item and disabled in the other structure line item.

Accounting Rules > Tax > Tax Calculation Structure
Company: INDIA

Tax Calculation Structure

TAX_STRUCTURE__SC01 - TAX_STRUCTURE__SC01 1 of 1 Active

(1)	Structure Item	Calculation Order	Tax Code	Tax%	Include Price in Tax Base	Allow Manual Amount in Tax Base
☑	1	1	SGST TAX 001 - SGST TAX 001	10	Yes	No
☐	2	2	CGST TAX 001 - CGST TAX 001	12.5	No	Yes

Use the above **Tax Calculation Structure** in a Transaction level, e.g.: **Manual Supplier Invoice** Line level, and enter a value in **Manual Tax Base Amount** field.

Financials > Supplier Invoice > New Manual Supplier Invoice

New Manual Supplier Invoice

Header Information — Line Information — Posting Information

Invoice							
Company	Supplier	Series ID	Invoice No	Currency	Gross Amount	Net Amount	Tax Amount
0101011	SIATLK WHT IN	SI	MAN TAX BASE 02	INR	1000.00	1000.00	0.00

Line Information				
Gross Amount	Net Amount	Tax Amount	Non-deductible Tax ...	Cost Amount
1350.00	1000.00	350.00	0.00	1000.00

Lines									
(1)	Line ID	HSN/SAC Code	Multiple Tax Lines	Tax Calculation Structure	Gross Amount	Net Amount	Manual Tax Base Amount	Tax Amount	Delivery Type
<input checked="" type="checkbox"/>	1		Yes	TAX_STRUCTURE__SC01	1350.00	1000.00	2000.00	350.00	

Navigation: Previous, Next, Finish, Cancel

Note in **Tax Lines**, that the tax in Tax line 1 is calculated based on the **Net Amount** of the Invoice and the tax in Tax line 2 is calculated based on the **Manual Tax Base Amount**.

- 1) Tax calculation of the 1st line done based on the "Net Amount" ($1000 \times 10\% = 100$)
- 2) Tax calculation of the 2nd line done based on "Manual Base Amount" ($2000 \times 12.5\% = 250$)

Manual Supplier Invoice Tax Lines

Gross Amount	Net Amount	Tax Amount	Non-deductible Tax Amount
1350.00	1000.00	350.00	0.00
Total Tax Amount			
350.00			

Tax Line Details										
Tax Base Amount	Tax Code	Tax Type	Tax(%)	Deductible(%)	Tax Amount	Tax Amount in Accounting Currency	Tax Amount in Parallel Currency	Non-deductible Tax Amount	Total Tax Amount	Tax Category 1
1000.00	SGST TAX ...	Tax	10	100	100.00	100.00	50.00	0.00	100.00	SGST - State GST
2000.00	CGST TAX...	Tax	12.5	100	250.00	250.00	125.00	0.00	250.00	CGST - Central GST

Buttons: OK, Cancel

SCENARIO 3 - TAX CALCULATION STRUCTURE WITH DIFFERENT STRUCTURE ITEMS ASSIGNED FOR BOTH OPTIONS AND CONNECTED TO A STRUCTURE ITEM REFERENCE.

Enter a Tax Calculation Structure with "Allow Manual Amount in Tax Base" option enabled in one structure line and disabled in the other structure line with a Structure Item Reference for the line 2.

Accounting Rules > Tax > Tax Calculation Structure

Company: INDIA

Tax Calculation Structure

TAX_STRUCTURE_SC01 - TAX_STRUCTURE_SC01 1 of 1

Active

Structure: TAX_STRUCTURE_SC01, Description: TAX_STRUCTURE_SC01

Structure Items

(1)	Structure Item	Calculation Order	Tax Code	Tax%	Include Price in Tax Base	Allow Manual Amount in Tax Base
<input type="checkbox"/>	1	1	SGST TAX 001 - SGST TAX 001	10	Yes	No
<input checked="" type="checkbox"/>	2	2	CGST TAX 001 - CGST TAX 001	12.5	No	Yes

Structure Item Reference

(1)	Structure Item Reference	Tax Code	Tax%
<input checked="" type="checkbox"/>	1	SGST TAX 001	10

Use the above **Tax Calculation Structure** in a Transaction level, e.g.: **Manual Supplier Invoice** Line level and enter a value in **Manual Tax Base Amount** field.

Financials > Supplier Invoice > New Manual Supplier Invoice

New Manual Supplier Invoice

Header Information | Line Information | Posting Information

Invoice

Company	Supplier	Series ID	Invoice No	Currency	Gross Amount	Net Amount	Tax Amount
0101011	SIATLK WHT IN	SI	MAN TAX BASE 3	INR	1000.00	1000.00	0.00

Line Information

Gross Amount	Net Amount	Tax Amount	Non-deductible Tax ...	Cost Amount
1200.00	1000.00	200.00	0.00	1000.00

Lines

(1)	Line ID	HSN/SAC Code	Multiple Tax Lines	Tax Calculation Structure	Gross Amount	Net Amount	Manual Tax Base Amount	Tax Amount	Delivery Type
<input checked="" type="checkbox"/>	1		No	TAX_STRUCTURE_SC01	1200.00	1000.00	2000.00	200.00	

Navigation: Previous, Next, Finish, Cancel

Note that in **Tax Lines**, the tax in line 1 is calculated based on the **Net Amount** of the Invoice and the tax in line 2 is calculated based on the Manual Tax Base Amount and tax calculated in line 1.

- 1) Tax calculation of the 1st line done based on the "Net Amount" ($1000 \times 10\% = 100$)
- 2) Tax calculation of the 2nd line done based on the "Manual Base Amount" and "Tax in 1st Line" ($2100 \times 12.5\% = 262.5$)

Manual Supplier Invoice Tax Lines

Gross Amount	Net Amount	Tax Amount	Non-deductible Tax Amount
1362.50	1000.00	362.50	0.00
Total Tax Amount			
362.50			

Tax Line Details

	Tax Base Amount	Tax Code	Tax Type	Tax(%)	Deductible(%)	Tax Amount	Tax Amount in Accounting Currency	Tax Amount in Parallel Currency	Non-deductible Tax Amount	Total Tax Amount	Tax Category 1
:	1000.00	SGST TAX ...	Tax	10	100	100.00	100.00	50.00	0.00	100.00	SGST - State GST
:	2100.00	CGST TAX...	Tax	12.5	100	262.50	262.50	131.25	0.00	262.50	CGST - Central GST

OK Cancel

Scenario 4 – TAX CALCULATION STRUCTURE WITH MANUAL TAX BASE AMOUNT ENABLED but, no Manual tax base amount is entered to invoice lines.

Enter a Tax Calculation Structure with “Allow Manual Amount in Tax Base” option selected.

Accounting Rules > Tax > Tax Calculation Structure

Company: INDIA

Tax Calculation Structure TAX_STRUCTURE_SC01 - TAX_STRUCTURE_SC01 1 of 1

Active

Structure: TAX_STRUCTURE_SC01, Description: TAX_STRUCTURE_SC01

Structure Items

Structure Item	Calculation Order	Tax Code	Tax%	Include Price in Tax Base	Allow Manual Amount in Tax Base
1	1	SGST TAX 001 - SGST TAX 001	10	No	Yes

Use the above **Tax Calculation Structure** in a Transaction level, e.g.: **Manual Supplier Invoice** Line level and leave **Manual Tax Base Amount** field blank.

Financials > Supplier Invoice > New Manual Supplier Invoice

New Manual Supplier Invoice

Header Information — Line Information — Posting Information

Invoice

Company	Supplier	Series ID	Invoice No	Currency	Gross Amount	Net Amount	Tax Amount
0101011	SIATLK WHT IN	SI	MAN TAX BASE 01	INR	1000.00	1000.00	0.00

Line Information

Gross Amount	Net Amount	Tax Amount	Non-deductible Tax ...	Cost Amount
1000.00	1000.00	0.00	0.00	1000.00

Lines

Tax Lines Tax Lines, Withholding

(1)	Line ID	HSN/SAC Code	Multiple Tax Lines	Tax Calculation Structure	Gross Amount	Net Amount	Manual Tax Base Amount	Tax Amount	Delivery Type
<input checked="" type="checkbox"/>	1		No	TAX_STRUCTURE_SC01	1000.00	1000.00		0.00	

Previous Next Finish Cancel

Note in **Tax Lines**, that the Tax is calculated based on the **Manual Tax Base Amount** which is zero. The **Net Amount** of the invoice is not automatically considered as the tax base because **Include Price in Tax Base** toggle is disabled in **Tax Calculation Structure**.

Manual Supplier Invoice Tax Lines

Gross Amount	Net Amount	Tax Amount	Non-deductible Tax Amount
1000.00	1000.00	0.00	0.00
Total Tax Amount			
0.00			

Tax Line Details

Tax Base Amount	Tax Code	Tax Type	Tax(%)	Deductible(%)	Tax Amount	Tax Amount in Accounting Currency	Tax Amount in Parallel Currency	Non-deductible Tax Amount	Total Tax Amount	Tax Category 1
0.00	SGST TAX ...	Tax	10	100	0.00	0.00	0.00	0.00	0.00	SGST - State GST

OK Cancel

Scenario 5 – TAX CALCULATION STRUCTURE WITH both Allow MANUAL TAX BASE AMOUNT and Include Price in Tax base ENABLED.

Enter a Tax Calculation Structure with both “Allow Manual Amount in Tax Base” and “Include Price in Tax Base” options selected.

Accounting Rules > Tax > Tax Calculation Structure

Company: INDIA

Tax Calculation Structure

TAX_STRUCTURE_SC01 - TAX_STRUCTURE_SC01 1 of 1

Active

Structure: TAX_STRUCTURE_SC01, Description: TAX_STRUCTURE_SC01

Structure Items

(1)	Structure Item	Calculation Order	Tax Code	Tax%	Include Price in Tax Base	Allow Manual Amount in Tax Base
✓	1	1	SGST TAX 001 - SGST TAX 001	10	Yes	Yes

Use the above **Tax Calculation Structure** in a Transaction level, e.g.: **Manual Supplier Invoice** Line level and enter a value in **Manual Tax Base Amount** field.

Financials > Supplier Invoice > New Manual Supplier Invoice

New Manual Supplier Invoice

Header Information | **Line Information** | Posting Information

Invoice

Company	Supplier	Series ID	Invoice No	Currency	Gross Amount	Net Amount	Tax Amount
0101011	SIATLK WHT IN	SI	MAN TAX BASE 01	INR			

Line Information

Gross Amount	Net Amount	Tax Amount	Non-deductible Tax ...	Cost Amount
1100.00	1000.00	100.00	0.00	1000.00

Lines

(1)	Line ID	HSN/SAC Code	Multiple Tax Lines	Tax Calculation Structure	Gross Amount	Net Amount	Manual Tax Base Amount	Tax Amount	Delivery Type
✓	1		No	TAX_STRUCTURE_SC01	1100.00	1000.00		100.00	

Navigation: Previous, Next, Finish, Cancel

Note in **Tax Lines**, that the Tax is calculated based on the **Net Amount** of the Invoice, even if the **Manual Tax Base Amount** field is left blank.

1) Tax calculation of the 1st line done based on the “Net Amount” (1000 x 10% = 100)

Manual Supplier Invoice Tax Lines

Gross Amount	Net Amount	Tax Amount	Non-deductible Tax Amount
1100.00	1000.00	100.00	0.00
Total Tax Amount			
100.00			

Tax Line Details

Tax Base Amount	Tax Code	Tax Type	Tax(%)	Deductible(%)	Tax Amount	Tax Amount in Accounting Currency	Tax Amount in Parallel Currency	Non-deductible Tax Amount	Total Tax Amount	Tax Category 1
1000.00	SGST TAX...	Tax	10	100	100.00	100.00	50.00	0.00	100.00	SGST - State GST

OK Cancel

Note: The column, **Manual Tax Base amount**, is a per unit value. As the **Net amount**, the value in tax lines for the **Tax base amount** is considering the quantity of the part and the total **Manual Tax Base Amount** is fetched to the tax lines. One exception is the **Manual Supplier Invoice**, where the **Manual Tax Base Amount** is a total amount and the quantity of the part is not considered.

Customer Order P11542 1 of 1

Share Operations Invoice RMA Related Pages Copy Order Order History Sales Promotions Commissions Project Access Documents

Order No	Customer	Site	Order Type	Wanted Delivery Date/Time
P11542	IPINC1 - IP India Customer 1	IPI51	IP2	2023-08-17 00:00

Order Amounts

Total Net Amount/Base	Total Contribution Margin/...	Contribution Margin(%)	Total Net Amount/Curr	Total Tax Amount/Curr	Total Gross Amount/Curr
500,00 INR	250,00 INR	50,00	500,00 INR	370,00 INR	870,00 INR

LINES RENTAL LINES ORDER DETAILS CHARGES INVOLVED PARTIES

Line No	Del No	Delivery Address	Taxa...	HSN/SAC Code	Tax Calculation Structure	Sales Part No	Sales Qty	Sales UoM	Manual Tax Base Amount	Price/Curr	Price Incl Tax/Curr
1	1	AD1	Yes	HSN7 - HSN Cod...	TAX STRUCTURE 01 - TAX STRUCTURE 01	IPIN7	5	PCS	200,00	100,00	174,00

Customer Order Line Tax Lines

Gross Amount	Net Amount	Tax Amount
870,00	500,00	370,00

	Tax Base Amount	Tax Code	Tax Type	Tax(%)	Tax Amount/Curr	Tax Amount/Base
:	1000,00	1	Tax	25	250,00	250,00
:	500,00	2	Tax	12	60,00	60,00
:	1000,00	3	Tax	6	60,00	60,00

OK Cancel

5.9 Tax Transactions

Once the core process to bring Tax Information to **Tax transactions** page is followed, i.e., **Update GL Vouchers** and **Fetch Tax Ledger Information**, the above Manual Tax Base Amount information will be made visible in the **Tax transactions** page.

When Manual Tax Base Amount is utilized as the base for tax calculation, the Tax Base Amount referred in **Tax Transactions** page will be replicated by the **Manual Tax Base Amount**. However, for enhanced usability for the user, a new column named, **Manual Tax Base Amount** has been added to **Tax Transactions** page, to separately indicate the tax transactions calculated based on Manual Tax Base Amount. Accordingly, the Manual Tax Base Amount in Accounting currency will be displayed in the **Manual Tax Base Amount** column in **Tax Transactions** page.

Financials > Tax Ledger > Tax Transactions

Company: INDIA

Tax Transactions

Calculate Income Amount

Series ID	Voucher No	Trans Code	Tax Code	Tax Base Amount	Manual Tax Base Amount	Tax Amount	Voucher Date	Tax Category 1	HSN/SAC Code
SI	2022000095	IP3	SGST TAX 001	250.00		25.00	12/8/2022	SGST - State GST	
SI	2022000093	IP3	SGST TAX 001	2680.00	2680.00	268.00	12/6/2022	SGST - State GST	
SI	2022000094	IP3	SGST TAX 001	10720.00	10720.00	1072.00	12/6/2022	SGST - State GST	
SI	2022000080	IP3	SGST TAX 001	5625.00		562.50	11/18/2022	SGST - State GST	
SI	2022000087	IP3	SGST TAX 001	2000.00	2000.00	200.00	12/6/2022	SGST - State GST	
SI	2022000088	IP3	SGST TAX 001	2000.00	2000.00	200.00	12/6/2022	SGST - State GST	
SI	2022000089	IP3	SGST TAX 001	8000.00	8000.00	800.00	12/6/2022	SGST - State GST	
SI	2022000090	IP3	SGST TAX 001	2000.00	2000.00	200.00	12/6/2022	SGST - State GST	
SI	2022000083	IP3	SGST TAX 001	8000.00	8000.00	800.00	12/2/2022	SGST - State GST	
SI	2022000084	IP3	SGST TAX 001	8000.00	8000.00	800.00	12/2/2022	SGST - State GST	

5.10 Manual Tax Base in Overview & Analysis Pages

A new column, **Manual Tax Base Amount** is introduced to below Overview and Analysis pages,

- *Customer Order Lines*
- *Return Material Authorization Lines*
- *Purchase Order Lines*
- *Purchase Order Change Order Lines*

This new column is only available to view the **Manual Tax Base Amount** for the applicable lines and cannot be edited.

5.11 Delimitations

Manual Tax Base Amount functionality is only available in below pages in the application.

Sales,

- *Customer Order*
- *Customer Invoice*
- *Return*

Material

Authorization

Procurement,

- *Purchase Order*
- *Purchase Order Change Order*
- *Manual Supplier Invoice*
- *Posting*

Proposal

- The functionality is not available for **Charges** in above mentioned pages
- This functionality is not available in **Supplier Self Billing Invoices, Customer Self Billing Invoices** and **Supplier Invoice Template**.
- All the other flows which require to add Manual Tax Base Amount need to be handled by respective customer projects.

6 HSN/SAC Codes Basic Data Setting and Fetch Tax Structure via HSN/SAC Codes

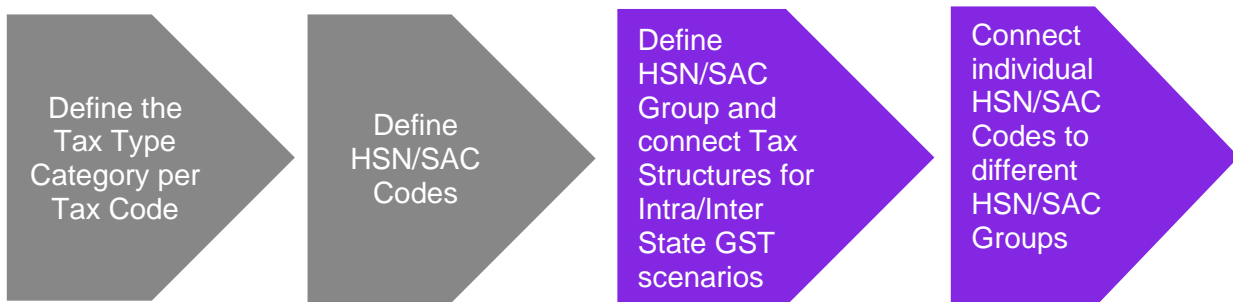
6.1 Overview Legal Requirement

In the GST regime all supply of good must be identified by a HSN code (Harmonized System Nomenclature). Which means each item has to be tagged to a HSN code. All tax reporting to the government has to be done against the HSN code.

All services have to be identified by a SAC code (Services Accounting Code). All supplies must be tagged to the SAC code and tax reporting to the government would be done using the SAC code of the service.

HSN/SAC Codes need to be mentioned in invoices and in the GST tax return details, which will be uploaded on the GST portal.

6.2 Process Overview



6.3 Solution Overview

To comply with the legal requirements, two new pages has been added; *HSN/SAC Codes* (core functionality) and *HSN/SAC Groups* (India localization functionality). These pages are used to define HSN/SAC Codes applicable to your business and group the codes according to GST slabs. When you enter business transactions into IFS Cloud, relevant HSN/SAC Codes and Tax Calculation Structures will be automatically fetched.

6.4 Prerequisites

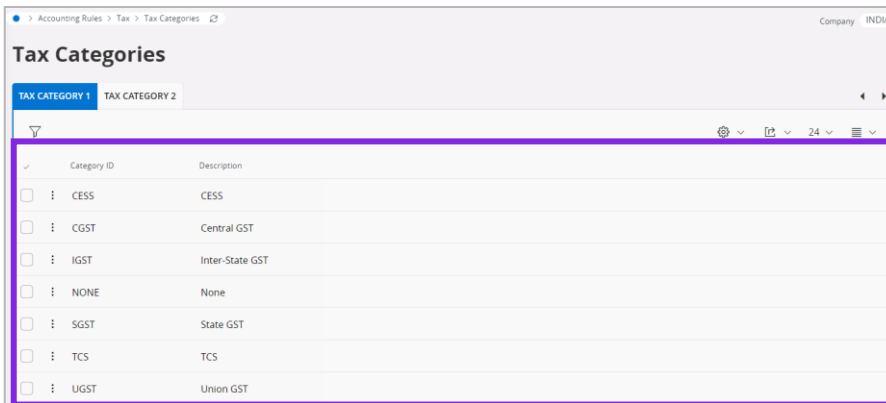
The company must be set-up to use the Indian localization. See the [Company Setup](#) chapter. The “HSN/SAC Codes and Intra/Inter State Tax Rate Fetching” localization parameter must be enabled.

6.5 Define Tax Type category per Tax code

Owing to multiple tax handling in India, it is required to categorize Indian specific tax transactions for reporting purposes. The tax codes are expected to be categorized under the below groups.

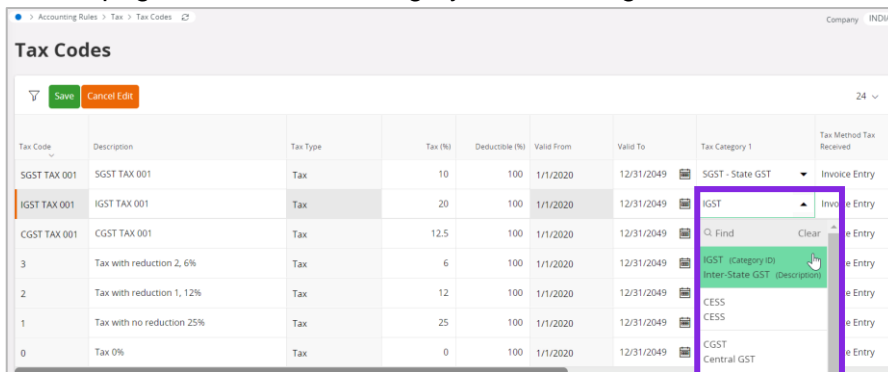
- CGST – Central Goods and Services Tax
- SGST – State Goods and Services Tax
- UGST – Union Goods and Services Tax
- IGST – Integrated Goods and Services Tax
- CESS – Cess
- TCS – TCS

Catering to the requirement, the above-mentioned tax categories are included in the **Tax Categories** page as an editable values after “Indian Localization” is selected for the companies created using the company template, STD-IN-Indian Standard Template.



Category ID	Description
CESS	CESS
CGST	Central GST
IGST	Inter-State GST
NONE	None
SGST	State GST
TCS	TCS
UGST	Union GST

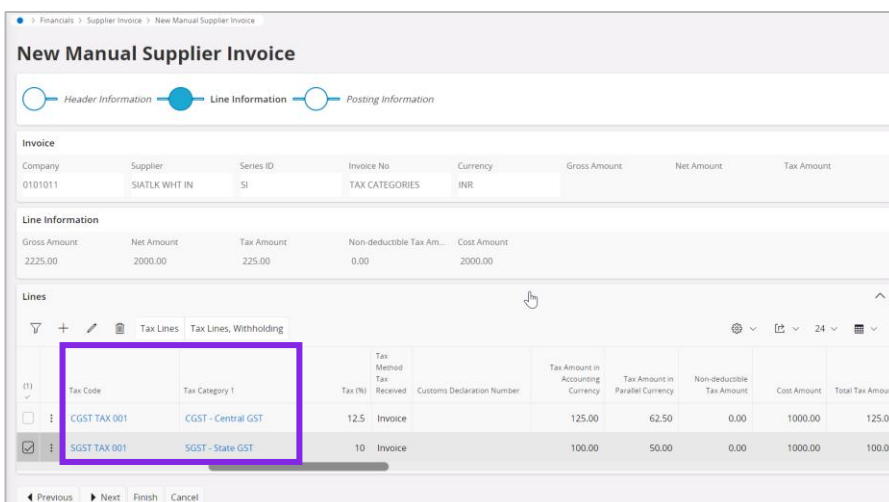
The above information will be then visible in the list of values in **Tax Categories** field of the **Tax Codes** page, so that a tax category can be assigned to relevant Tax Codes.



Tax Code	Description	Tax Type	Tax (%)	Deductible (%)	Valid From	Valid To	Tax Category 1	Tax Method Tax Received
SGST TAX 001	SGST TAX 001	Tax	10	100	1/1/2020	12/31/2049	SGST - State GST	Invoice Entry
IGST TAX 001	IGST TAX 001	Tax	20	100	1/1/2020	12/31/2049	IGST	Invoice Entry
CGST TAX 001	CGST TAX 001	Tax	12.5	100	1/1/2020	12/31/2049	CGST - Central GST	Invoice Entry
3	Tax with reduction 2, 6%	Tax	6	100	1/1/2020	12/31/2049	IGST - Category 10	Invoice Entry
2	Tax with reduction 1, 12%	Tax	12	100	1/1/2020	12/31/2049	CGST - Central GST	Invoice Entry
1	Tax with no reduction 25%	Tax	25	100	1/1/2020	12/31/2049	CGST - Central GST	Invoice Entry
0	Tax 0%	Tax	0	100	1/1/2020	12/31/2049	CGST - Central GST	Invoice Entry

Note that the field **Tax Categories 1** is made mandatory to be included in tax codes and, if any tax code is not required to be categorized, the user can utilize the option “NONE”.

Once a tax category is assigned to a tax code, every tax transaction driven by that tax code will carry the specified **Tax category 1** information and is visible in line-item level and tax lines up until **Tax Transactions** page in IFS Tax Ledger solution.



Company	Supplier	Series ID	Invoice No	Currency	Gross Amount	Net Amount	Tax Amount
0101011	SIATLK WHT IN	SI	TAX CATEGORIES	INR			

Gross Amount	Net Amount	Tax Amount	Non-deductible Tax Am...	Cost Amount
2225.00	2000.00	225.00	0.00	2000.00

Tax Code	Tax Category 1	Tax (%)	Tax Method Tax Received	Customs Declaration Number	Tax Amount in Accounting Currency	Tax Amount in Parallel Currency	Non-deductible Tax Amount	Cost Amount	Total Tax Amount
CGST TAX 001	CGST - Central GST	12.5	Invoice		125.00	62.50	0.00	1000.00	125.00
SGST TAX 001	SGST - State GST	10	Invoice		100.00	50.00	0.00	1000.00	100.00

Financials > Tax Ledger > Tax Transactions

Company: INDIA

Calculate Income Amount

Series ID	Voucher No	Trans Code	Tax Code	Tax Base Amount	Manual Tax Base Amount	Tax Amount	Voucher Date	Tax Category 1	HSN/SAC Code	To State
II	2022000023	IP4	SGST TAX 001	-4.00	4.00	-0.40	12/18/2022	SGST - State GST	4987598257 - Bulbs	DL
II	2022000024	IP4	SGST TAX 001	100.00	-100.00	10.00	12/18/2022	SGST - State GST	102039 - Battery	DL
II	2022000027	IP4	SGST TAX 001	-100.00	100.00	-10.00	12/18/2022	SGST - State GST	102039 - Battery	DL
II	2022000028	IP4	SGST TAX 001	-1000.00		-100.00	12/18/2022	SGST - State GST		DL

Tax amounts accumulated under different Tax Categories (Predominantly, CGST, SGST, IGST and UGST) for a particular invoice are identified separately in the RDF level of the **Instant Invoice, Customer Order Invoices and Collective Invoices**. Note that, any withholding taxes accumulated under the **Instant Invoice** will not be shown under any Tax Category in RDF level, even if a Tax Category is assigned for the same.

Note: The functionality catered by **Tax Category 1** column above was handled via a column named **“Tax Type Category”** in APPs10 GET Solution. An upgrade handling is facilitated for the customers shifting their application from Apps10 GET to IFS Cloud 23R1 in order to make sure the smooth data transfer between these two different solutions.

6.6 Define HSN/SAC Codes

HSN stands for Harmonized System of Nomenclature. It is the codification of all the trading goods into various sections. SAC stands for Service Accounting Codes which are adopted by the Central Board of Excise and Customs (CBEC) for identification of the services.

Under the Indian GST law, every commodity, service and a business transaction need to be identified with a HSN/SAC Code.

- Use the page *HSN/SAC Codes* to define HSN/SAC Codes relevant to your business.
- Use the HSN/SAC Type field to define if the code is of type service or goods.

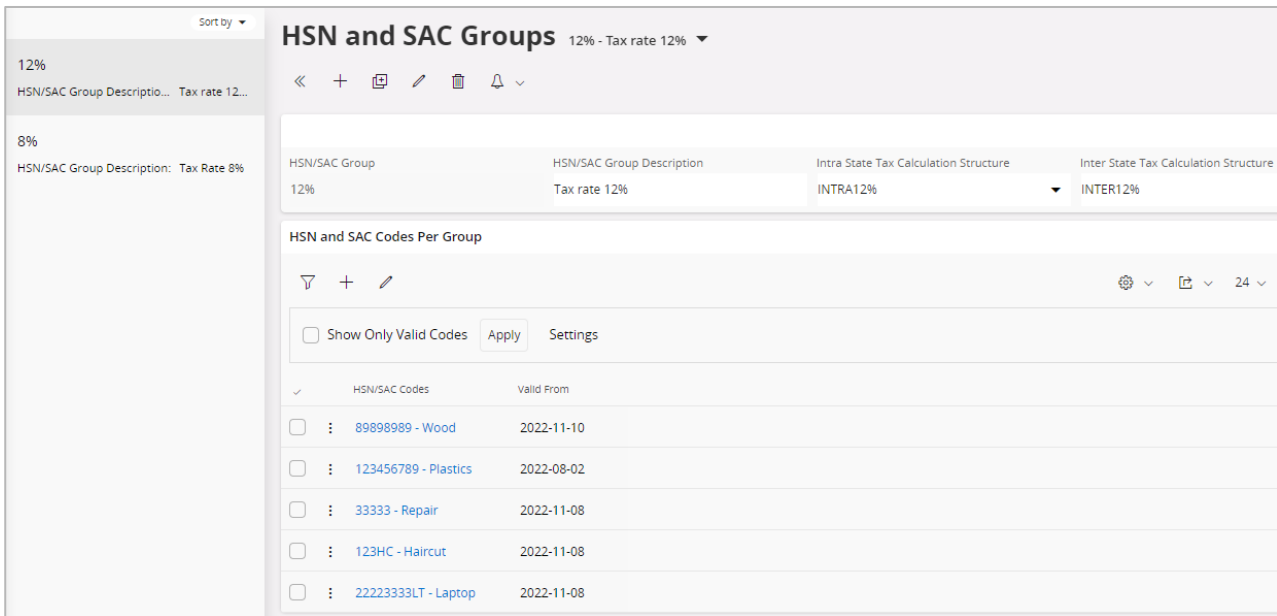
HSN and SAC Codes

HSN/SAC Code	HSN/SAC Code Description	HSN/SAC Type
123456789	Plastics	Goods
123HC	Haircut	Service
22223333LT	Laptop	Goods
33333	Repair	Service

6.7 HSN/SAC Groups and Intra/Inter state Tax Structures

The government categorize various goods and services items under different tax slabs. As per the most available information, the GST slabs are pegged at 5%, 12%, 18% and 28%.

Use the *HSN/SAC Groups* page to define the above GST slabs. Once the HSN/SAC Group is defined according to the GST slabs applicable to your business, in the next step, you can connect the appropriate Intra State and Inter State Tax Calculation Structures to each group accordingly.



The screenshot displays the 'HSN and SAC Groups' configuration interface. It includes a sidebar with a list of groups (e.g., 12%, 8%) and a main content area. The main area shows a table for 'HSN and SAC Codes Per Group' with the following data:

HSN/SAC Codes	Valid From
89898989 - Wood	2022-11-10
123456789 - Plastics	2022-08-02
33333 - Repair	2022-11-08
123HC - Haircut	2022-11-08
22223333LT - Laptop	2022-11-08

In HSN/SAC Codes per Group section you can connect the HSN/SAC codes that are applicable for each HSN/SAC Group. Since the HSN/SAC codes are subject to rate changes by the government the Valid From field is added to give the possibility of connecting the same HSN/SAC Code to several groups, with different valid from dates.

HSN/SAC Code connected to a HSN/SAC Group with valid from date today or in the past, is considered valid until the valid from date occurs for the same HSN/SAC Code connected to another HSN/SAC Group.

For example:

HSN/SAC Code	HSN/SAC Group	Valid From
78456989	5%	01/01/2023
78456989	12%	01/02/2023

In this scenario, 78456989 – 5% will be valid until the end of the day 31/01/2023. 78456989 – 12% will be valid from the beginning of the day 01/02/2023.

7 HSN/SAC Codes and Intra/Inter State Tax Rates Fetching

7.1 Overview Legal Requirement

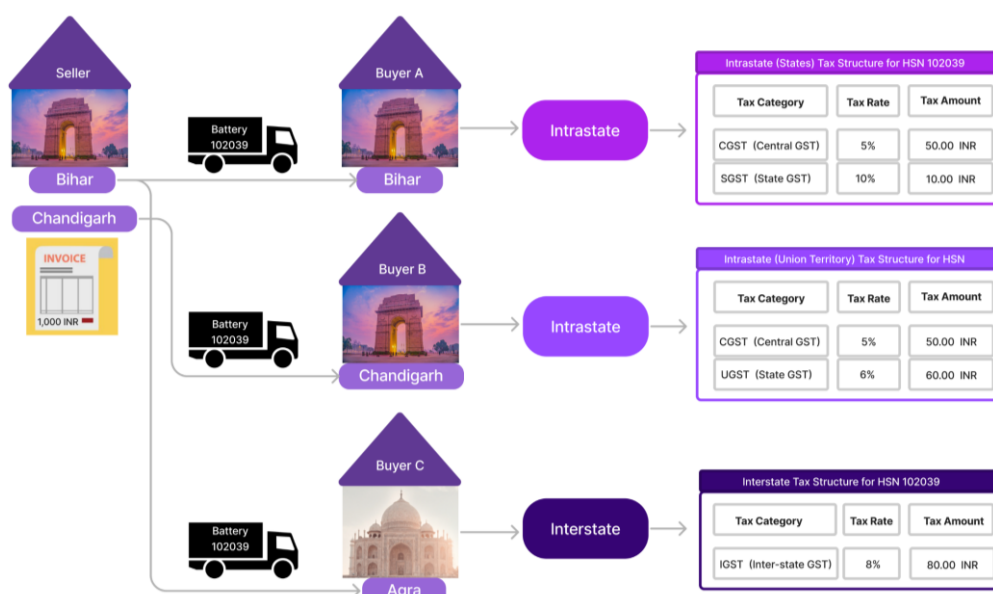
As per Section 8, 10 and 12 of the Integrated Goods and Services Tax Act, 2017, the legislation that describes the Supply of Goods or Services, the tax rate relevant to a GST liable transaction, depends on two major attributes.

- The Product/ Service** - In the GST regime all goods and services must be identified by a HSN or SAC code respectively. The tax rate applicable for GST are levied based on the type of these HSN/SAC Codes. In other words, the taxes are charged on the type of the product, or the service traded in a transaction.
- The Indian State** - Apart from the HSN/ SAC code of the good or the service being sold, the tax codes applicable for a transaction, will also differ based on the location of the buyer and the seller. If the two delivery ends (buyer's state and seller's state) of a transaction is within one state, the transaction is categorized as 'Intrastate' and if the same is across two states, then the transaction is categorized as 'Interstate'.

For an example, assume, a company in Bihar (BR) is selling a product with HSN code 102039 to another company's delivery address in Bihar (BR). The Transaction will be identified as an Intrastate transaction (state to state) and the Tax rates or Structures applicable will be levied.

Moreover, if a company in Chandigarh (CH) is selling a product with HSN code 102039 to another company's delivery address in Chandigarh (CH). The Transaction will still be identified as an Intrastate transaction (Union Territory to Union Territory) and the Tax rates or Structures applicable will be levied.

However, even if the same product (102039) is sold by the company in Bihar (BR) to a buying company in Agra (UP), The Tax Structure or the Taxes applicable would be different as the transaction is now classified as an Interstate transaction.



7.2 Process Overview



7.3 Solution Overview

Complying with the legal requirement, a solution is provided by IFS Cloud to automatically fetch the applicable predefined **Tax Structure** to transaction lines when the product/service or HSN/SAC code is entered.

Accordingly, when the product/service or HSN/SAC code is entered to invoice lines, the system compares the buyer's state with seller's state and the HSN/SAC group basic data set up which determines whether the transaction is intrastate or interstate and fetches the relevant tax structure.

For Procurement Transactions,

Buyer's state would be identified from the buyer's (company) delivery address and the option to utilize the invoice address/document address is provided via the toggle named, **Use Company Invoice Address for Tax Calculation** in transaction header level.

Seller's state would be identified from the supplier delivery address.

Accordingly,

- If both company (buyer) and supplier (seller) states are same, transaction should be categorized as an Intrastate Transaction.
- If both company (buyer) and supplier(seller) states are different, transaction should be categorized as an Interstate Transaction.

For Sales Transactions,

Buyer's state would be identified from the buyer's (customer's) delivery address by default and the option to utilize the invoice address/document address is provided via the toggle named, **Use Customer Invoice Address for Tax Calculation** in transaction header level.

Seller's state would be identified from the company delivery address.

Accordingly,

- If both customer (buyer) and company (seller) states are same, transaction should be categorized as an Intrastate Transaction.
- If both customer (buyer) and company (seller) states are different, transaction should be categorized as an Interstate Transaction.

Once the transaction is correctly identified as Intrastate or Interstate, IFS Cloud will automatically fetch the correct Tax Structure from the **Tax Calculation Structures** page, that is applicable to the HSN/SAC Code entered in the transaction line-Item level as described in previous chapter.

Moreover, in an Intrastate situation, if the States in the addresses compared above, are marked as Union Territories in the **States** page, The Tax Codes with Tax Category SGST, defined in the Tax Calculation Structure fetched, will not be visible in the Tax lines, because State taxes are not applicable for Union Territories.

Similarly, if the States in the addresses compared above, are not marked as Union Territories in the **States** page, The Tax Codes with Tax Category UGST, defined in the Tax Calculation Structure fetched, will not be visible in the Tax lines, because Union Territory Taxes are not applicable for States.

7.4 Prerequisites

- The company must be set-up to use Indian localization, see the [Company Setup](#) chapter with the mandatory parameter “**HSN/SAC Codes and Intra/Inter State Tax Rates Fetching**” automatically enabled in **Company / Localization Control Center**.
- Below basic data Applicable for Tax Fetching must be set up accordingly.
 - Definition of **HSN/SAC Codes**. (See [Define HSN/SAC Codes](#))
 - Assign individual HSN/SAC Codes to different **HSN/SAC Groups** (See [HSN/SAC Groups and Intra/Inter state Tax Structures](#))
 - Create **Tax Calculation Structures** applicable for Interstate and Intrastate business scenarios and set the status to Active. (See [Define different Tax Structures to Inter State and Intra State transactions](#))
 - Connect the applicable Tax Structures to HSN/SAC Groups based on the fetching required for Interstate and Intrastate transactions separately. (See [HSN/SAC Groups and Intra/Inter state Tax Structures](#))
- On the **Company/ Tax Control/ Invoice tab**, set the **Tax Correspondence, invoice line – Manual Postings** to disabled.
- On the **Company/ Tax Control/ Invoice tab**, set the **Amount Method** field to Net Amount Entry.

7.5 Sales flow - Validation of States, fetch HSN/SAC Code and the Tax Structure

A new field for adding a default HSN/SAC code has been introduced to the following pages:

- *Sales Part*
- *Non-Inventory Sales Part*
- *Package Part*
- *Inventory Part*
- *Sales Charge Type*
- *Sales Object*

Use this field to enter HSN/SAC code for the part or charge type. List of Values shows HSN/SAC codes defined on the *HSN/SAC Codes* page.

Sales Part

Sales Part HP-SP2 - HP sp 2 - HPIN1

Inventory Part Availability Planning Complementary Parts Substitute Sales Part Inventory Part Document Text Customer Warranty

Sales Part No: HP-SP2 Part Description in Use: HP sp 2 Site: HPIN1 Sales Type: Sales and Rental Active:

GENERAL DESCRIPTIONS CHARACTERISTICS CHARGES MAINTENANCE PART SPECIFIC OVERHEADS

Inventory Part Sourcing

Unit Of Measure Grouping

Pricing Tax

GTIN Miscellaneous

Min Sales Qty: Closing Tolerance: 0 Created: 2022-11-23

Notes: HSN/SAC Code: 89898989 - Wood

Indicators Replacement Part

Non-Inventory Sales Part

Non-Inventory Sales Part HP-NON-INV - HP Non-Inventory Part - HPIN1

Complementary Parts Document Text Connect Services Customer Warranty

Sales Part No: HP-NON-INV Part Description in Use: HP Non-Inventory Part Site: HPIN1 Sales Type: Sales Only Category: Service Active:

GENERAL DESCRIPTIONS CHARACTERISTICS CHARGES

Intrastat Sourcing

Unit of Measure Grouping

Pricing Tax

GTIN Miscellaneous

Min Sales Qty: Closing Tolerance: 0 Created: 2022-10-10

Notes: HSN/SAC Code: 33333 - Repair

Indicators Replacement Part

Package Part

Package Part HP-PACKPART - Hp Package part - HPIN1

[Complementary Parts](#) [Document Text](#)

Sales Part No: **HP-PACKPART** | Part Description in Use: **Hp Package part** | Site: **HPIN1 - HP India ...** | Active:

GENERAL	DESCRIPTION	CHARACTERISTICS	CHARGES
Package			Grouping
Components			Unit of Measure
Indicators			Tax
GTIN			Replacement Part

Misc Information

Created: 2022-10-10 | Min Sales Qty: | Closing Tolerance: 0 | Print Code: | Customs Statistics No:

Notes

HSN/SAC Code
 44445555 - Engine

Inventory Part

Inventory Part HP-IN-PART - india part

[Part Pages](#) [Inventory Details](#) [Cost](#) [Warranty](#) [Copy Part](#) [Document Text](#) [MRB Cases](#) [Manufacturing MRO](#) [Part Revisions](#)

Inventory Part: **HP-IN-PART** | Part Description in Use: **india part** | Site: **HPIN1** | Part Status: **A - Active**

Note

MAIN	ALTERNATE PARTS	MATERIAL PRICE ELEMENTS	CHARACTERISTICS	MANUFACTURING
General Classification Commodity Group 1: <input type="text"/> Commodity Group 2: <input type="text"/> Asset Class: S ABC Class: C ABC Class Locked Until: <input type="text"/> Frequency Class: Very Slow Mover Frequency Class Locked Until: <input type="text"/> Lifecycle Stage: Development Lifecycle Stage Locked Until: <input type="text"/> Safety Code: <input type="text"/> Accounting Group: <input type="text"/> Product Code: <input type="text"/> Product Family: <input type="text"/> Supply Chain Part Group: <input type="text"/> Type Designation: <input type="text"/> Dimension/Quality: <input type="text"/>				
				Cost Control Identification Weight, Volume and Quantities Warranty Putaway Origin and Customs Supersession

HSN/SAC Code
 899889898 - Plastics

Sales Charge Type

Sales Charge Type FREIGHT - Freight Charge ▾

⏪ + 📄 ✎ 🗑️ 🔔 ▾

Charge Type	Description	Charge Group	Charge Group Description	Sales Charge Type Cate...	Site
FREIGHT	Freight Charge	FF1 ▾	Fixed Freight Charge	Freight	HPIN1

Sales UoM	Currency
pcs ▾	USD

GENERAL DESCRIPTIONS

Details

Charge Price	Charge Price incl Tax	Charge Cost
70,00	87,50	0,00

Charge (%)	Charge Cost (%)	HSN/SAC Code
		109900 - Internal transport ▾

Tax

Tax Code	Tax Class	Delivery Type
1 - TAX WITH NO RED...		

Taxable

Use Price Including Tax

Sales Quotation

HSN/SAC Codes and tax fetching logic has been introduced to;

- *Sales Quotation Lines*
- *Sales Quotation Rental Lines*
- *Sales Quotation Charges*

Sales Quotation Lines

1) A new column is added to the *Sales Quotation/Lines* tab:

HSN/SAC Code: Use this field to enter HSN/SAC code. The default value is retrieved from the *Sales Part* page, the *Non-Inventory Sales Part* page or the *Package Part* page respectively.

2) When you enter a new Sales Quotation Line, application will first validate the Country (India) and then the states of buyer and seller delivery address to determine whether the transaction is Intra/Inter State.

Company (Seller) Delivery Address

Company (Seller) Delivery Address available on Site is validated.

Site HPIN1 - HP India Site 1 - HP-IN 3 of 5

Company Site Group

Site	Site Description	Company	Country
HPIN1	HP India Site 1	HP-IN - HP India Company	INDIA

EXTENDED SITE INFO

Distribution Calendar: * | Distribution Calendar Status: Generated | Manufacturing Calendar: * | Manufacturing Calendar Status: Generated

Time Zone Code: | Time Zone Offset (hours): 0 | **Delivery Address: ADD1**

Customer (buyer) Delivery Address
 Customer (buyer) Delivery Address available on *Sales Quotation Lines* are validated.

Sales Quotation P1110 Planned

Quotation No: P1110 | Customer: HP-IN-CUS1 - HP india customer 1 | Category: Customer | Site: HPIN1 | Wanted Delivery Da...

Sales Quotation Amounts

Total Net Amount/B...	Total Net Amount/C...	Total Tax Amount/C...	Total Gross Amount...
600,00 USD	60,00 INR	5,20 INR	65,20 INR

LINES | RENTAL LINES | CHARGES | QUOTATION DETAILS | INVOLVED PARTIES | BUSINESS ACTIVITIES

Line No	Del No	Delivery Address	Sales Part	Sales Part Description	Sales Qty	HSN/SAC Code	Tax Calculation Structure
1	1	1	HP-NONTRACKED	HP nontracked part	1	44445555 - Engine	INTRA12% - INTRA S
2	1	2	HP-SP	HP SP	5	22223333LT - Laptop	INTER8% - INTER STA

- When you enter a Part No connected to an HSN/SAC Code, you will be directed to the *HSN/SAC Groups* page and fetch the correct tax structure to the Sales Quotation part line. The valid HSN/SAC Code per Group in the *HSN/SAC Groups* page is considered based on the Planned Due Date on the Sales Quotation part line.

Sales Quotation P1110

Status Share Operations Sales Promotions Quotation History Copy Quotation Create Lines from Template Document Text New Business Activity Access

Quotation No: P1110
 Customer: HP-IN-CUS1 - HP india customer 1
 Category: Customer
 Site: HPIN1
 Wanted Delivery Date/Ti...

Sales Quotation Amounts

Total Net Amount/Base	Total Net Amount/Curr	Total Tax Amount/Curr	Total Gross Amount/Curr
600,00 USD	60,00 INR	5,20 INR	65,20 INR

LINES RENTAL LINES CHARGES QUOTATION DETAILS INVOLVED PARTIES BUSINESS ACTIVITIES

Line No	Del No	Delivery Address	Sales Part	Sales Part Description	Sales Qty	HSN/SAC Code	Tax Calculation Structure
1	1	1	HP-NONTRACKED	HP nontracked part	1	44445555 - Engine	INTRA12% - INTRA STATE 12%
2	1	2	HP-SP	HP SP	5	22223333LT - Laptop	INTER8% - INTER STATE 8%

- 4) Select the **Use Customer Document Address for Tax Calculation** toggle to fetch Indian GST Taxes based on customer document address and company delivery address.

Sales Quotation P1110 Planned

Status Share Operations Sales Promotions Quotation History Copy Quotation Create Lines from Template Document Text New Business Activity Access

Quotation No: P1110
 Customer: HP-IN-CUS1 - HP india customer 1
 Category: Customer
 Site: HPIN1
 Wanted Delivery Date/Ti...

Sales Quotation Amounts

QUOTATION DETAILS INVOLVED PARTIES BUSINESS ACTIVITIES

General Delivery Address

Document Address

Document Address
 2DOC - HP india custo...

Sales Quotation Dates Delivery Settings

Miscellaneous Freight

Invoice

Invoice Customer	Address ID	Payment Terms	Use Price Incl ...
		0 - Due Immediately	No
Tax Liability	Tax Paying Party for FOC	Supply Country	
TAX	No Tax	INDIA	
Customer Tax Usage Type	Use Customer Document Address for Tax Calculation <input checked="" type="checkbox"/>		

- 5) If you change the Sales Quotation line or Sales Quotation header, it will re-fetch the tax structure accordingly. Re-fetch of tax structure is done for below changes;
- Delivery Address of Sales Quotation header
 - Delivery Address of Sales Quotation Part Lines
 - Part No
 - HSN/SAC Code
 - Planned Due Date

Sales Quotation Rental Lines

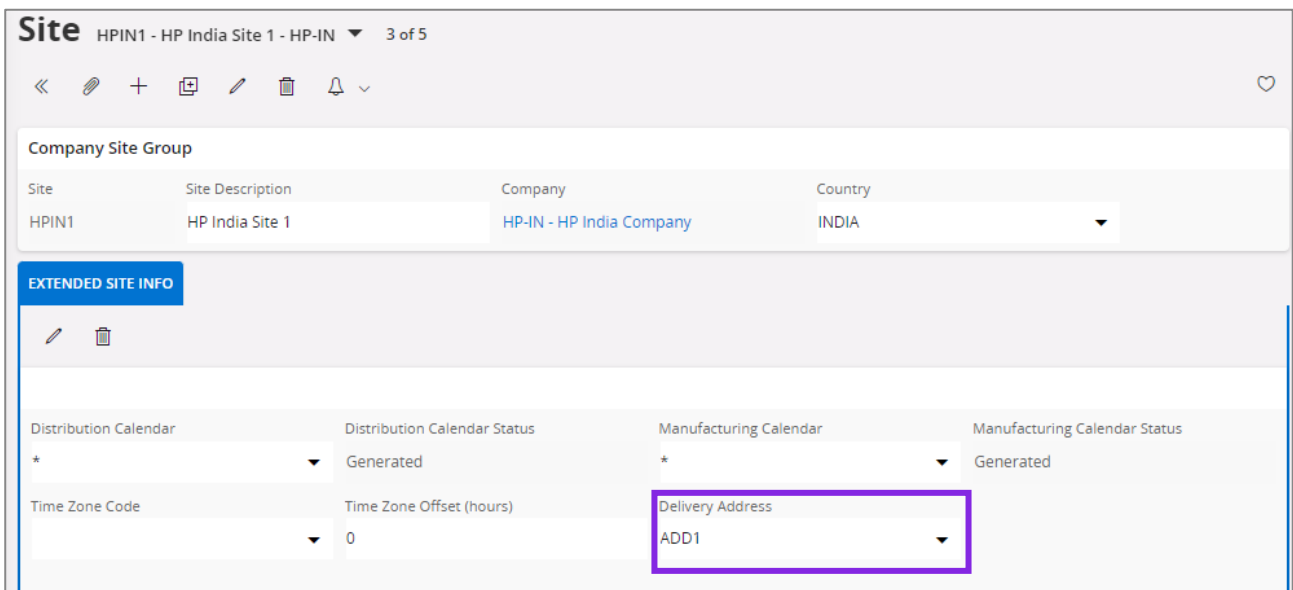
1) A new column is added to the *Sales Quotation/Rental Lines* tab:

HSN/SAC Code: Use this field to enter HSN/SAC code. The default value is retrieved from the *Sales Part* page or the *Non-Inventory Sales Part* page respectively.

2) When you enter a new Rental Line, application will first validate the Country (India) and then the states of buyer and seller delivery address to determine whether the transaction is Intra/Inter State.

Company (Seller) Delivery Address

Company (Seller) Delivery Address available on Site is validated.



Site HPIN1 - HP India Site 1 - HP-IN 3 of 5

Company Site Group

Site	Site Description	Company	Country
HPIN1	HP India Site 1	HP-IN - HP India Company	INDIA

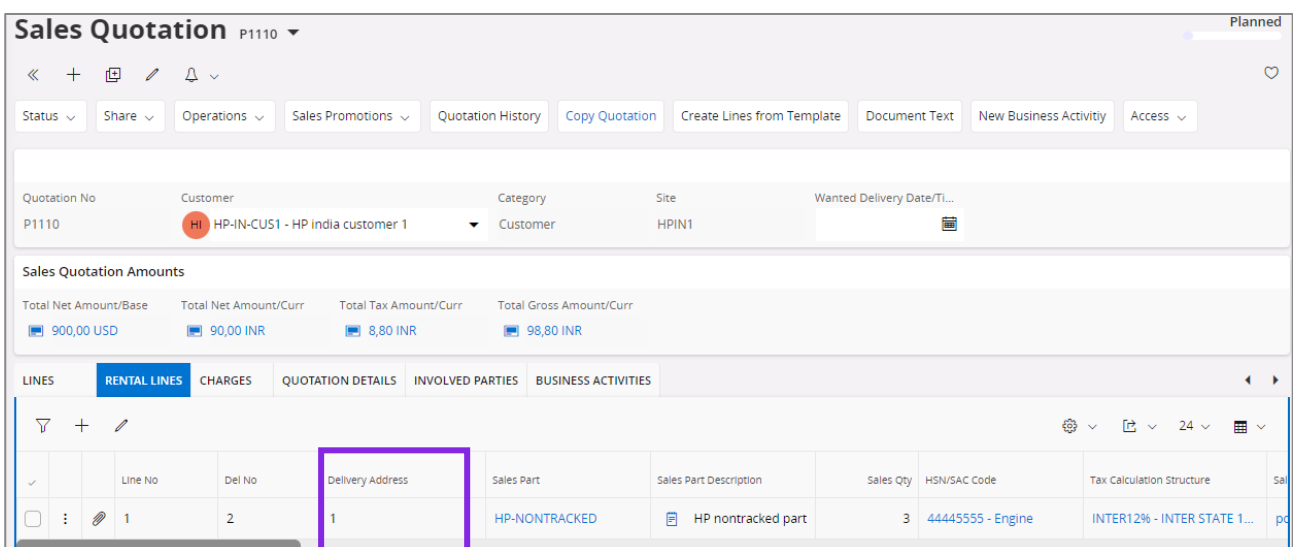
EXTENDED SITE INFO

Distribution Calendar: * | Distribution Calendar Status: Generated | Manufacturing Calendar: * | Manufacturing Calendar Status: Generated

Time Zone Code: | Time Zone Offset (hours): 0 | **Delivery Address: ADD1**

Customer (buyer) Delivery Address

Customer (buyer) Delivery Address available on Rental Quotation Lines are validated.



Sales Quotation P1110 Planned

Quotation No: P1110 | Customer: HP-IN-CUS1 - HP india customer 1 | Category: Customer | Site: HPIN1 | Wanted Delivery Date/TL...

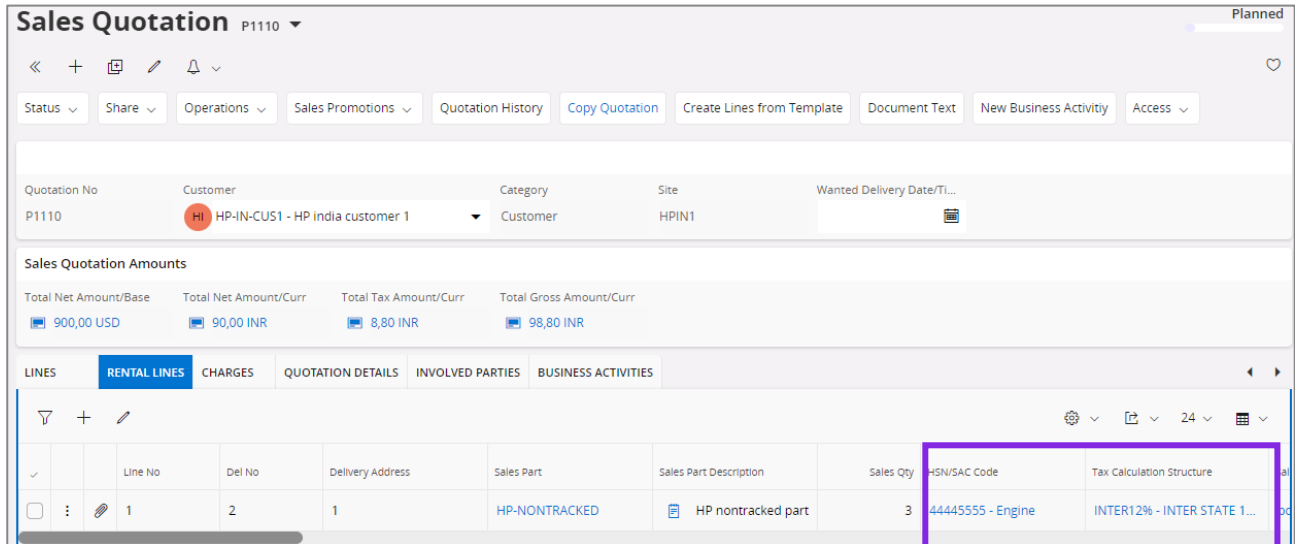
Sales Quotation Amounts

Total Net Amount/Base	Total Net Amount/Curr	Total Tax Amount/Curr	Total Gross Amount/Curr
900,00 USD	90,00 INR	8,80 INR	98,80 INR

RENTAL LINES

Line No	Del No	Delivery Address	Sales Part	Sales Part Description	Sales Qty	HSN/SAC Code	Tax Calculation Structure
1	2	1	HP-NONTRACKED	HP nontracked part	3	44445555 - Engine	INTER12% - INTER STATE 1...

- When you enter a Part No connected to a HSN/SAC Code, you will be directed to the *HSN/SAC Groups* page and fetch the correct tax structure to the Sales Quotation Rental line. The valid HSN/SAC Code per Group in the *HSN/SAC Groups* page is considered based on the Planned Due Date on the Sales Quotation Rental line.



Sales Quotation P1110

Quotation No: P1110, Customer: HP-IN-CUS1 - HP India customer 1, Category: Customer, Site: HPIN1, Wanted Delivery Date/Tl...

Sales Quotation Amounts

Total Net Amount/Base	Total Net Amount/Curr	Total Tax Amount/Curr	Total Gross Amount/Curr
900,00 USD	90,00 INR	8,80 INR	98,80 INR

LINES | RENTAL LINES | CHARGES | QUOTATION DETAILS | INVOLVED PARTIES | BUSINESS ACTIVITIES

Line No	Del No	Delivery Address	Sales Part	Sales Part Description	Sales Qty	HSN/SAC Code	Tax Calculation Structure
1	2	1	HP-NONTRACKED	HP nontracked part	3	44445555 - Engine	INTER12% - INTER STATE 1...

- Select the **Use Customer Document Address for Tax Calculation** toggle to fetch Indian GST Taxes based on customer document address and company delivery address.
- If you change the Sales Quotation Rental line or Sales Quotation header, it will re-fetch the tax structure accordingly. Re-fetch of tax structure is done for below changes;
 - Delivery Address of Sales Quotation header
 - Delivery Address of Sales Quotation Rental Lines
 - Part No
 - HSN/SAC Code
 - Planned Due Date

Sales Quotation Charges

- A new column is added to the *Sales Quotation/Charges* tab:

HSN/SAC Code: Use this field to enter HSN/SAC code. The default value is retrieved from the *Sales Charge Type* page. If the Charge Type Category is "Pack Size" or "Promotion", the value cannot be changed.

- When you enter a new *Sales Quotation Charge Line*, application will first validate the Country (India) and state of buyer and seller delivery address to determine whether the transaction is Intra/Inter State.

Delivery Address validation on Sales Quotation Charges could be describe in two scenarios.

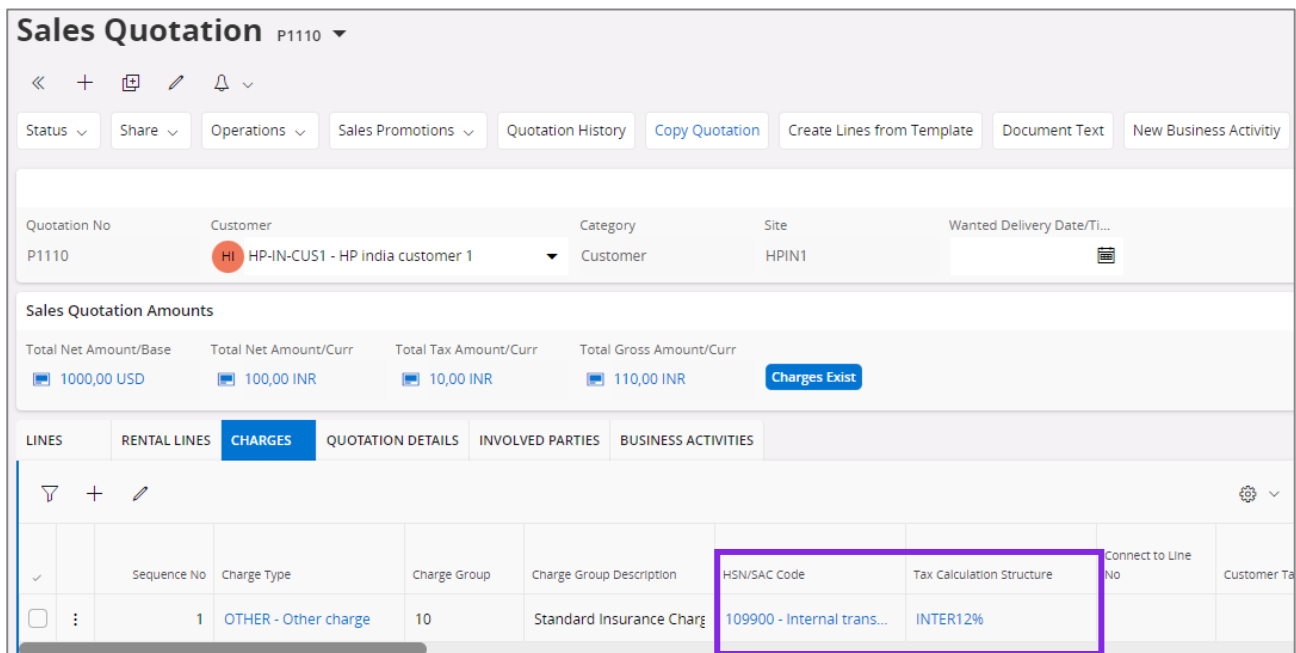
Scenario-01: Charge line is not connected to a Sales Quotation line:

Company (Seller) Delivery Address	Customer (Buyer) Delivery Address
Company (Seller) Delivery Address available on Site is validated.	Customer (buyer) Delivery Address available on Sales Quotation header is validated.

Scenario-02: Charge line is connected to a Sales Quotation line:

Company (Seller) Delivery Address	Customer (Buyer) Delivery Address
Company (Seller) Delivery Address available on Site is validated.	Customer (buyer) Delivery Address presented on connected Sales Quotation Line is validated.

- 3) Select the **Use Customer Document Address for Tax Calculation** toggle to fetch Indian GST Taxes based on customer document address and company delivery address. The Sales Quotation header document address is considered for charge line both connected and not connected to a Sales Quotation line.
- 4) When you enter a *Sales Charge Type* connected to a HSN/SAC Code, you will be directed to the *HSN/SAC Groups* page and fetch the correct tax structure to the Sales Quotation Charges line. The valid HSN/SAC Code per Group in the *HSN/SAC Groups* page is considered based on the Planned Due Date if the charge line is connected to a Sales Quotation line, if not, the Wanted Delivery Date is considered.



The screenshot shows the 'Sales Quotation' interface for quotation P1110. The 'CHARGES' tab is active, displaying a table with the following data:

Sequence No	Charge Type	Charge Group	Charge Group Description	HSN/SAC Code	Tax Calculation Structure	Connect to Line	Customer Ta
1	OTHER - Other charge	10	Standard Insurance Charge	109900 - Internal trans...	INTER12%	No	

The 'HSN/SAC Code' and 'Tax Calculation Structure' columns are highlighted with a purple box in the original image.

- 5) If you change the Sales Quotation Charge line or Sales Quotation header, it will re-fetch the new tax structure accordingly. Re-fetch of tax structure is done for below changes:
 - Delivery Address of Sales Quotation header
 - Sales Charge Type
 - HSN/SAC Code
 - Planned Due Date

Customer Order

HSN/SAC Codes and tax fetching logic has been introduced to;

- *Customer Order Lines*
- *Customer Order Rental Lines*

- *Customer Order Charges*

Customer Order Lines

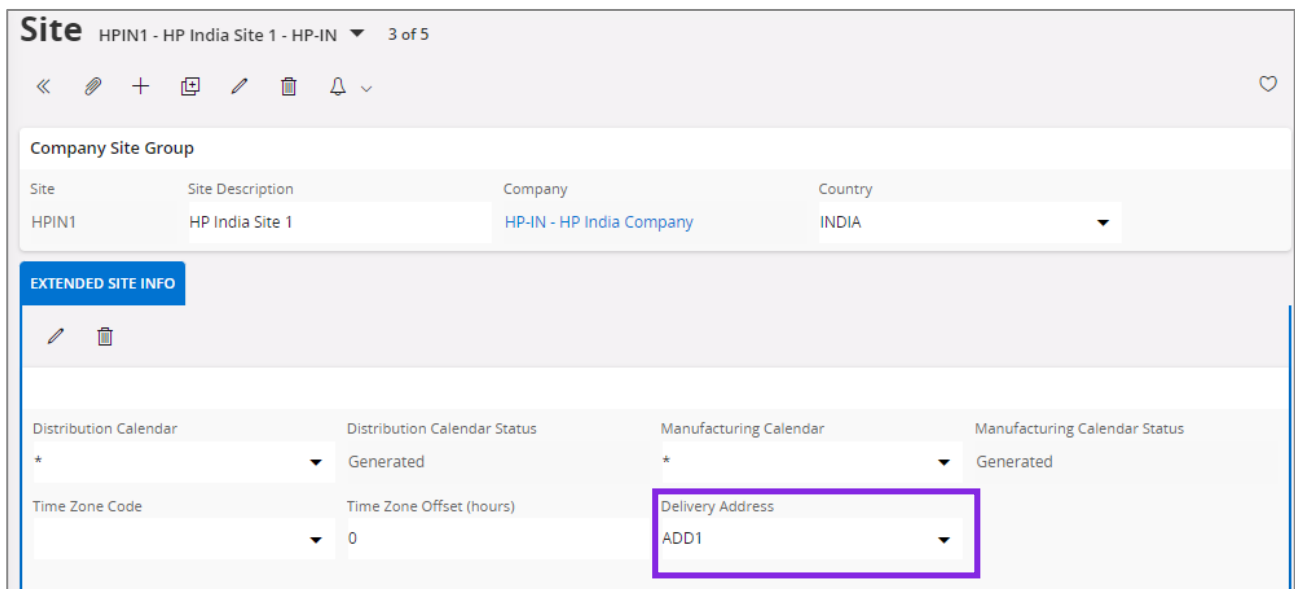
- 1) A new column is added to the *Customer Order/Lines* tab:

HSN/SAC Code: Use this field to enter HSN/SAC code. The default value is retrieved from the *Sales Part* page, the *Non-Inventory Sales Part* page, or the *Package Part* page respectively.

- 2) When you enter a new *Customer Order Line*, application will first validate the Country (India), and then the states of buyer and seller delivery address to determine whether the transaction is Intra/Inter State.

Company (Seller) Delivery Address

State from the company (Seller) Delivery Address available on site is validated.



Site HPIN1 - HP India Site 1 - HP-IN 3 of 5

Company Site Group

Site	Site Description	Company	Country
HPIN1	HP India Site 1	HP-IN - HP India Company	INDIA

EXTENDED SITE INFO

Distribution Calendar	Distribution Calendar Status	Manufacturing Calendar	Manufacturing Calendar Status
*	Generated	*	Generated
Time Zone Code	Time Zone Offset (hours)	Delivery Address	
	0	ADD1	

Customer (Buyer) Delivery Address

State from the Customer (Buyer) Delivery Address available on Customer Order Lines is validated.

Customer Order P10922 Planned

← + 📄 📝 🔔 ⌵

Status ▼ | Share ▼ | Operations ▼ | Freight ▼ | Invoice ▼ | Related Pages ▼ | [Copy Order](#) | [Order History](#) | Sales Promotions ▼ | Commissions ▼ | Project ▼ | Document Text ⋮

Order No: P10922 | Customer: HI HP-IN-CUS1 - HP india customer 1 | Site: HPIN1 | Order Type: NO | Wanted Delivery Date/TL...: 2022-11-10 00:00

Order Amounts

Total Net Amount/Base	Total Contribution Margi...	Contribution Margin(%)	Total Net Amount/Curr	Total Tax Amount/Curr	Total Gross Amount/Curr	Charges Exist
5250,00 USD	5100,00 USD	100,00	525,00 INR	72,00 INR	597,00 INR	

LINES | RENTAL LINES | ORDER DETAILS | CHARGES | INVOLVED PARTIES

Line No	Del No	Delivery Address	Sales Part No	Sales Part Description	Sales Qty	HSN/SAC Code	Tax Calculation Structure	Sales UoM
1	1	1	HP-SP	HP SP	1	44445555 - Engine	INTRA8%	pcs
2	1	2	HP-SP2	HP sp 2	50	89898989 - Wood	INTER14%	pcs

- 3) When you enter a Part No connected to a HSN/SAC Code, you will be directed to the *HSN/SAC Groups* page and fetch the correct tax structure to the Customer Order line. The valid HSN/SAC Code per Group in the *HSN/SAC Groups* page is considered based on the Planned Ship Date on the Customer Order part line.

Customer Order P10922 Planned

← + 📄 📝 🔔 ⌵

Status ▼ | Share ▼ | Operations ▼ | Freight ▼ | Invoice ▼ | Related Pages ▼ | [Copy Order](#) | [Order History](#) | Sales Promotions ▼ | Commissions ▼ | Project ▼ | Document Text ⋮

Order No: P10922 | Customer: HI HP-IN-CUS1 - HP india customer 1 | Site: HPIN1 | Order Type: NO | Wanted Delivery Date/TL...: 2022-11-10 00:00

Order Amounts

LINES | RENTAL LINES | ORDER DETAILS | CHARGES | INVOLVED PARTIES

Line No	Del No	Delivery Address	Sales Part No	Sales Part Description	Sales Qty	HSN/SAC Code	Tax Calculation Structure	Sales UoM
1	1	1	HP-SP	HP SP	1	44445555 - Engine	INTRA8%	pcs
2	1	2	HP-SP2	HP sp 2	50	89898989 - Wood	INTER14%	pcs

- 4) Select the **Use Customer Document Address for Tax Calculation** toggle to fetch Indian GST Taxes based on customer document address and company delivery address.

Customer Order P10922 Planned

Order No: P10922 Customer: HP-IN-CUS1 - HP india customer 1 Site: HPIN1 Order Type: NO Wanted Delivery Date/Tl...: 2022-11-10 00:00

Order Amounts

LINES RENTAL LINES **ORDER DETAILS** CHARGES INVOLVED PARTIES

Delivery Address

Document Address

Document Address: 2DOC - HP india customer 1

Invoice

Tax ID: Tax ID Validat...: Tax Liability: TAX Pay Term: 0 - Due Immediately Pay Term Bas...:

Invoice Customer: Addr ID: Invoice Cust Reference: Use Price Incl ...: No

Required Prep...: 0 Advance/Prep...: No Supply Country: INDIA Tax Paying Par...: No Tax Customer Bra...: Injsui Invoice:

Customer Tax Usage Type: Use Customer Document Address for Tax Calculation:

5) If you change Customer Order line or Customer Order header, it will re-fetch the tax structure accordingly. Re-fetch of tax structure is done for below changes;

- Delivery Address of Customer Order header
- Delivery Address of Customer Order Lines
- Part No
- HSN/SAC Code
- Planned Ship Date

Customer Order Rental Lines

1) A new column is added to the *Customer Order/Rental Lines* tab:

HSN/SAC Code: Use this field to enter HSN/SAC code. The default value is retrieved from the *Sales Part* page or the *Non-Inventory Sales Part* page respectively.

2) When you enter a new *Customer Order Rental Line*, application will first validate the Country (India) and then the states of buyer and seller delivery address to determine whether the transaction is Intra/Inter State.

Company (Seller) Delivery Address

State from the company (Seller) Delivery Address available on site is validated.

Site HPIN1 - HP India Site 1 - HP-IN 3 of 5

Company Site Group

Site	Site Description	Company	Country
HPIN1	HP India Site 1	HP-IN - HP India Company	INDIA

EXTENDED SITE INFO

Distribution Calendar: * | Distribution Calendar Status: Generated | Manufacturing Calendar: * | Manufacturing Calendar Status: Generated

Time Zone Code: | Time Zone Offset (hours): 0

Delivery Address: ADD1

Customer (Buyer) Delivery Address

State from the Customer (Buyer) Delivery Address available on Customer Order Rental line is validated.

Customer Order P10922 Planned

Status | Share | Operations | Freight | Invoice | Related Pages | Copy Order | Order History | Sales Promotions | Commissions | Project | Document Text

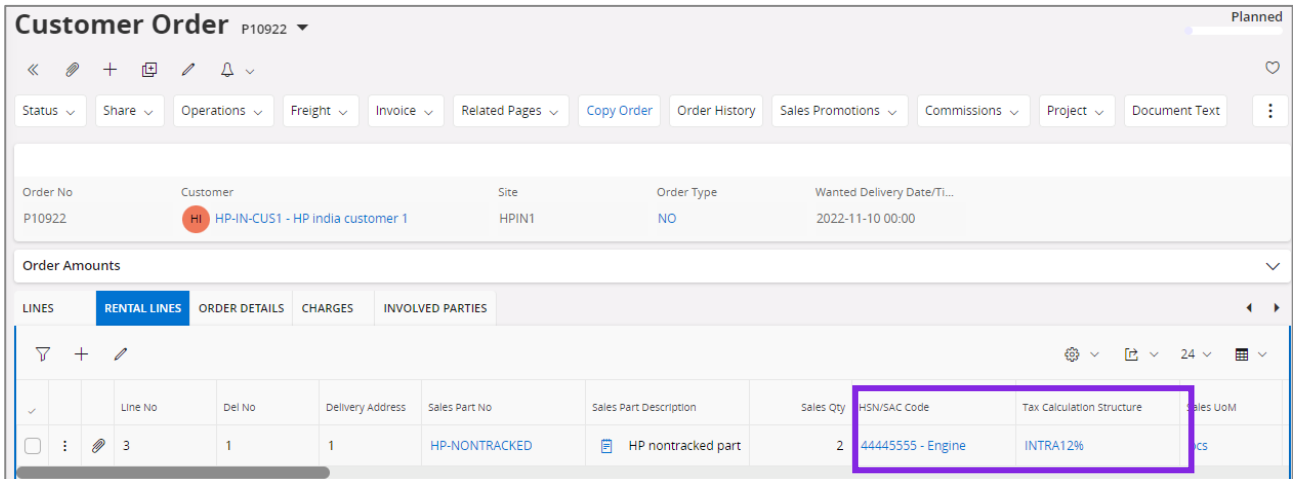
Order No	Customer	Site	Order Type	Wanted Delivery Date/TL...
P10922	HP-IN-CUS1 - HP india customer 1	HPIN1	NO	2022-11-10 00:00

Order Amounts

RENAL LINES | ORDER DETAILS | CHARGES | INVOLVED PARTIES

Line No	Del No	Delivery Address	Sales Part No	Sales Part Description	Sales Qty	HSN/SAC Code	Tax Calculation Structure	Sales UoM
3	1	1	HP-NONTRACKED	HP nontracked part	2	44445555 - Engine	INTRA12%	pcs

- When you enter a Part No connected to a HSN/SAC Code, you will be directed to the *HSN/SAC Groups* page and fetch the correct tax structure to the Customer Order Rental line. The valid HSN/SAC Code per Group in the *HSN/SAC Groups* page is considered based on the Planned Ship Date on the Customer Order Rental part line.



- 4) Select the **Use Customer Document Address for Tax Calculation** toggle to fetch Indian GST Taxes based on customer document address and company delivery address.
- 5) If you change Customer Order Rental line or Customer Order header, it will re-fetch the tax structure accordingly. Re-fetch of tax structure is done for below changes;
 - Delivery Address of Customer Order header
 - Delivery Address of Customer Order Rental Lines
 - Part No
 - HSN/SAC Code
 - Planned Ship Date

Customer Order Charges

- 1) A new column is added to the *Customer Order/Charges* tab:

HSN/SAC Code: Use this field to enter HSN/SAC code. The default value is retrieved from the *Sales Charge Type* page. If the Charge Type Category is “Pack Size” or “Promotion”, the value cannot be changed.

- 2) When you enter a new Customer Order Charge line, application will first validate the Country (India) and state of buyer and seller delivery address to determine whether the transaction is Intra/Inter State.

Delivery Address validation on Customer Order Charge lines could be describe in two scenarios.

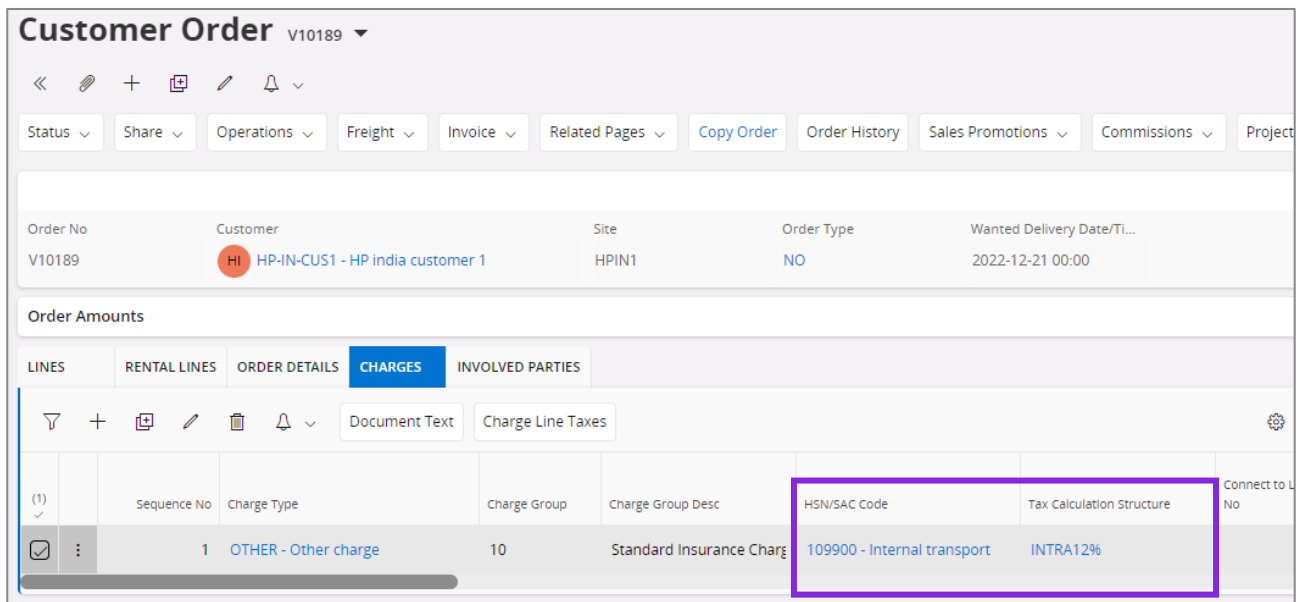
Scenario-01: Charge line is not connected to a Customer Order line.

Company (Seller) Delivery Address	Customer (Buyer) Delivery Address
Company (Seller) Delivery Address available on site is validated.	Customer (buyer) Delivery Address available on Customer Order header is validated.

Scenario-02: Charge Line is connected to a Customer Order line:

Company (Seller) Delivery Address	Customer (Buyer) Delivery Address
Company (Seller) Delivery Address available site is validated.	Customer (Buyer) Delivery Address available on connected Customer Order Line/Rental Lines is validated.

- 3) Select the **Use Customer Document Address for Tax Calculation** toggle to fetch Indian GST Taxes based on customer document address and company delivery address. The Customer Order header document address is considered for charge line both connected and not connected to a Customer Order line.
- 4) When you enter a *Sales Charge Type* connected to an HSN/SAC Code, you will be directed to the *HSN/SAC Groups* page and fetch the correct tax structure to the Customer Order Charges line. The valid HSN/SAC Code per Group in the *HSN/SAC Groups* page is considered based on the Planned Ship Date if the charge line is connected to a Customer Order line, if not, the Wanted Delivery Date is considered.



The screenshot shows the 'Customer Order' interface for order V10189. The 'CHARGES' tab is active, displaying a table with the following data:

Sequence No	Charge Type	Charge Group	Charge Group Desc	HSN/SAC Code	Tax Calculation Structure	Connect to L No
1	OTHER - Other charge	10	Standard Insurance Charge	109900 - Internal transport	INTRA12%	

- 4) If you change Customer Order Charge line or Customer Order header, it will re-fetch the tax structure accordingly. Re-fetch of tax structure is done for below changes;
 - Delivery Address of Customer Order header
 - Delivery Address of Customer Order Charge lines
 - Sales Charge Type
 - HSN/SAC Code
 - Planned Ship Date

Customer Invoice

1) A new column is added to the *Customer Invoice/Lines* tab:

HSN/SAC Code: If the line was created on the base of customer order, the default value is fetched from the *Customer Order* page. If the line was created on the base of the return material authorization, the default value is retrieved from the *Return Material Authorization* page. If the line was created on the base of a debit invoice line, default value is fetched from the *Customer Invoice* page.

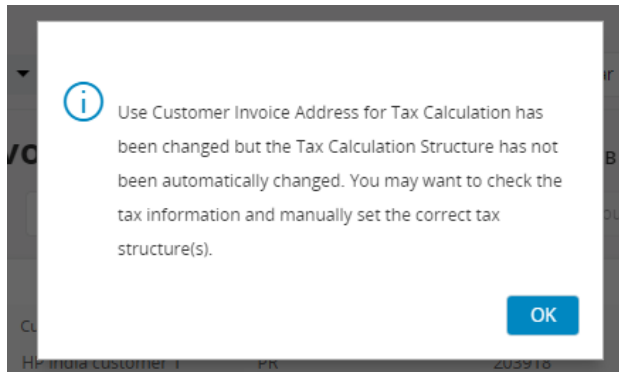
Customer Invoice							
HP-IN-CUS1 - HP india customer 1 - 970000002 - CUSTORDDEB - P11520 1 of 1							
Share Posting Installation Plan and Discounts Notes							
Customer No	Customer Address Name	Series ID	Invoice No	Company	Site	Invoice Created	
HP-IN-CUS1	HP india customer 1	CD	970000002	HP-IN	HPIN1	2023-01-03	
Amounts							
Currency	Gross Amt	Net Amt	Tax Amt	Currency Rate	Tax Currency Rate		
INR	89,20	80,00	9,20	10	10		
LINES	GENERAL	HISTORY					
Pos	Invoice Item	Description	Invoiced Qty	HSN/SAC Code	Tax Calculation Structure		Sales UoM
1	HP-NONTRACKED	HP nontracked part	2	44445555 - Engine	INTRA12%		pcs
2	HP-SP	HP SP	1	22223333LT - Laptop	INTRA8%		pcs
3	FREIGHT	Freight Charge	1	109900 - Internal trans...	INTRA12%		pcs

2) Address Handling

In case HSN/SAC code is manually changed, the following information is used in order to determine whether transaction is inter or intra state:

- State from company (seller) address
 - State from the company delivery address connected to site.
- Country and state from customer (buyer) address:
 - Country and state from the customer delivery address
 - If invoice line was created on the base of customer order, the customer order line delivery address will be considered.
 - If invoice line was created on the base of return material authorization, the return material authorization Return From address is considered.
 - Country must be India.

3) **Use Customer Invoice Address for Tax Calculation** toggle has been introduced on Customer Invoice header and the value is inherited from the connected customer order, return material authorization or debit invoice. Changing value on the toggle gives below information message and does not trigger a re-fetch of the taxes.



4) Re-fetch of tax structure is done for below changes.

- HSN/SAC Code

Print Customer Invoice

Print and preview the customer invoice using IFS Could standard functionality. In the *Report Archive* page use command Save XML Data. The following information is added to the XML:

- Header section of the XML
 - **<STATE_CODE_NUMBER>**
 - Value from the **State Code No** field from the *States* page. It is retrieved from the state of the customer delivery address.
 - **<STATE_NAME>**
 - Value from the **State Name** field from the *States* page. It is retrieved from the state of the customer delivery address.

- Invoice line section of the XML
 - **<HSN_SAC_CODE>**
 - HSN/SAC code from the invoice line.
 - **<CGST_TAX_AMNT>, <CGST_TAX_PCT>, <CGST_FEE_TYPE>**
 - Tax amount, tax percentage and tax type per invoice line for the tax type category "CGST".
 - **<SGST_TAX_AMNT>, <SGST_TAX_PCT>, <SGST_FEE_TYPE>**
 - Tax amount, tax percentage and tax type per invoice line for the tax type category "SGST".
 - **<IGST_TAX_AMNT>, <IGST_TAX_PCT>, <IGST_FEE_TYPE>**
 - Tax amount, tax percentage and tax type per invoice line for the tax type category "IGST".
 - **<UGST_TAX_AMNT>, <UGST_TAX_PCT>, <UGST_FEE_TYPE>**
 - Tax amount, tax percentage and tax type per invoice line for the tax type category "UGST".
 - **<OTHER_TAX_AMNT>, <OTHER_TAX_PCT>, <OTHER_FEE_TYPE>**
 - Tax amount, tax percentage and tax type per invoice line for other tax type categories.

Header section:

```

<CUSTOMER_BRANCH xsi:nil="1"/>
<SHIP_ADDR_1>IP India Customer 1</SHIP_ADDR_1>
<SHIP_ADDR_2>AD1</SHIP_ADDR_2>
<SHIP_ADDR_3>221-221 - Delhi</SHIP_ADDR_3>
<STATE_CODE_NUMBER>07</STATE_CODE_NUMBER>
<STATE_NAME>Delhi</STATE_NAME>
<SHIP_ADDR_4>DL</SHIP_ADDR_4>
<SHIP_ADDR_5>IN - INDIA</SHIP_ADDR_5>
<SHIP_ADDR_6 xsi:nil="1"/>
<SHIP_ADDR_7 xsi:nil="1"/>
<SHIP_ADDR_8 xsi:nil="1"/>
<SHIP_ADDR_9 xsi:nil="1"/>
<SHIP_ADDR_10 xsi:nil="1"/>
<SHIP_ADDR_11 xsi:nil="1"/>

```

Invoice line section:

```

<REF_INVOICE_LINE_DATE xsi:nil="1"/>
<PREPAY_TAX_AMOUNT>9</PREPAY_TAX_AMOUNT>
<LINE_DEL_TERMS_LOCATION xsi:nil="1"/>
<LINE_FORWARD_AGENT xsi:nil="1"/>
<LINE_VAT_NO xsi:nil="1"/>
<DELIVERY xsi:nil="1"/>
<DELIVERY_NOTE_REF xsi:nil="1"/>
<AIRWAY_BILL_NO xsi:nil="1"/>
<NET_SALES_PRICE_CURR>20</NET_SALES_PRICE_CURR>
<COUNTRY_OF_ORIGIN xsi:nil="1"/>
<CUSTOMS_STAT_NO xsi:nil="1"/>
<INVOICE_TEXT xsi:nil="1"/>
<CORRECTION_REASON xsi:nil="1"/>
<CGST_TAX_AMNT>0</CGST_TAX_AMNT>
<SGST_TAX_AMNT>0</SGST_TAX_AMNT>
<IGST_TAX_AMNT>9</IGST_TAX_AMNT>
<UGST_TAX_AMNT>0</UGST_TAX_AMNT>
<OTHER_TAX_AMNT>0</OTHER_TAX_AMNT>
<CGST_TAX_PCT>0</CGST_TAX_PCT>
<SGST_TAX_PCT>0</SGST_TAX_PCT>
<IGST_TAX_PCT>45</IGST_TAX_PCT>
<UGST_TAX_PCT>0</UGST_TAX_PCT>
<OTHER_TAX_PCT>0</OTHER_TAX_PCT>
<CGST_FEE_TYPE xsi:nil="1"/>
<SGST_FEE_TYPE xsi:nil="1"/>
<IGST_FEE_TYPE>TAX</IGST_FEE_TYPE>
<UGST_FEE_TYPE xsi:nil="1"/>
<OTHER_FEE_TYPE xsi:nil="1"/>
<HSN_SAC_CODE>HSN8</HSN_SAC_CODE>
<LINE_DOC_TEXTS/>
<CATALOG_DOC_TEXTS/>
<INVENT_DOC_TEXTS/>
<REAL_SHIP_DATES/>
<STAGED_BILLING_ITEMS/>

```

Solution is available for the following reports:

CUSTOMER_ORDER_IVC_REP	Invoice
CUSTOMER_ORDER_COLL_IVC_REP	Collective Invoice

Return Material Authorization

HSN/SAC Codes and tax fetching logic has been introduced to;

- *Return Material Authorization Lines*
- *Return Material Authorization Credit Charges*

Return Material Lines

1) A new column is added to the *Return Material Lines* tab:

HSN/SAC Code: Use this field to enter HSN/SAC code.

- If the line has a reference to a debit invoice, default value is retrieved from the *Customer Invoice* page.
- If the line has a reference to a customer order, the default value is retrieved from the *Customer Order* page.
- Otherwise, the default value is retrieved from the *Sales Part* page or the *Non-Inventory Sales Part* page respectively.
- **Note:** If Package part is returned from a *Customer Order*, the respective component sales part(s) are listed in the RMA and HSN/SAC code value is then retrieved from the package part from the connected *Customer Order*.

2) Address Handling

In case of lines that are not connected to debit invoice/customer order, the following information is used in order to determine whether transaction is inter-state or intra-state.

- State of company (seller) address:
 - State from the company delivery address connected to site, that is, same solution as for the *Customer Order/Lines* tab.
- Country and state from customer (buyer) address:
 - Country and state from the customer delivery address selected in the **Delivery Address** field in the **Return from Address** section on the *Return Material Authorization/Return Handling Address* tab.
 - Country must be India.

Return Material Authorization

200389 - HPETSE - 2022-11-17 - HPIN1 - HP-IN-CUS1

Quick RMA Registration | Print Return Note | Document Text | Return History

RMA No: 200389 | Customer: HP-IN-CUS1 - HP india customer 1 | Site: HPIN1 | Printed: No

General

Total Amounts

RETURN MATERIAL LINES | CREDIT CHARGES | RETURN HANDLING ADDRESS | MISC RMA INFO

Return From Address

Delivery Address: 1 | Name: HP india customer 1 | Single Occurance:

Return From Customer No: HP-IN-CUS1 | Ship-Via: | Delivery Terms: |

Return to Address

Return Address: ADD1 | Name: |

Document Information

Document Address: 2DOC - HP india customer 1

Credit Information

Credit Customer: | Credit Address: |

- 3) When manually enter a Part No connected to an HSN/SAC Code, you will be directed to the *HSN/SAC Groups* page and fetch the correct tax structure to the Return Material line. The valid HSN/SAC Code per Group in the *HSN/SAC Groups* page is considered based on the site date.

Return Material Authorization

200735 - - 2023-01-03 - HPIN1 - HP-IN-CUS1

Quick RMA Registration | Release | Deny | Cancel | Document Text | Return History

RMA No: 200735 | Customer: HP-IN-CUS1 - HP india customer 1 | Site: HPIN1 | Printed: No

General

Total Amounts

Total Net Amount/Base: 0,00 USD | Total Net Amount/Curr: 0,00 INR | Total Tax Amount/Curr: 0,00 INR

RETURN MATERIAL LINES | CREDIT CHARGES | RETURN HANDLING ADDRESS | MISC RMA INFO

Return Completed Date	Qty To Return	Return Material Reason	Sales Part No	HSN/SAC Code	Tax Calculation Structure	Order No	Line No
	2	30 - Ordered the wrong...	HP-NONTRACKED	44445555 - Engine	INTRA12%		

- 4) Select the **Use Customer Document Address for Tax Calculation** toggle to fetch Indian GST Taxes based on customer document address and company delivery address.

Return Material Authorization 200735 -- 2023-01-03 - HPIN1 - HP-IN-CUS1

Quick RMA Registration Release Deny Cancel Document Text Return History

RMA No: 200735 Customer: HP-IN-CUS1 - HP india customer 1 Site: HPIN1 Printed: No

General

Total Amounts

RETURN MATERIAL LINES CREDIT CHARGES RETURN HANDLING ADDRESS **MISC RMA INFO**

<p>Originating Information</p> <p>Originating RMA No: Receipt RMA No:</p>	<p>RMA Indications</p> <p>Intrastat Exempt: <input type="checkbox"/> No Document Text: <input type="checkbox"/> No Notes: <input type="text"/></p>
<p>Tax Information</p> <p>Tax Liability: TAX Supply Country: IN - INDIA Use Price Incl Tax: <input type="checkbox"/> No</p> <p>Customer Tax Usage Type: <input checked="" type="checkbox"/> Use Customer Document Address for Tax Calculation</p>	<p>Other Information</p> <p>Language: en - English Jinsui Invoice: <input type="checkbox"/> Case ID:</p> <p>Cancellation Reason:</p>

Return Material Authorization 200735 -- 2023-01-03 - HPIN1 - HP-IN-CUS1

Quick RMA Registration Release Deny Cancel Document Text Return History

RMA No: 200735 Customer: HP-IN-CUS1 - HP india customer 1 Site: HPIN1 Printed: No

General

Total Amounts

RETURN MATERIAL LINES CREDIT CHARGES **RETURN HANDLING ADDRESS** MISC RMA INFO

<p>Return From Address</p> <p>Delivery Address: 1 Name: HP india customer 1 Single Occurrence: <input type="checkbox"/></p> <p>Return From Customer No: HP-IN-CUS1 Ship-Via: Delivery Terms:</p>	<p>Return to Address</p> <p>Return Address: ADD1 Name:</p>
<p>Document Information</p> <p>Document Address: 2DOC - HP india customer 1</p>	<p>Credit Information</p> <p>Credit Customer: Credit Address:</p>

- 5) For not connected Return Material Lines, re-fetch of tax structure is done for below changes;

- Return From Delivery Address of RMA header
- Part No
- HSN/SAC Code
- Return Completed Date

Return Material Credit Charges

1) A new column is added to the *Credit Charges* tab:

HSN/SAC Code. Use this field to enter HSN/SAC code. If the charge line has a reference to the customer order, the default value is retrieved from the *Customer Order* page. Otherwise the default value is retrieved from the *Sales Charge Type* page.

2) Address Handling

In case of lines that are not connected to customer order, the following information is used to determine whether transaction is inter or intra state:

- State from company (seller) address:
 - State from the company delivery address connected to site, that is same solution as for the *Customer Order/Order Lines* tab.
- Country and state from customer (buyer) address:
 - Country and state from the customer delivery address selected in the **Delivery Address** field in the **Return from Address** section on the *Return Material Authorization/Return Handling Address* tab.
 - That is, same solution as for the *Return Material Authorization/Return Material Lines* tab.
 - Country must be India.

3) When manually enter a Sales Charge Type connected to an HSN/SAC Code, you will be directed to the *HSN/SAC Groups* page and fetch the correct tax structure to the Credit Charge line. The valid HSN/SAC Code per Group in the *HSN/SAC Groups* page is considered based on the site date.

Return Material Authorization 200735 - - 2023-01-03 - HPIN1 - HP-IN-CUS1

Quick RMA Registration
Release
Deny
Cancel
Document Text
Return History

RMA No 200735	Customer HI HP-IN-CUS1 - HP india customer 1	Site HPIN1	Printed No
------------------	--	---------------	--

General

Total Amounts

RETURN MATERIAL LINES
CREDIT CHARGES
RETURN HANDLING ADDRESS
MISC RMA INFO

Deny
RMA Charge Tax Lines
Document Text

(1)	RMA Charge No	Status	Charge Type	Charge Type Description	Charge Price/Curr	HSN/SAC Code	Tax Calculation Structure	Charge Price Incl Tax/Curr
<input checked="" type="checkbox"/>	1	Planned	OTHER	Other charge	10,00	109900 - Internal transport	INTRA12%	11,20

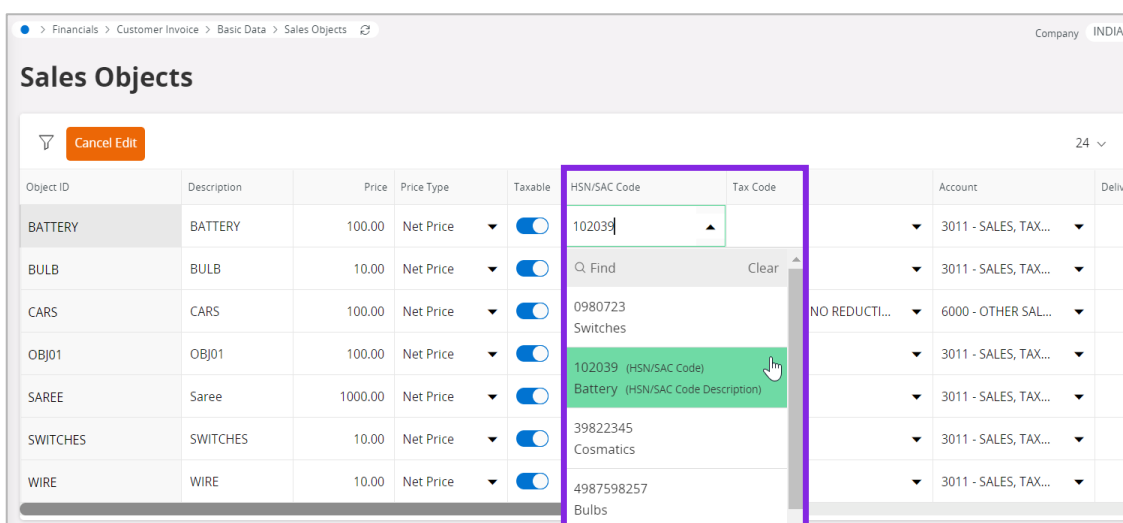
4) Select the **Use Customer Document Address for Tax Calculation** toggle to fetch Indian GST Taxes based on customer document address and company delivery address.

- 5) For not connected Credit Charge lines, re-fetch of tax structure is done for below changes.
 - Return From Delivery Address of RMA header
 - Part No
 - HSN/SAC Code
 - Return Completed Date

Instant Invoice

Sales Object

HSN/SAC Code column is introduced to **Sales Object** page, allowing the user to connect an HSN/SAC Code to a Sales Object. The HSN/SAC Codes defined on the **HSN/SAC Code** page, is made available in the list of values to be selected.



Object ID	Description	Price	Price Type	Taxable	HSN/SAC Code	Tax Code	Account	Delive
BATTERY	BATTERY	100.00	Net Price	<input checked="" type="checkbox"/>	102039		3011 - SALES, TAX...	
BULB	BULB	10.00	Net Price	<input checked="" type="checkbox"/>	Q. Find	Clear	3011 - SALES, TAX...	
CARS	CARS	100.00	Net Price	<input checked="" type="checkbox"/>	0980723 Switches		6000 - OTHER SAL...	
OBJ01	OBJ01	100.00	Net Price	<input checked="" type="checkbox"/>	102039 (HSN/SAC Code) Battery (HSN/SAC Code Description)		3011 - SALES, TAX...	
SAREE	Saree	1000.00	Net Price	<input checked="" type="checkbox"/>			3011 - SALES, TAX...	
SWITCHES	SWITCHES	10.00	Net Price	<input checked="" type="checkbox"/>	39822345 Cosmetics		3011 - SALES, TAX...	
WIRE	WIRE	10.00	Net Price	<input checked="" type="checkbox"/>	4987598257 Bulbs		3011 - SALES, TAX...	

Note that, default tax information (tax codes, tax classes or tax structures) relevant for company, customer, supplier, or objects that are defined in basic data level will not be automatically fetched to invoice line items in Indian Localization enabled companies, as the tax fetching for India is based on HSN/SAC codes. However, such tax information defined under tax exempt (zero percent tax codes defined under tax exempt) scenarios, will be fetched to tax lines as HSN/SAC Code fetching will not function in tax exempt scenarios. Nevertheless, the user can add any above default information to invoice line items manually.

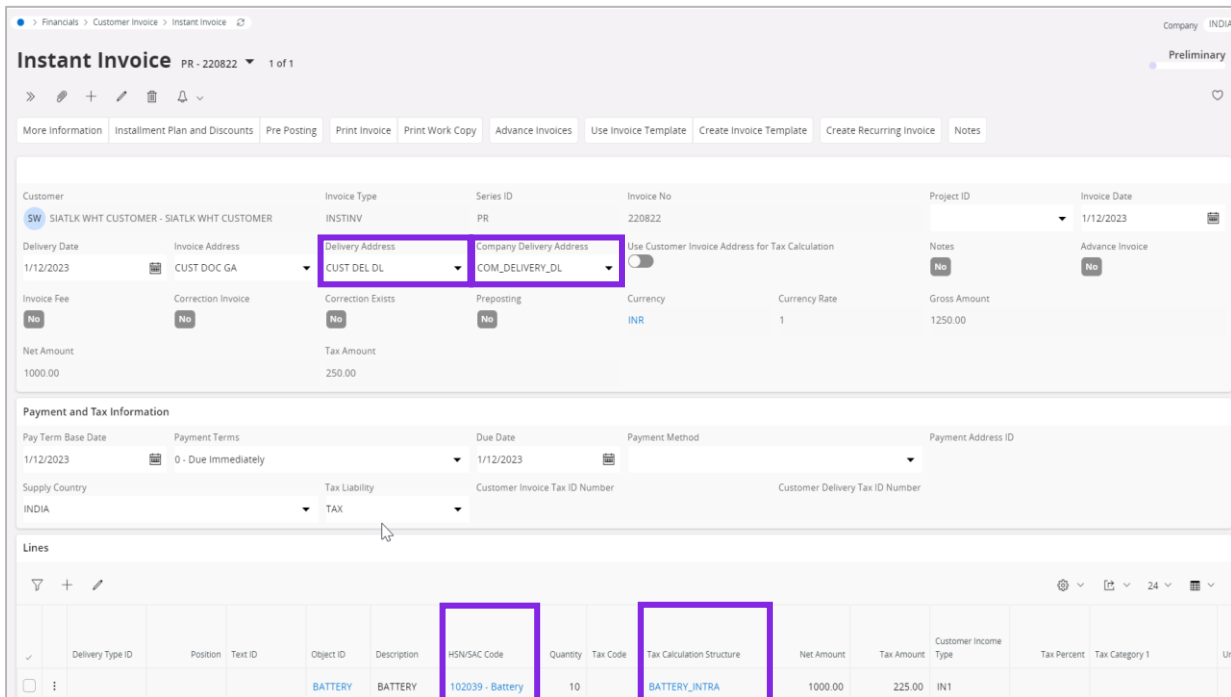
However, if the **Company / Tax Control / General / Customer Tax Code Validation / Object Level** is enabled, the user will not be able to save the Sales Object record without entering a Tax Code or a Tax Class. Therefore, the user is expected to disable the said validation at Object Level while leaving the Transaction Level enabled, so that the presence of a tax transaction will be validated at Transaction Level.

Instant Invoice header and lines

1. At **Instant Invoice** header level, IFS Cloud will first validate the country (India) and then the state codes that are mentioned in the delivery addresses of the customer and the company, to determine whether the transaction is Interstate or Intrastate.

- Then, once the above sales object is introduced in Instant Invoice line-item level, the relevant HSN/SAC code connected to the Sales object will be automatically fetched to Instant Invoice Line-item level, Ultimately, fetching the applicable Tax Structure for the HSN/SAC Code based on the Interstate, Intrastate determination.

*Example: If the state in the **Company Delivery address** is DL and the State in **Delivery address** (Customer Delivery address) is also DL, the transaction is classified as an **Intrastate transaction** at header level and the **Tax Structure** specified for **Intrastate transactions** in **HSN/SAC Groups** page will be fetched when the sales object is entered to invoice line as per below screenshot.*



Customer	Invoice Type	Series ID	Invoice No	Project ID	Invoice Date
SIATLK WHT CUSTOMER - SIATLK WHT CUSTOMER	INSTINV	PR	220822		1/12/2023

Delivery Date	Invoice Address	Delivery Address	Company Delivery Address	Use Customer Invoice Address for Tax Calculation	Notes	Advance Invoice
1/12/2023	CUST DOC GA	CUST DEL DL	COM_DELIVERY_DL	<input checked="" type="checkbox"/>	No	No

Invoice Fee	Correction Invoice	Correction Exists	Preposting	Currency	Currency Rate	Gross Amount
No	No	No	No	INR	1	1250.00

Net Amount	Tax Amount
1000.00	250.00

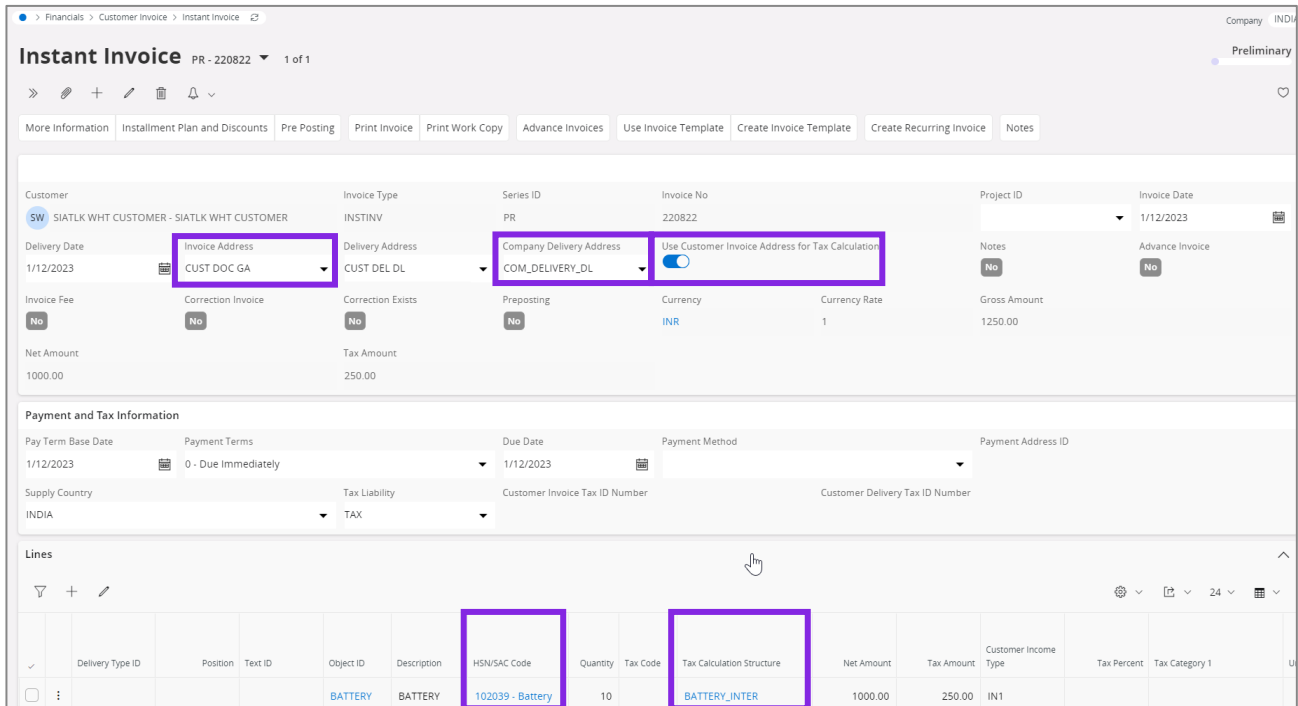
Pay Term Base Date	Payment Terms	Due Date	Payment Method	Payment Address ID
1/12/2023	0 - Due Immediately	1/12/2023		

Supply Country	Tax Liability	Customer Invoice Tax ID Number	Customer Delivery Tax ID Number
INDIA	TAX		

Delivery Type ID	Position	Text ID	Object ID	Description	HSN/SAC Code	Quantity	Tax Code	Tax Calculation Structure	Net Amount	Tax Amount	Customer Income Type	Tax Percent	Tax Category 1
			BATTERY	BATTERY	102039 - Battery	10		BATTERY_INTRA	1000.00	225.00	IN1		

- The user can alternatively select the state in the document address/invoice address of the customer instead of the state in delivery address of the customer via enabling the toggle **Use Customer Invoice Address for Tax Calculation**.

*Example: Once the toggle **Use Customer Invoice Address for Tax Calculation** is enabled, the comparison will now change to the state in the **Company Delivery address** that is DL and the state in **Invoice Address** (Customer Invoice Address) that is GA, the same transaction is now classified as an **Interstate transaction** at header level and the **Tax Structure** specified for **Interstate transactions** in **HSN/SAC Groups** page will be fetched when the sales object is entered to invoice line. Assume if the state in **Invoice Address** (Customer Invoice Address) is DL, then the transaction will remain as an **Interstate transaction** even after the toggle is enabled as per below screenshot.*



The relevant Tax Structure must be re fetched accordingly, even after changes are done to the Invoice elements like,

- Addresses available on the **Instant Invoice / General** tab
- Enable and disable the toggle to use Invoice Address
- Sales Object
- HSN/SAC Code

HSN/SAC Code based fetching is also supported in creation of **Recurring Invoices, Correction Invoices, Credit Invoices** and **Collective Invoices** so that the user will be able to bring the information in addresses, HSN/SAC Codes, and fetched Tax Structures of a base Invoice to a **Recurring Invoice, Correction Invoice, Credit Invoice, or a Collective Invoice** created.

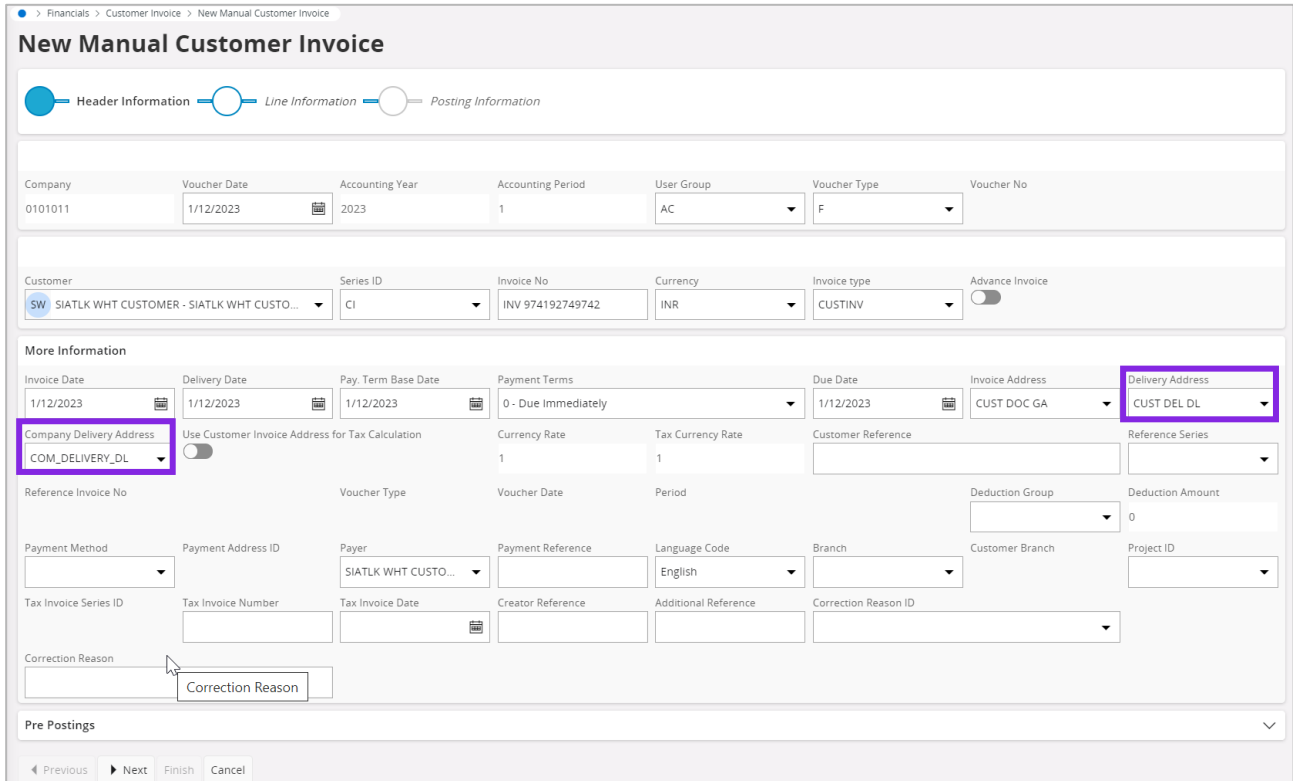
However, HSN/SAC Code based fetching functionality is not supported for **Instant Invoice Template**. Therefore, the user is expected to manually enter **Company Delivery Address** and **HSN/SAC Code** manually in Invoice lines when an invoice is created using an **Instant Invoice Template**.

Moreover, the RDF of the Instant Invoice that is created at the point of printing the Instant Invoice will depict the HSN/SAC Code, the relevant Tax Category and the State Code.

Manual Customer Invoice

1. At **Manual Customer Invoice** header level, IFS Cloud will first validate the country (India) and then the state codes that are mentioned in the delivery addresses of the customer and the company, to determine whether the transaction is Interstate or Intrastate.
2. Then, at **Manual Customer Invoice** line-item level, the relevant HSN/SAC code must be manually entered by the user, resulting in applicable Tax Structure fetching based on the predefined combination for the HSN/SAC Code and Interstate/Intrastate.

*Example: If the state in the **Company Delivery** address is DL and the state in **Delivery** address (Customer Delivery address) is also DL, the transaction is classified as an **Intrastate Transaction** at header level and the **Tax Structure** specified for **Intrastate transactions** in **HSN/SAC Groups** page will be fetched when the **HSN/SAC Code** is entered to invoice line as per below screenshot.*



New Manual Customer Invoice

Header Information | Line Information | Posting Information

Company: 0101011 | Voucher Date: 1/12/2023 | Accounting Year: 2023 | Accounting Period: 1 | User Group: AC | Voucher Type: F | Voucher No: []

Customer: SW SIATLK WHT CUSTOMER - SIATLK WHT CUSTO... | Series ID: CI | Invoice No: INV 974192749742 | Currency: INR | Invoice type: CUSTINV | Advance Invoice:

More Information

Invoice Date: 1/12/2023 | Delivery Date: 1/12/2023 | Pay. Term Base Date: 1/12/2023 | Payment Terms: 0 - Due Immediately | Due Date: 1/12/2023 | Invoice Address: CUST DOC GA | **Delivery Address: CUST DEL DL**

Company Delivery Address: COM_DELIVERY_DL | Use Customer Invoice Address for Tax Calculation:

Reference Invoice No: [] | Voucher Type: [] | Voucher Date: [] | Period: [] | Deduction Group: [] | Deduction Amount: 0

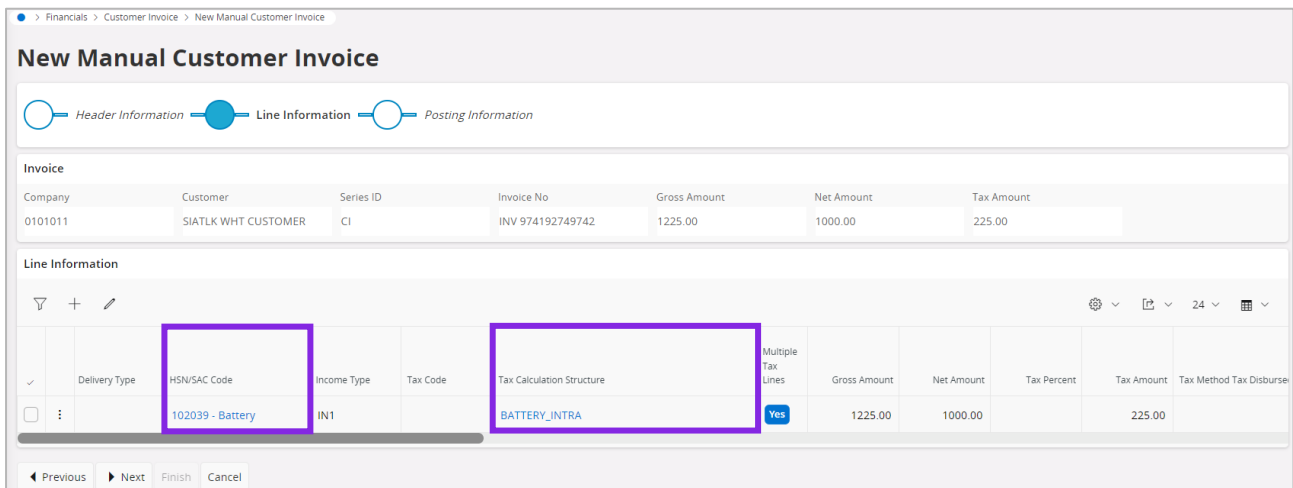
Payment Method: [] | Payment Address ID: [] | Payer: SIATLK WHT CUSTO... | Payment Reference: [] | Language Code: English | Branch: [] | Customer Branch: [] | Project ID: []

Tax Invoice Series ID: [] | Tax Invoice Number: [] | Tax Invoice Date: [] | Creator Reference: [] | Additional Reference: [] | Correction Reason ID: []

Correction Reason: []

Pre Postings: []

Navigation: Previous, Next, Finish, Cancel



New Manual Customer Invoice

Header Information | **Line Information** | Posting Information

Invoice

Company	Customer	Series ID	Invoice No	Gross Amount	Net Amount	Tax Amount
0101011	SIATLK WHT CUSTOMER	CI	INV 974192749742	1225.00	1000.00	225.00

Line Information

Delivery Type	HSN/SAC Code	Income Type	Tax Code	Tax Calculation Structure	Multiple Tax Lines	Gross Amount	Net Amount	Tax Percent	Tax Amount	Tax Method Tax Disburse
[]	102039 - Battery	IN1	[]	BATTERY_INTRA	Yes	1225.00	1000.00	[]	225.00	[]

Navigation: Previous, Next, Finish, Cancel

3. The user can alternatively select the state in the document address/invoice address of the customer instead of the state in delivery address of the customer via enabling the toggle **Use Customer Invoice Address for Tax Calculation**.

*Example: Once the toggle **Use Customer Invoice Address for Tax Calculation** is enabled, the comparison will now change to the state in the **Company Delivery** address that is DL and the state in **Invoice Address** (Customer Invoice Address address) that is GA, the same transaction is now classified as an **Interstate Transaction** at header level and the **Tax Structure** specified for **Interstate transactions** in **HSN/SAC Groups** page will be fetched when the **HSN/SAC Code** is entered to invoice line as per below screenshot. Assume if the state in **Invoice Address** (Customer Invoice*

Address) is DL, then the transaction will remain as an Interstate transaction even after the toggle is enabled.

Financials > Customer Invoice > New Manual Customer Invoice

New Manual Customer Invoice

Header Information | Line Information | Posting Information

Company: 0101011 | Voucher Date: 1/12/2023 | Accounting Year: 2023 | Accounting Period: 1 | User Group: AC | Voucher Type: F | Voucher No:

Customer: SW SIATLK WHT CUSTOMER - SIATLK WHT CUSTO... | Series ID: CI | Invoice No: INV 974192749742 | Currency: INR | Invoice type: CUSTINV | Advance Invoice: No

More Information

Invoice Date: 1/12/2023 | Delivery Date: 1/12/2023 | Pay. Term Base Date: 1/12/2023 | Payment Terms: 0 - Due Immediately | Due Date: 1/12/2023 | **Invoice Address: CUST DOC GA** | Delivery Address: CUST DEL DL

Company Delivery Address: COM_DELIVERY_DL | **Use Customer Invoice Address for Tax Calculation:** | Currency Rate: 1 | Tax Currency Rate: 1 | Customer Reference: | Reference Series: | Reference Invoice No: | Voucher Type: | Voucher Date: | Period: | Deduction Group: | Deduction Amount: 0

Payment Method: | Payment Address ID: | Payer: SIATLK WHT CUSTO... | Payment Reference: | Language Code: English | Branch: | Customer Branch: | Project ID: | Tax Invoice Series ID: | Tax Invoice Number: | Tax Invoice Date: | Creator Reference: | Additional Reference: | Correction Reason ID: | Correction Reason: |

Pre Postings

Financials > Customer Invoice > New Manual Customer Invoice

New Manual Customer Invoice

Header Information | **Line Information** | Posting Information

Invoice

Company	Customer	Series ID	Invoice No	Gross Amount	Net Amount	Tax Amount
0101011	SIATLK WHT CUSTOMER	CI	INV 974192749742	1250.00	1000.00	250.00

Line Information

Delivery Type	HSN/SAC Code	Income Type	Tax Code	Tax Calculation Structure	Multiple Tax Lines	Gross Amount	Net Amount	Tax Percent	Tax Amount	Tax Method Tax Disburse
	102039 - Battery	IN1		BATTERY_INTER	No	1250.00	1000.00		250.00	

Navigation: Previous | Next | Finish | Cancel

The relevant Tax Structure must be re fetched accordingly, even after changes at **Manual Customer Invoice Assistant** are done to the Invoice elements like,

- Addresses
- Enable and disable the toggle to use Invoice Address
- HSN/SAC Code

Moreover, as an enhancement, the HSN/SAC related information is made visible in **Customer Invoice Analysis** page. Accordingly, the user will be able to view,

- The **Company Delivery address, Invoice Address, Delivery address** and the **Use Customer Invoice Address for Tax Calculation** toggle in **More Information** section.
- The **HSN/SAC Code and Tax Calculation Structure** in **Invoice Lines**

However, note that the Manual Customer Invoice is not supported to handle HSN/SAC Code based tax fetching for External Customer Invoices flow.

7.6 Procurement flow - Validation of States, fetch HSN/SAC Code and the Tax Structure

A new field for adding a default HSN/SAC code has been introduced to the following pages:

- *Supplier for Purchase Part*
- *Purchase Charge Type*

Use this field to enter HSN/SAC code for the part or charge type. List of Values shows HSN/SAC codes defined on the *HSN/SAC Codes* page.

Supplier for Purchase Part

Supplier for Purchase Part

HP-NONTRACKED - HP nontracked part - HPIN1 - HP-IN-SUPP ▼

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Create Customer Create Sales Part Supplier Warranty Control Plan Export Control Emissions Alternate Purchase Parts Document Text ⋮

Part	Supplier	Supplier Contact	Site
HP-NONTRACKED - HP nontracked part	HI HP-IN-SUPP - HP Indian Supplier		HPIN1
Active <input checked="" type="checkbox"/>	Document Text		
	No		

Notes ▼

GENERAL

INSPECTION INFO

PRICE LIST

RENTAL PRICE LIST

MANUFACTURERS

CONSIGNMENT

CHARGES

DELIVERY OVERHEADS

◀ ▶

Part Parameters

Acquisition Type	Ownership	Country of Origin	HSN/SAC Code
Purchase and Rental ▼	Company Owned ▼		123456789 - Plastics ▼

Purchase Charge Type

Purchase Charge Type

REP - Reparation charge - HPIN1

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Charge Type	Description	Charge Group	Charge Group Description	Site	Price UoM
REP	Reparation charge	PPCG3	Service Charges	HPIN1	PCS

GENERAL

DESCRIPTIONS
⏪ ⏩

Details

Distribute Charge By:

Invoicing Supplier:

Charge Price: 150,00 USD

Charge Price incl Tax: 187,50 USD

Charge (%):

Unit Charge:

Distribute on Receipt:

HSN/SAC Code:

Tax

Tax Code: 1 - Tax with no reduction 25%

Taxable:

Use Price Incl Tax:

Indicators

Intrastat Exempt:

Print Charge Amount:

Purchase Order

HSN/SAC Codes and tax fetching logic has been introduced to;

- *Purchase Order Part Lines*
- *Purchase Order No Part Lines*
- *Purchase Order Rental Lines*
- *Purchase Order Charges*

Purchase Order Part Lines

- 1) A new column is added to the *Purchase Order/Part Lines* tab:

HSN/SAC Code: Use this field to enter HSN/SAC code. The default value is retrieved from the *Supplier for Purchase Part* page.

- 2) When you enter a new *Purchase Order Part Line*, application will first validate the Country (India) and then the states of buyer and seller delivery address to determine whether the transaction is Intra/Inter State.

Company (buyer) Delivery Address

Company (buyer) Delivery Address available on Purchase Order Part Line is validated.

Purchase Order D555047 - HP-IN-SUPP - HPIN1 Planned

Order No: D555047 | Supplier: HI HP-IN-SUPP - HP Indian Supplier | Site: HPIN1 - HP India Site 1 | Order Code: 1 - NORMAL | Receipt Date: 2022-11-02 0...

Order Amounts

PART LINES | NO PART LINES | RENTAL PART LINES | ORDER DETAILS | CHARGES | LANDED COST | AUTHORIZATION

Line No	Relea... No	Part No	Part Description	Quantity	HSN/SAC Code	Tax Calculation Structure	Delivery Address	Invoic...
1	1	HP-NONTRACKED	HP nontra	1	123456789 - Plastics	INTER8%	ADD1	HI
1	2	HP-NONTRACKED	HP nontra	1	22223333LT - Laptop	INTRA8%	ADD2	HI

Supplier (seller) Delivery Address

Supplier (seller) Delivery Address available on the *Order Details* tab is validated.

Purchase Order D555047 - HP-IN-SUPP - HPIN1 Planned

Order No: D555047 | Supplier: HI HP-IN-SUPP - HP Indian Supplier | Site: HPIN1 - HP India Site 1 | Order Code: 1 - NORMAL | Receipt Date: 2022-11-02 0...

Order Amounts

PART LINES | NO PART LINES | RENTAL PART LINES | **ORDER DETAILS** | CHARGES | LANDED COST | AUTHORIZATION

General

Delivery Address | Document Address

Delivery Information

Supplier Delivery Address: 1 | Supplier Document Address: 1 | Ship-Via: *- test | Delivery Terms: *- TEST

- When you enter a Part No connected to an HSN/SAC Code in Supplier for Purchase Part, you will be directed to the *HSN/SAC Groups* page and fetch the correct tax structure to the Purchase Order Part Line. The valid HSN/SAC Code per Group in the *HSN/SAC Groups* page is considered based on the site date.

Purchase Order D555047 - HP-IN-SUPP - HPIN1 Planned

Order No: D555047 | Supplier: HI HP-IN-SUPP - HP Indian Supplier | Site: HPIN1 - HP India Site 1 | Order Code: 1 - NORMAL | Receipt Date: 2022-11-02 0...

Not Shared

Order Amounts

PART LINES | NO PART LINES | RENTAL PART LINES | ORDER DETAILS | CHARGES | LANDED COST | AUTHORIZATION

Line No	Relea... No	Part No	Part Description	Quantity	HSN/SAC Code	Tax Calculation Structure	Delivery Address	Invoicing
1	1	HP-NONTRACKED	HP nontra	1	123456789 - Plastics	INTER8%	ADD1	HI
1	2	HP-NONTRACKED	HP nontra	1	22223333LT - Laptop	INTRA8%	ADD2	HI

- 4) Select the **Use Company Document Address for Tax Calculation** toggle to fetch Indian GST Taxes based on company document address and supplier delivery address.

Company (buyer) Document Address

Company (buyer) Document Address available on *Order Details* tab is validated.

Purchase Order D555047 - HP-IN-SUPP - HPIN1

ORDER DETAILS | CHARGES | LANDED COST | AUTHORIZATION

General

Delivery Address | Document Address

Document Address: DOC1

Delivery Information

Invoicing

Invoicing Supplier: HI HP-IN-SUPP - HP Indian Supplier | Payment Terms: 0 - Due Immediately | Tax Liability: TAX - TAX | Pre-posting: No | Consolidation: No

Use Company Document Address for Tax Calculation:

Supplier (seller) Delivery Address

Supplier (seller) Delivery Address available on the *Order Details* tab is validated.

Purchase Order D555047 - HP-IN-SUPP - HPIN1 Planned

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Status ⌵ | Share ⌵ | Order History | Pre Posting | Document Text | Purchase Order Change Order ⌵ | Copy Order | Pricing ⌵ | Centralize | ⋮

Order No	Supplier	Site	Order Code	Receipt Date
D555047	HI HP-IN-SUPP - HP Indian Supplier	HPIN1 - HP India Site 1	1 - NORMAL	2022-11-02 0... 📅

Not Shared

Order Amounts ⌵

PART LINES | NO PART LINES | RENTAL PART LINES | **ORDER DETAILS** | CHARGES | LANDED COST | AUTHORIZATION ⏪ ⏩

General ⌵

Delivery Address ⌵ | Document Address ⌵

Delivery Information

Supplier Delivery Address	Supplier Document Address	Ship-Via	Delivery Terms
📍 1 ⌵	📍 1 ⌵	* - test ⌵	* - TEST ⌵

- 5) If you change the Purchase Order Part Lines or Purchase Order header, it will re-fetch the tax structure accordingly. Re-fetch of tax structure is done for below changes;
- Delivery Address in PO header
 - Delivery Address in Part Lines
 - Supplier Delivery Address in PO header
 - Part No
 - HSN/SAC Code

Purchase Order No Part Lines

- 1) A new column is added to the *Purchase Order/No Part Lines* tab:

HSN/SAC Code: Use this field to enter HSN/SAC code manually.

- 2) When you enter a new *Purchase Order No Part Line*, application will first validate the Country (India) and then the states of buyer and seller delivery address to determine whether the transaction is Intra/Inter State.

Company (buyer) Delivery Address

Company (buyer) Delivery Address available on Purchase Order Part Line is validated.

Purchase Order D555047 - HP-IN-SUPP - HPIN1 Planned

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Status ▼ | Share ▼ | Order History | Pre Posting | Document Text | Purchase Order Change Order ▼ | Copy Order | Pricing ▼ | Centralize | Set Authorization ▼

Order No: D555047 | Supplier: HI HP-IN-SUPP - HP Indian Supplier | Site: HPIN1 - HP India Site 1 | Order Code: 1 - NORMAL | Receipt Date: 2022-11-02 00:00 📅

Not Shared

Order Amounts ▼

PART LINES | **NO PART LINES** | RENTAL PART LINES | ORDER DETAILS | CHARGES | LANDED COST | AUTHORIZATION

Line No	Description	Quantity	Purch UoM	Price/Curr	HSN/SAC Code	Tax Calculation Structure	Delivery Address
2	Test Part 12345	1	pcs	100,00	123HC - Haircut	INTRA8%	ADD1
3	Test Part 9999	14	pcs	50,00	22223333LT - Laptop	INTER8%	ADD2

Supplier (seller) Delivery Address

Supplier (seller) Delivery Address available on the *Order Details* tab is validated.

Purchase Order D555047 - HP-IN-SUPP - HPIN1 Planned

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Status ▼ | Share ▼ | Order History | Pre Posting | Document Text | Purchase Order Change Order ▼ | Copy Order | Pricing ▼ | Centralize

Order No: D555047 | Supplier: HI HP-IN-SUPP - HP Indian Supplier | Site: HPIN1 - HP India Site 1 | Order Code: 1 - NORMAL | Receipt Date: 2022-11-02 0... 📅

Not Shared

Order Amounts ▼

PART LINES | NO PART LINES | RENTAL PART LINES | **ORDER DETAILS** | CHARGES | LANDED COST | AUTHORIZATION

General ▼

Delivery Address ▼ | Document Address ▼

Delivery Information

Supplier Delivery Address 📍 1 ▼	Supplier Document Address 📍 1	Ship-Via ▼	Delivery Terms ▼
		* - test	* - TEST

- When you manually enter an HSN/SAC Code on the Purchase Order No Part Line, you will be directed to the *HSN/SAC Groups* page and fetch the correct tax structure. The valid HSN/SAC Code per Group in the *HSN/SAC Groups* page is considered based on the site date.

Purchase Order D555047 - HP-IN-SUPP - HPIN1 Planned

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Status ▼ | Share ▼ | Order History | Pre Posting | Document Text | Purchase Order Change Order ▼ | Copy Order | Pricing ▼ | Centralize | Set Authorization ▼ | ⋮

Order No: D555047 | Supplier: HI HP-IN-SUPP - HP Indian Supplier | Site: HPIN1 - HP India Site 1 | Order Code: 1 - NORMAL | Receipt Date: 2022-11-02 00:00 📅

Not Shared

Order Amounts ⌵

PART LINES | **NO PART LINES** | RENTAL PART LINES | ORDER DETAILS | CHARGES | LANDED COST | AUTHORIZATION

Line No	Description	Quantity	Purch UoM	Price/Curr	HSN/SAC Code	Tax Calculation Structure	Delivery Address
2	Test Part 12345	1	pcs	100,00	123HC - Haircut	INTRA8%	ADD1
3	Test Part 9999	14	pcs	50,00	22223333LT - Laptop	INTER8%	ADD2

- 4) Select the **Use Company Document Address for Tax Calculation** toggle to fetch Indian GST Taxes based on company document address and supplier delivery address.

Company (buyer) Document Address

Company (buyer) Document Address available on *Order Details* tab is validated.

Supplier (seller) Delivery Address

Supplier (seller) Delivery Address available on the *Order Details* tab is validated.

- 5) If you change the Purchase Order No Part Lines or Purchase Order header, it will re-fetch the tax structure accordingly. Re-fetch of tax structure is done for below changes;
- Delivery Address in PO header
 - Delivery Address in No Part Lines
 - Supplier Delivery Address in PO header
 - HSN/SAC Code

Purchase Order Rental Lines

- 1) A new column is added to the *Purchase Order/Rental Part Lines* tab:

HSN/SAC Code: Use this field to enter HSN/SAC code. The default value is retrieved from the *Supplier for Purchase Part* page.

- 2) When you enter a new *Purchase Order Rental Part Line*, the application will first validate the Country (India) and then the states of buyer and seller delivery address to determine whether the transaction is Intra/inter-state.

Company (buyer) Delivery Address

Company (buyer) Delivery Address available on the Purchase Order Rental Line is validated.

Purchase Order D555047 - HP-IN-SUPP - HPIN1

Status | Share | Order History | Pre Posting | Document Text | Purchase Order Change Order | Copy Order | Pricing | Centralize | Set Authorization

Order No: D555047 | Supplier: HP-IN-SUPP - HP Indian Supplier | Site: HPIN1 - HP India Site 1 | Order Code: 1 - NORMAL | Receipt Date: 2022-11-02

Not Shared

Order Amounts

PART LINES | NO PART LINES | **RENTAL PART LINES** | ORDER DETAILS | CHARGES | LANDED COST | AUTHORIZATION

Line No	Release No	Part No	Part Description	Quantity	HSN/SAC Code	Tax Calculation Structure	Delivery Address
4	1	HP-NONTRACKED	HP nontr	1	123456789 - Plastics	INTRA12%	ADD1

Supplier (seller) Delivery Address

Supplier (seller) Delivery Address available on the *Order Details* tab is validated.

Purchase Order D555047 - HP-IN-SUPP - HPIN1 Planned

Status | Share | Order History | Pre Posting | Document Text | Purchase Order Change Order | Copy Order | Pricing | Centralize

Order No: D555047 | Supplier: HP-IN-SUPP - HP Indian Supplier | Site: HPIN1 - HP India Site 1 | Order Code: 1 - NORMAL | Receipt Date: 2022-11-02 0...

Not Shared

Order Amounts

PART LINES | NO PART LINES | RENTAL PART LINES | **ORDER DETAILS** | CHARGES | LANDED COST | AUTHORIZATION

General

Delivery Address | Document Address


Delivery Information

Supplier Delivery Address: 1 | Supplier Document Address: 1 | Ship-Via: *- test | Delivery Terms: *- TEST

- When you enter a Rental Part No connected to an HSN/SAC Code in Supplier for Purchase Part, you will be directed to the *HSN/SAC Groups* page and fetch the correct tax structure to the Purchase Order Rental Line. The valid HSN/SAC Code per Group in the *HSN/SAC Groups* page is considered based on the site date.

Purchase Order D555047 - HP-IN-SUPP - HPIN1

Status ▾ Share ▾ Order History Pre Posting Document Text Purchase Order Change Order ▾ Copy Order Pricing ▾ Centralize Set Authorization ▾

Order No: D555047
 Supplier:  HP-IN-SUPP - HP Indian Supplier
 Site: HPIN1 - HP India Site 1
 Order Code: 1 - NORMAL
 Receipt Date: 2022-11-02

Not Shared

Order Amounts

PART LINES NO PART LINES **RENTAL PART LINES** ORDER DETAILS CHARGES LANDED COST AUTHORIZATION

Line No	Release No	Part No	Part Description	Quantity	HSN/SAC Code	Tax Calculation Structure	Delivery Address
4	1	HP-NONTRACKED	HP nontr	1	123456789 - Plastics	INTRA12%	ADD1

- 4) Select the **Use Company Document Address for Tax Calculation** toggle to fetch Indian GST Taxes based on company document address and supplier delivery address.

Company (buyer) Document Address

Company (buyer) Document Address available on *Order Details* tab is validated.

Supplier (seller) Delivery Address

Supplier (seller) Delivery Address available on the *Order Details* tab is validated.

- 5) If you change the Purchase Order Rental Part Lines or Purchase Order header, it will re-fetch the tax structure accordingly. Re-fetch of tax structure is done for below changes;
 - Delivery Address in PO header
 - Delivery Address in Rental Part Lines
 - Supplier Delivery Address in PO header
 - Part No
 - HSN/SAC Code

Purchase Order Charges

- 1) A new column is added to the *Purchase Order/Charges* tab:

HSN/SAC Code: Use this field to enter HSN/SAC code. The default value is retrieved from the *Purchase Charge Type* page.

- 2) When you enter a new *Purchase Order Charge Line*, the application will first validate the Country (India) and then the states of buyer and seller delivery address to determine whether the transaction is Intra/Inter State.

Delivery Address validation on Purchase Order Charge Lines could be describe in two scenarios.

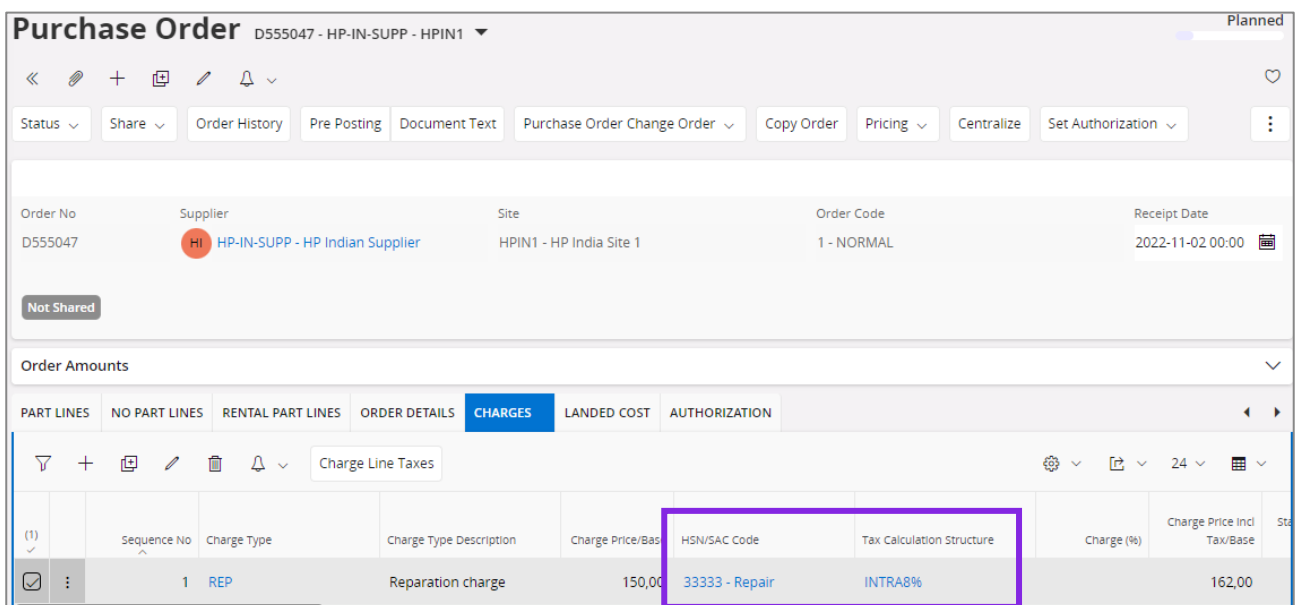
Scenario-01: Charge Line is not connected to a Part Line, No Part Line or Rental Part Line.

Company (buyer) Delivery Address	Supplier (seller) Delivery Address
Company (buyer) Delivery Address available on Order Details tab is validated.	<ul style="list-style-type: none"> If Invoicing Supplier on the charge line is same as header Supplier = Supplier Delivery Address available on Order Details tab is validated. If Invoicing Supplier on the charge line is <u>not</u> the same as header Supplier = Invoicing Supplier's default delivery address is validated.

Scenario-02: Charge Line is connected to a Part Line, No Part Line or Rental Part Line.

Company (buyer) Delivery Address	Supplier (seller) Delivery Address
Company (buyer) Delivery Address on connected Part Line, No Part Line or Rental Part Line is validated.	<ul style="list-style-type: none"> If the Invoicing Supplier on the charge line is the same the as header Supplier = Supplier Delivery Address available on the Order Details tab is validated. If Invoicing Supplier on the charge line is <u>not</u> the same as header Supplier = Invoicing Supplier's default delivery address is validated.

- 3) When you enter a Purchase Charge Type connected to an HSN/SAC Code, you will be directed to the *HSN/SAC Groups* page and fetch the correct tax structure to the Purchase Order Charge line. The valid HSN/SAC Code per Group in the *HSN/SAC Groups* page is considered based on the site date.



The screenshot shows a 'Purchase Order' interface for order D555047. The 'CHARGES' tab is active, displaying a table with the following data:

Sequence No	Charge Type	Charge Type Description	Charge Price/Bas	HSN/SAC Code	Tax Calculation Structure	Charge (%)	Charge Price Incl Tax/Base
1	REP	Reparation charge	150,00	33333 - Repair	INTRA8%		162,00

- 4) Select the **Use Company Document Address for Tax Calculation** toggle to fetch Indian GST Taxes based on company document address and supplier delivery address.

Scenario-01: Charge Line is not connected to a Part Line, No Part Line or Rental Part Line.

Company (buyer) Document Address	Supplier (seller) Delivery Address
Company (buyer) Document Address available on Order Details tab is validated.	<ul style="list-style-type: none"> • If Invoicing Supplier on the charge line is same as header Supplier = Supplier Delivery Address available on Order Details tab is validated. • If Invoicing Supplier on the charge line is <u>not</u> the same as header Supplier = Invoicing Supplier's default delivery address is validated.

Scenario-02: PO Charge Line is connected to a Part Line, No Part Line or Rental Part Line.

Company (buyer) Document Address	Supplier (seller) Delivery Address
Company (buyer) Document Address available on Order Details tab is validated.	<ul style="list-style-type: none"> • If the Invoicing Supplier on the charge line is the same as header Supplier = Supplier Delivery Address available on the Order Details tab is validated. • If Invoicing Supplier on the charge line is <u>not</u> the same as header Supplier = Invoicing Supplier's default delivery address is validated.

- 5) If you change the Purchase Order Charge Line or Purchase Order header, it will re-fetch the tax structure accordingly. Re-fetch of tax structure is done for below changes;
- Delivery Address in PO header
 - Delivery Address in connected Part Lines
 - Invoicing Supplier on PO Charge line
 - Supplier Delivery Address in PO header
 - Purchase Charge Type
 - HSN/SAC Code

Purchase Order Change Order (POCO)

HSN/SAC Codes and tax fetching logic has been introduced to;

- *Purchase Order Change Order Part Lines*
- *Purchase Order Change Order No Part Lines*
- *Purchase Order Change Order Rental Lines*
- *Purchase Order Change Order Charges*

HSN/SAC Codes, Use Company Document Address for Tax Calculation toggle, and the tax fetching logic behave the same way as previously explained in Purchase Order functionalities.

Update PO from the POCO

When you perform the "Update Purchase Order" action (core functionality) from the POCO, the changes you made to the POCO regarding the HSN/SAC Codes and Tax Structures information are updated to the purchase order.

Purchase Requisition

HSN/SAC Codes and tax fetching logic has been introduced to;

- *Purchase Requisition Lines*
- *Purchase Requisition No Part Lines*
- *Purchase Requisition Rental Lines*

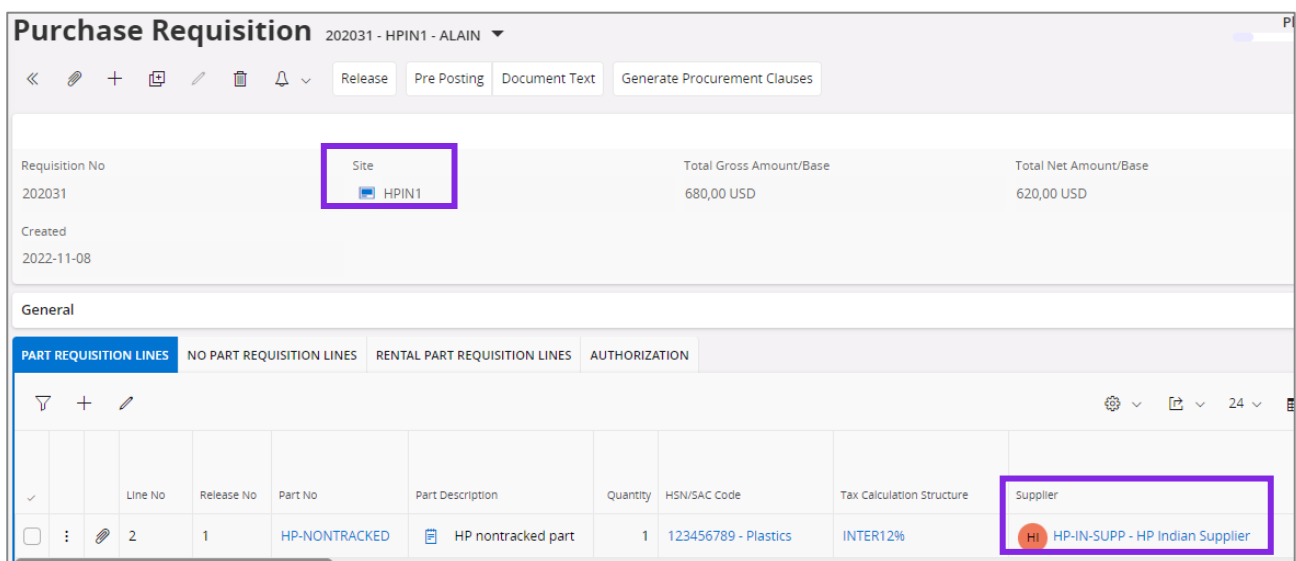
Purchase Requisition Part Lines

1) A new column is added to the *Purchase Requisition/Part Lines* tab:

HSN/SAC Code: The default value is retrieved from the *Supplier for Purchase Part* page. The field is not editable.

2) When you enter a new *Purchase Requisition Part Line*, application will first validate the Country (India) and then the states of buyer and seller delivery address to determine whether the transaction is Intra/Inter State.

Company (buyer) Delivery Address available on connected Site is validated.
Supplier (seller) Delivery Address available on the connected Supplier is validated.



Purchase Requisition 202031 - HPIN1 - ALAIN

Release Pre Posting Document Text Generate Procurement Clauses

Requisition No	Site	Total Gross Amount/Base	Total Net Amount/Base
202031	HPIN1	680,00 USD	620,00 USD
Created			
2022-11-08			

General

PART REQUISITION LINES NO PART REQUISITION LINES RENTAL PART REQUISITION LINES AUTHORIZATION

Line No	Release No	Part No	Part Description	Quantity	HSN/SAC Code	Tax Calculation Structure	Supplier
2	1	HP-NONTRACKED	HP nontracked part	1	123456789 - Plastics	INTER12%	HP-IN-SUPP - HP Indian Supplier

3) When you enter a Part No connected to an HSN/SAC Code in Supplier for Purchase Part, you will be directed to the *HSN/SAC Groups* page and fetch the correct tax structure to the Purchase Requisition Part Line. The valid HSN/SAC Code per Group in the *HSN/SAC Groups* page is considered based on the site date.

Purchase Requisition 202031 - HPIN1 - ALAIN

Release Pre Posting Document Text Generate Procurement Clauses

Requisition No	Site	Total Gross Amount/Base	Total Net Amount/Base
202031	HPIN1	680,00 USD	620,00 USD
Created	2022-11-08		

General

PART REQUISITION LINES NO PART REQUISITION LINES RENTAL PART REQUISITION LINES AUTHORIZATION

Line No	Release No	Part No	Part Description	Quantity	HSN/SAC Code	Tax Calculation Structure	Supplier
2	1	HP-NONTRACKED	HP nontracked part	1	123456789 - Plastics	INTER12%	HP-IN-SUPP - HP Indian Supplier

- 4) If you change the Purchase Requisition Part Lines, it will re-fetch the tax structure accordingly. Re-fetch of tax structure is done for below changes;
- Supplier

Purchase Requisition No Part Lines

- 1) A new column is added to the *Purchase Requisition/No Part Lines* tab:

HSN/SAC Code: Use this field to enter HSN/SAC code.

- 2) When you enter a new *Purchase Requisition No Part Line*, application will first validate the Country (India) and then the states of buyer and seller delivery address to determine whether the transaction is Intra/Inter State.

Company (buyer) Delivery Address available on connected Site is validated.

Supplier (seller) Delivery Address available on the connected Supplier is validated.

Purchase Requisition 202031 - HPIN1 - ALAIN

Release Pre Posting Document Text Generate Procurement Clauses

Requisition No	Site	Total Gross Amount/Base	Total Net Amount/Base
202031	HPIN1	560,00 USD	500,00 USD
Created	2022-11-08		

General

PART REQUISITION LINES NO PART REQUISITION LINES RENTAL PART REQUISITION LINES AUTHORIZATION

Line No	Description	Quantity	Purch UoM	HSN/SAC Code	Tax Calculation Structure	Supplier
3	No part	2	pcs	444 - Shelf	INTER8%	HP-IN-SUPP - HP Indian Supplier

- When you select an HSN/SAC Code from the List of Values and add a Supplier to the line, you will be directed to the *HSN/SAC Groups* page and fetch the correct tax structure to the Purchase Requisition No Part Line. The valid HSN/SAC Code per Group in the *HSN/SAC Groups* page is considered based on the site date.

Purchase Requisition 202031 - HPIN1 - ALAIN Planned

Release Pre Posting Document Text Generate Procurement Clauses

Requisition No 202031	Site HPIN1	Total Gross Amount/Base 560,00 USD	Total Net Amount/Base 500,00 USD
Created 2022-11-08			

General

PART REQUISITION LINES **NO PART REQUISITION LINES** RENTAL PART REQUISITION LINES AUTHORIZATION

Line No	Description	Quantity	Purch UoM	HSN/SAC Code	Tax Calculation Structure	Supplier
3	No part	2	pcs	444 - Shelf	INTER8%	HP-IN-SUPP - HP Indian Supplier

- If you change the Purchase Requisition No Part Lines, it will re-fetch the tax structure accordingly. Re-fetch of tax structure is done for below changes;
 - Supplier
 - HSN/SAC Code

Purchase Requisition Rental Lines

- A new column is added to the *Purchase Requisition/Rental Part Lines* tab:
 - HSN/SAC Code:** The default value is retrieved from the *Supplier for Purchase Part* page. The field is not editable.
- When you enter a new *Purchase Requisition Rental Part Line*, application will first validate the Country (India) and then the states of buyer and seller delivery address to determine whether the transaction is Intra/Inter State.

Company (buyer) Delivery Address available on connected Site is validated.
Supplier (seller) Delivery Address available on the connected Supplier is validated.

Purchase Requisition 202031 - HPIN1 - ALAIN Planned

Release Pre Posting Document Text Generate Procurement Clauses

Requisition No 202031	Site HPIN1	Total Gross Amount/Base 657,20 USD	Total Net Amount/Base 590,00 USD
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Created
2022-11-08

General

PART REQUISITION LINES NO PART REQUISITION LINES **RENTAL PART REQUISITION LINES** AUTHORIZATION

Status Part Pricing Supply Document Text Pre Posting Project Connection Procurement Clauses

(1)	Line No	Release No	Part No	Part Description	Quantity	HSN/SAC Code	Tax Calculation Structure	Supplier
☑	4	1	HP-NONTRACKED	HP nontracked part	2	22223333LT - Laptop	INTRA8%	HP-IN-SUPP2 - HP india supplier 2

- 3) When you enter a Rental Part No connected to an HSN/SAC Code in Supplier for Purchase Part, you will be directed to the *HSN/SAC Groups* page and fetch the correct tax structure to the Purchase Requisition Rental Part Line. The valid HSN/SAC Code per Group in the *HSN/SAC Groups* page is considered based on the site date.

Purchase Requisition 202031 - HPIN1 - ALAIN Planned

Release Pre Posting Document Text Generate Procurement Clauses

Requisition No 202031	Site HPIN1	Total Gross Amount/Base 657,20 USD	Total Net Amount/Base 590,00 USD
--------------------------	---------------	---------------------------------------	-------------------------------------

Created
2022-11-08

General

PART REQUISITION LINES NO PART REQUISITION LINES **RENTAL PART REQUISITION LINES** AUTHORIZATION

Status Part Pricing Supply Document Text Pre Posting Project Connection Procurement Clauses

(1)	Line No	Release No	Part No	Part Description	Quantity	HSN/SAC Code	Tax Calculation Structure	Supplier
☑	4	1	HP-NONTRACKED	HP nontracked part	2	22223333LT - Laptop	INTRA8%	HP-IN-SUPP2 - HP india supplier 2

- 4) If you change the Purchase Requisition Rental Part Lines, it will re-fetch the tax structure accordingly. Re-fetch of tax structure is done for below changes;
- Supplier

Order Quotation

HSN/SAC Codes and tax fetching logic has been introduced to;

- *Order Quotation Lines*
- *Order Quotation No Part Lines*

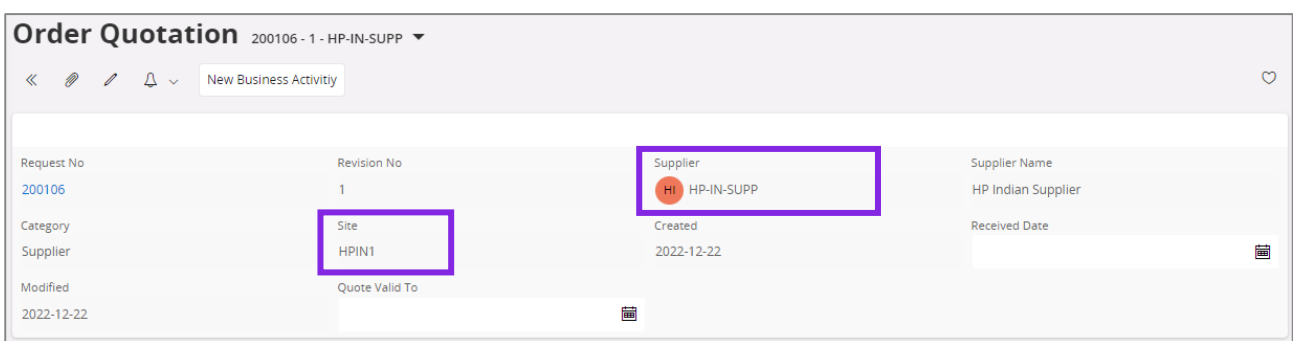
Order Quotation Lines

- 1) A new column is added to the *Order Quotation Lines* tab:

HSN/SAC Code: Use this field to enter HSN/SAC code. The default value is retrieved from the *Supplier for Purchase Part* page.

- 2) When a new Order Quotation line is created from the Request for Quotation, application will first validate the Country (India) and then the states of buyer and seller delivery address to determine whether the transaction is Intra/Inter State.

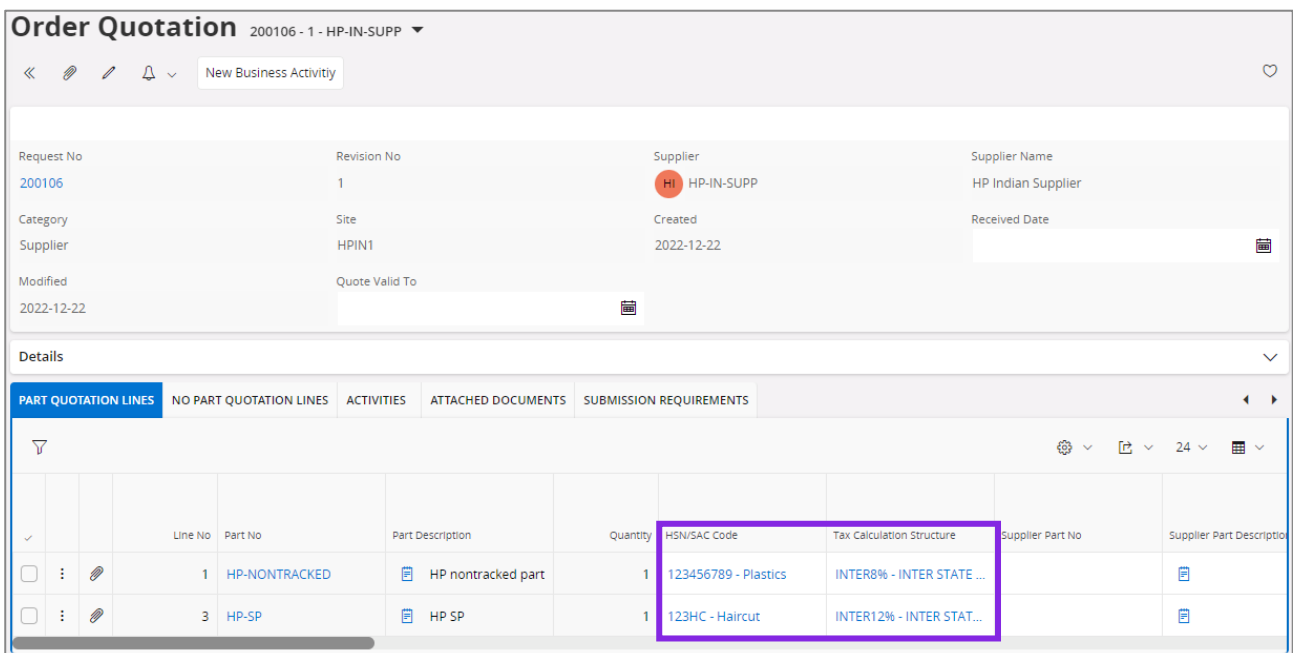
Company (buyer) Delivery Address available on connected Site is validated.
Supplier (seller) Delivery Address available on the connected Supplier is validated.



Order Quotation 200106 - 1 - HP-IN-SUPP

Request No: 200106
Revision No: 1
Supplier: HP-IN-SUPP
Supplier Name: HP Indian Supplier
Category: Site
Supplier: HPIN1
Created: 2022-12-22
Modified: 2022-12-22
Quote Valid To:

- 3) If the Part No is connected to a HSN/SAC Code in the Supplier for Purchase Part, you will be directed to the *HSN/SAC Groups* page and fetch the correct tax structure to the Order Quotation Part Line. The valid HSN/SAC Code per Group in the *HSN/SAC Groups* page is considered based on the site date.



Order Quotation 200106 - 1 - HP-IN-SUPP

Request No: 200106
Revision No: 1
Supplier: HP-IN-SUPP
Supplier Name: HP Indian Supplier
Category: Site
Supplier: HPIN1
Created: 2022-12-22
Modified: 2022-12-22
Quote Valid To:

Details

Line No	Part No	Part Description	Quantity	HSN/SAC Code	Tax Calculation Structure	Supplier Part No	Supplier Part Description
1	HP-NONTRACKED	HP nontracked part	1	123456789 - Plastics	INTER8% - INTER STATE ...		
3	HP-SP	HP SP	1	123HC - Haircut	INTER12% - INTER STAT...		

- 4) If you change the Order Quotation Lines, it will re-fetch the tax structure accordingly. Re-fetch of tax structure is done for below changes;
 - HSN/SAC Code

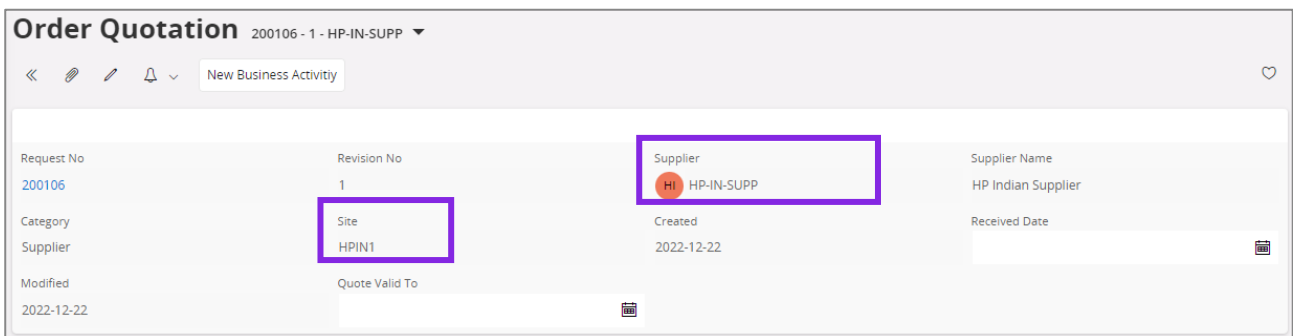
Order Quotation No Part Lines

1) A new column is added to the *Order Quotation No Part Lines* tab:

HSN/SAC Code: Use this field to enter HSN/SAC code.

2) When a new Order Quotation No Part line is created from the Request for Quotation, application will first validate the Country (India) and then the states of buyer and seller delivery address to determine whether the transaction is Intra/Inter State.

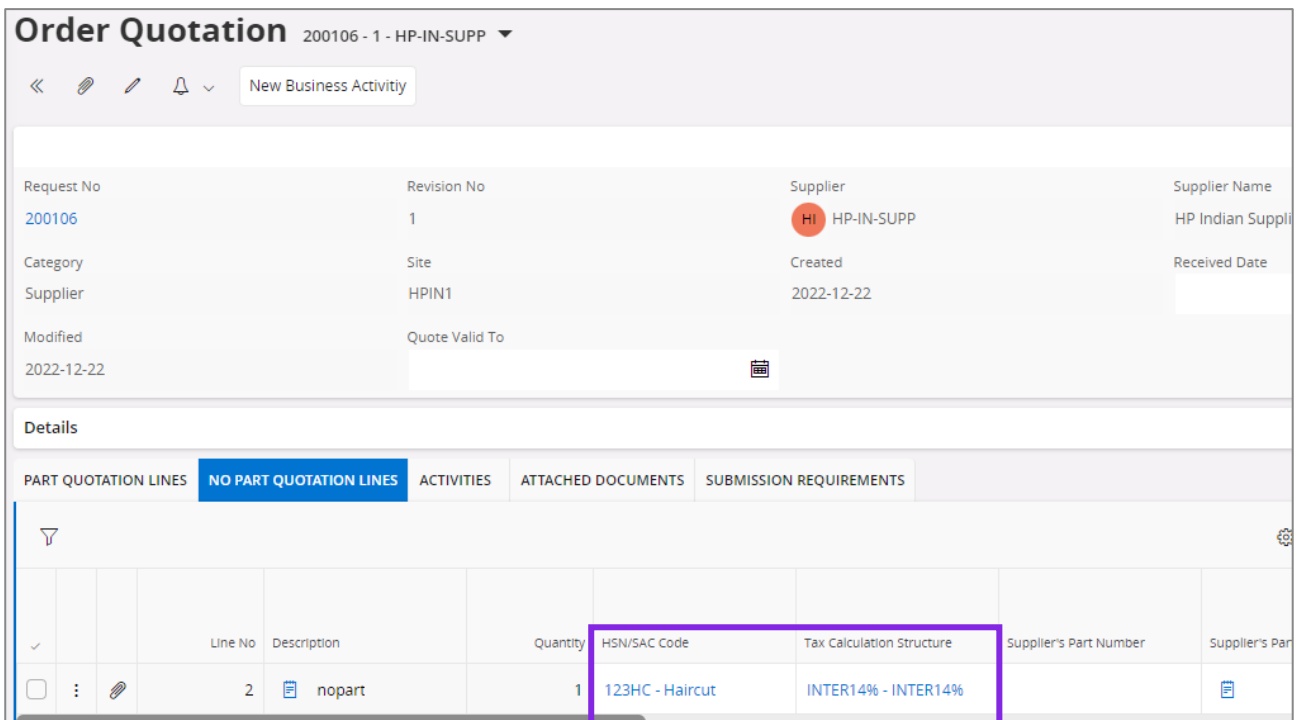
Company (buyer) Delivery Address available on connected Site is validated.
Supplier (seller) Delivery Address available on the connected Supplier is validated.



Order Quotation 200106 - 1 - HP-IN-SUPP

Request No: 200106
Revision No: 1
Supplier: HP-IN-SUPP
Site: HPIN1
Created: 2022-12-22
Supplier Name: HP Indian Supplier
Received Date: [Calendar Icon]

3) When you select a HSN/SAC Code from the List of Values you will be directed to the *HSN/SAC Groups* page and fetch the correct tax structure to the Order Quotation No Part Line. The valid HSN/SAC Code per Group in the *HSN/SAC Groups* page is considered based on the site date.



Order Quotation 200106 - 1 - HP-IN-SUPP

Request No: 200106
Revision No: 1
Supplier: HP-IN-SUPP
Site: HPIN1
Created: 2022-12-22
Supplier Name: HP Indian Supplier
Received Date: [Calendar Icon]

Details

PART QUOTATION LINES | **NO PART QUOTATION LINES** | ACTIVITIES | ATTACHED DOCUMENTS | SUBMISSION REQUIREMENTS

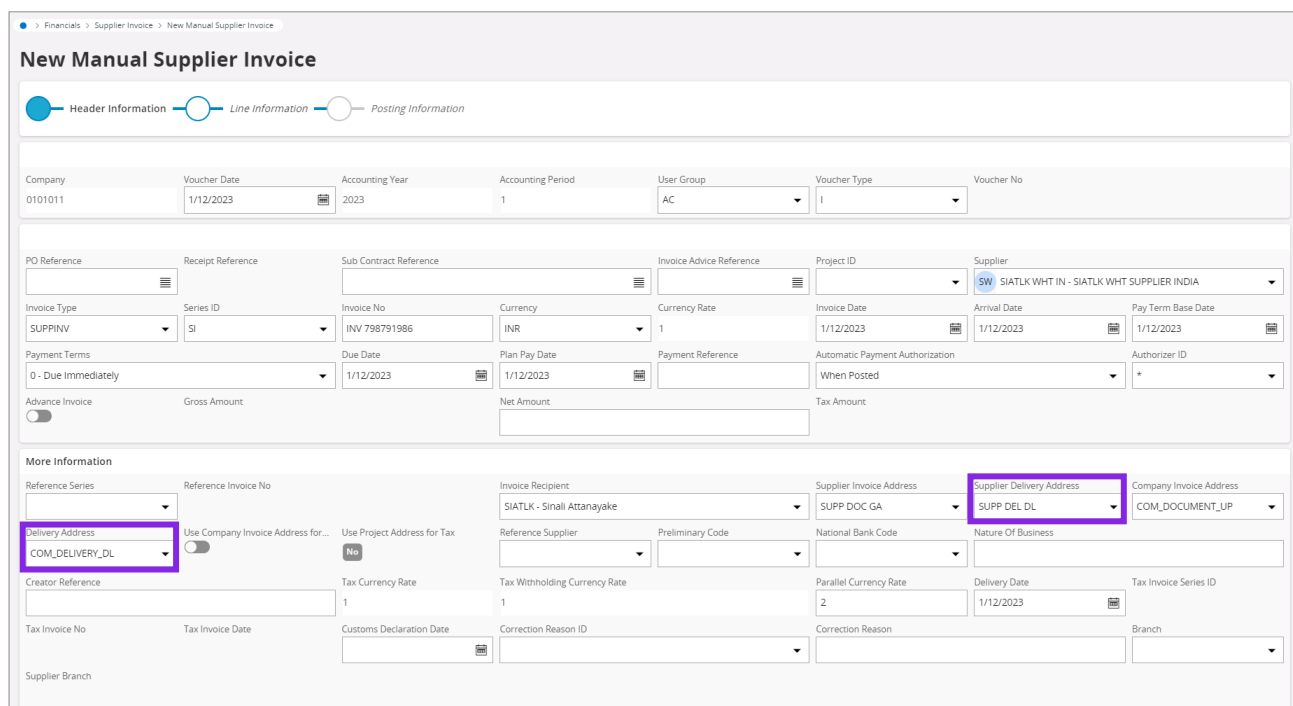
Line No	Description	Quantity	HSN/SAC Code	Tax Calculation Structure	Supplier's Part Number	Supplier's Part
2	nopart	1	123HC - Haircut	INTER14% - INTER14%		[Calendar Icon]

- If you change the Order Quotation No Part Lines, it will re-fetch the tax structure accordingly. Re-fetch of tax structure is done for below changes;
 - HSN/SAC Code

Manual Supplier Invoice

- At **Manual Supplier Invoice** header level, IFS Cloud will first validate the country (India) and then the state codes that are mentioned in the delivery addresses of the supplier and the company, to determine whether the transaction is Interstate or Intrastate.
- Then, at Manual Supplier Invoice line-item level, the relevant HSN/SAC code must be manually entered by the user, resulting in applicable Tax Structure fetching based on the predefined combination for the HSN/SAC Code and Interstate/Intrastate.

Example: If the state in the **Delivery address** (Company Delivery address) is DL and the state in the **Supplier Delivery address** is also DL, the transaction is classified as an **Intrastate Transaction** at the header level and the **Tax Structure** specified for **Intrastate transactions** in **HSN/SAC Groups** page will be fetched when the HSN/SAC Code is entered to invoice line as per below screenshot.



New Manual Supplier Invoice

Header Information | Line Information | Posting Information

Company: 0101011 | Voucher Date: 1/12/2023 | Accounting Year: 2023 | Accounting Period: 1 | User Group: AC | Voucher Type: I | Voucher No:

PO Reference: | Receipt Reference: | Sub Contract Reference: | Invoice Advice Reference: | Project ID: | Supplier: SIATLK WHT IN - SIATLK WHT SUPPLIER INDIA

Invoice Type: SUPPINV | Series ID: SI | Invoice No: INV 798791986 | Currency: INR | Currency Rate: 1 | Invoice Date: 1/12/2023 | Arrival Date: 1/12/2023 | Pay Term Base Date: 1/12/2023

Payment Terms: 0 - Due Immediately | Due Date: 1/12/2023 | Plan Pay Date: 1/12/2023 | Payment Reference: | Automatic Payment Authorization: When Posted | Authorizer ID: *

Advance Invoice: | Gross Amount: | Net Amount: | Tax Amount:

More Information

Reference Series: | Reference Invoice No: | Invoice Recipient: SIATLK - Sinali Attanayake | Supplier Invoice Address: SUPP DOC GA | **Supplier Delivery Address: SUPP DEL DL** | Company Invoice Address: COM_DOCUMENT_UP

Delivery Address: COM_DELIVERY_DL | Use Company Invoice Address for...: | Use Project Address for Tax: | Reference Supplier: | Preliminary Code: | National Bank Code: | Nature Of Business:

Creator Reference: | Tax Currency Rate: 1 | Tax Withholding Currency Rate: 1 | Parallel Currency Rate: 2 | Delivery Date: 1/12/2023 | Tax Invoice Series ID:

Tax Invoice No: | Tax Invoice Date: | Customs Declaration Date: | Correction Reason ID: | Correction Reason: | Branch:

Supplier Branch:

Financials > Supplier Invoice > New Manual Supplier Invoice

New Manual Supplier Invoice

Header Information **Line Information** Posting Information

Company	Supplier	Series ID	Invoice No	Currency	Gross Amount	Net Amount	Tax Amount
0101011	SIATLK WHT IN	SI	INV 798791986	INR			

Gross Amount	Net Amount	Tax Amount	Non-deductible Tax Amount	Cost Amount
1450.00	1000.00	450.00	0.00	1000.00

Line ID	HSN/SAC Code	Multiple Tax Lines	Tax Calculation Structure	Gross Amount	Net Amount	Manual Tax Base Amount	Tax Amount	Delivery Type	Income Type Identity	Tax Code	Tax Category 1
1	102039 - Battery	Yes	BATTERY_INTRA	1450.00	1000.00	2000.00	450.00		IN1		

Navigation: Previous, Next, Finish, Cancel

3. The user can alternatively select the state in the document address/invoice address of the Company instead of the state in delivery address of the company via enabling the toggle **Use Company Invoice Address for Tax Calculation**.

*Example: Once the toggle **Use Company Invoice Address for Tax Calculation** is enabled, the comparison will now change to the state in the **Supplier Delivery address** that is DL and the state in **Company Invoice Address** that is UP, the same transaction is now classified as an Interstate transaction at header level and the Tax Structure specified for Interstate transactions in **HSN/SAC Groups** page will be fetched when the HSN/SAC Code is entered to invoice line as per below screenshot. Assume if the state in the **Company Invoice Address** is DL, then the transaction will remain as an Interstate transaction even after the toggle is enabled.*

Financials > Supplier Invoice > New Manual Supplier Invoice

New Manual Supplier Invoice

Header Information **Line Information** Posting Information

Company	Voucher Date	Accounting Year	Accounting Period	User Group	Voucher Type	Voucher No
0101011	1/12/2023	2023	1	AC	I	

PO Reference	Receipt Reference	Sub Contract Reference	Invoice Advice Reference	Project ID	Supplier
					SIATLK WHT IN - SIATLK WHT SUPPLIER INDIA

Invoice Type	Series ID	Invoice No	Currency	Currency Rate	Invoice Date	Arrival Date	Pay Term Base Date
SUPPINV	SI	INV 798791986	INR	1	1/12/2023	1/12/2023	1/12/2023

Payment Terms	Due Date	Plan Pay Date	Payment Reference	Automatic Payment Authorization	Authorizer ID
0 - Due Immediately	1/12/2023	1/12/2023		When Posted	*

Advance Invoice	Gross Amount	Net Amount	Tax Amount
No			

Company	Supplier	Series ID	Invoice No	Currency	Gross Amount	Net Amount	Tax Amount
0101011	SIATLK WHT IN	SI	INV 798791986	INR			

Gross Amount	Net Amount	Tax Amount	Non-deductible Tax Amount	Cost Amount
1500.00	1000.00	500.00	0.00	1000.00

Line ID	HSN/SAC Code	Multiple Tax Lines	Tax Calculation Structure	Gross Amount	Net Amount	Manual Tax Base Amount	Tax Amount	Delivery Type	Income Type Identity	Tax Code	Tax Category 1
1	102039 - Battery	No	BATTERY_INTER	1500.00	1000.00	2000.00	500.00		IN1		

Navigation: Previous, Next, Finish, Cancel

The relevant Tax Structure must be re fetched accordingly, even after changes are done to the Invoice elements like,

- Addresses available in **More Information** section of **Manual Supplier Invoices** page
- Enable and disable the toggle to use Invoice Address of the company
- HSN/SAC Code

If the Manual Supplier Invoice is created based on a **Purchase Order**, the **Supplier Delivery Address, Delivery Address** (Company Delivery address), **Company Invoice Address** and the status of **Use Company Invoice Address for Tax Calculation** toggle in the header level of the **Purchase Order** will be fetched and displayed to **Manual Supplier Invoice page** header level.

When the user selects either of the options, **Copy Unmatched PO Receipts** or **Copy Un-received PO Lines**, the Purchase Order lines will be copied to the **Manual Supplier Invoice** line-item level, along with **HSN/SAC Codes** and **Tax Structures** fetched from **Purchase Order**. The user can also manually change the HSN/SAC Codes, which will direct to re-fetch the tax structure on the supplier invoice line level. However, if Match PO Receipts command is used to manually match the invoice with a purchase order, no HSN/SAC Codes or tax information will be fetched to the invoice lines, same as in the core solution.

HSN/SAC Code based fetching is also supported in the creation of **Recurring Invoices**, so that the user will be able to bring the information in addresses, HSN/SAC Codes, and fetched Tax Structures of a base Invoice to a **Recurring Invoice** created.

If the **Tax Structure** is with **Allow Manual Amount in Tax Base** toggle enabled, then the user has the option to enter a value in the **Manual tax base amount** column available in the Invoice Line-item level. If a value is entered in the **Manual Tax Base Amount** column, the taxes will be calculated considering the same as the tax base and if the field remains blank, the tax will be based on net value of the invoice if **Include Price in Tax Base** toggle is also enabled for the selected tax structure line.

Moreover, as an enhancement, the HSN/SAC related information is made visible in **Supplier Invoice Analysis** page. Accordingly, the user will be able to view,

- The **Supplier Delivery Address, Supplier Invoice Address, Company Invoice Address, Delivery Address** and the **Use Company Invoice Address for Tax Calculation** toggle in **More Information** section.
- The **HSN/SAC Code** and **Tax Calculation Structure** in **Invoice Lines**

However, HSN/SAC Code based fetching functionality is not supported for **Supplier Invoice Template**. Therefore, the user is expected to manually enter **Supplier Delivery Address** and **HSN/SAC Code** manually in Invoice lines when an invoice is created using a Supplier **Invoice Template**.

Posting proposal

1. Same as in the **Manual Supplier Invoice** header level, in **Posting Proposal** level, IFS Cloud will first validate the country (India) and then the state codes that are mentioned in the delivery addresses of the Supplier and the Company, to determine whether the transaction is Interstate or Intrastate.
2. Then, at **Posting Proposal** line level, the relevant HSN/SAC code must be manually entered by the user, resulting in applicable Tax Structure fetching based on the predefined combination for the HSN/SAC Code and interstate/intrastate.

Example: If the state in the Delivery address (Company Delivery address) is DL and the state in Supplier Delivery address is also DL, the transaction is classified as an Intrastate Transaction at header level and the Tax Structure specified for Intrastate transactions in HSN/SAC Groups page will be fetched when the HSN/SAC Code is entered to invoice line as per below screenshot.

Financials > Supplier Invoice > New Manual Supplier Invoice

New Manual Supplier Invoice

Header Information | Line Information | Posting Information

Company: 0101011 | Voucher Date: 1/12/2023 | Accounting Year: 2023 | Accounting Period: 1 | User Group: AC | Voucher Type: I | Voucher No:

PO Reference: | Receipt Reference: | Sub Contract Reference: | Invoice Advice Reference: | Project ID: | Supplier: SW SIATLK WHT IN - SIATLK WHT SUPPLIER INDIA

Invoice Type: SUPPINV | Series ID: SI | Invoice No: INV 798791986 | Currency: INR | Currency Rate: 1 | Invoice Date: 1/12/2023 | Arrival Date: 1/12/2023 | Pay Term Base Date: 1/12/2023

Payment Terms: 0 - Due Immediately | Due Date: 1/12/2023 | Plan Pay Date: | Payment Reference: | Automatic Payment Authorization: When Posted | Authorizer ID: *

Advance Invoice: | Gross Amount: | Net Amount: | Tax Amount:

More Information

Reference Series: | Reference Invoice No: | Invoice Recipient: SIATLK - Sinali Attanayake | Supplier Invoice Address: SUPP DOC GA | **Supplier Delivery Address: SUPP DEL DL** | Company Invoice Address: COM_DOCUMENT_UP

Delivery Address: COM_DELIVERY_DL | Use Company Invoice Address for...: | Use Project Address for Tax: No

Reference Supplier: | Preliminary Code: | National Bank Code: | Nature Of Business:

Creator Reference: | Tax Currency Rate: 1 | Tax Withholding Currency Rate: 1 | Parallel Currency Rate: 2 | Delivery Date: 1/12/2023 | Tax Invoice Series ID:

Tax Invoice No: | Tax Invoice Date: | Customs Declaration Date: | Correction Reason ID: | Correction Reason: | Branch:

Supplier Branch:

Financials > Supplier Invoice > New Manual Supplier Invoice

New Manual Supplier Invoice

Header Information | Line Information | Posting Information

Company: 0101011 | Voucher Date: 1/12/2023 | Accounting Year: 2023 | Accounting Period: 1 | User Group: AC | Voucher Type: I | Voucher No:

PO Reference: | Receipt Reference: | Sub Contract Reference: | Invoice Advice Reference: | Project ID: | Supplier: SW SIATLK WHT IN - SIATLK WHT SUPPLIER INDIA

Invoice Type: SUPPINV | Series ID: SI | Invoice No: INV 798791986 | Currency: INR | Currency Rate: 1 | Invoice Date: 1/12/2023 | Arrival Date: 1/12/2023 | Pay Term Base Date: 1/12/2023

Payment Terms: 0 - Due Immediately | Due Date: 1/12/2023 | Plan Pay Date: | Payment Reference: | Automatic Payment Authorization: When Posted | Authorizer ID: *

Advance Invoice: No | Gross Amount: | Net Amount: | Tax Amount:

More Information

Reference Series: | Reference Invoice No: | Invoice Recipient: SIATLK - Sinali Attanayake | Supplier Invoice Address: SUPP DOC GA | **Supplier Delivery Address: SUPP DEL DL** | **Company Invoice Address: COM_DOCUMENT_UP**

Delivery Address: COM_DELIVERY_DL | Use Company Invoice Address for...: | Use Project Address for Tax: No

Reference Supplier: | Preliminary Code: | National Bank Code: | Nature Of Business:

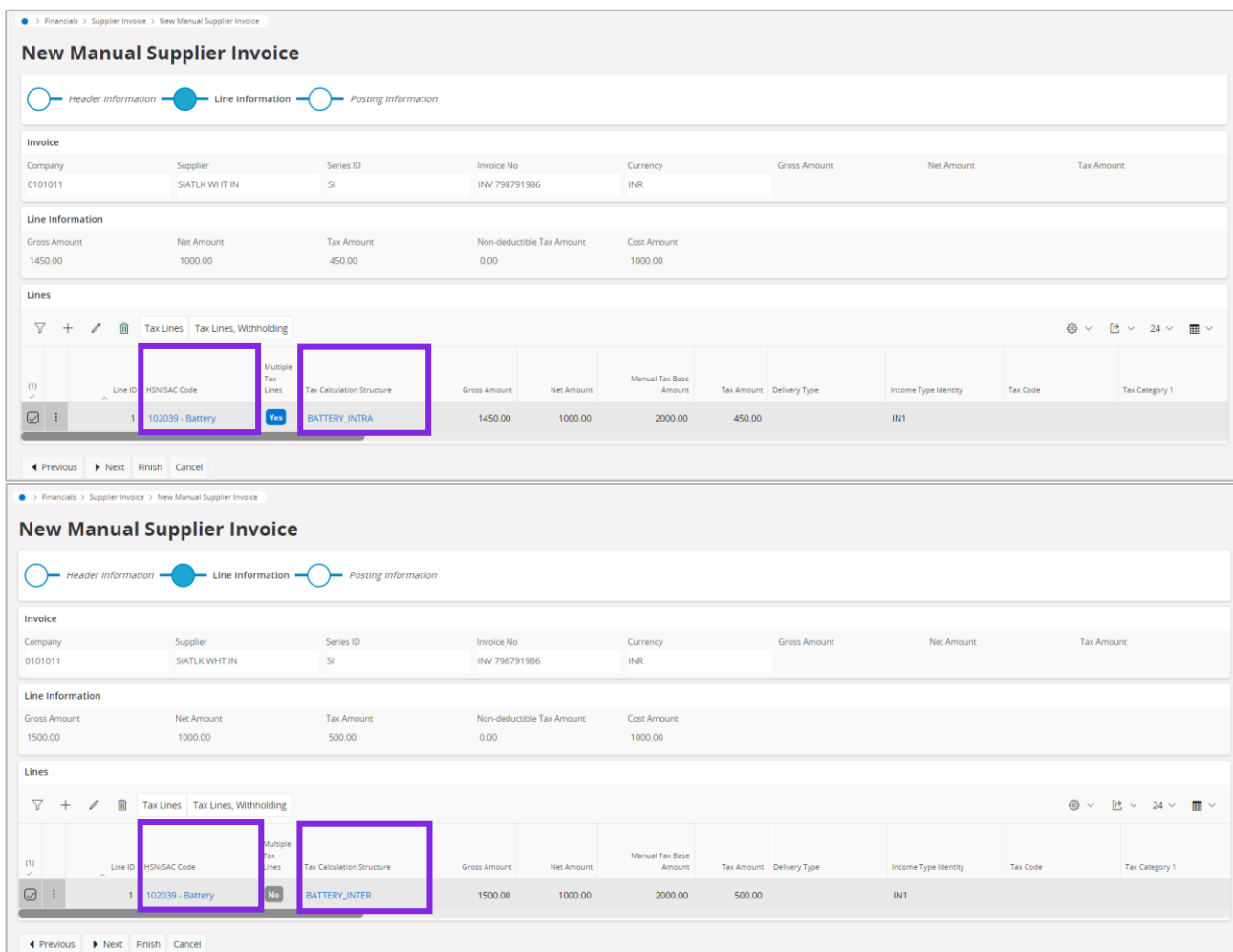
Creator Reference: | Tax Currency Rate: 1 | Tax Withholding Currency Rate: 1 | Parallel Currency Rate: 2 | Delivery Date: 1/12/2023 | Tax Invoice Series ID:

Tax Invoice No: | Tax Invoice Date: | Customs Declaration Date: | Correction Reason ID: | Correction Reason: | Branch:

Supplier Branch:

3. The user can alternatively select the state in the document address/invoice address of the Company instead of the state in delivery address of the company via enabling the toggle **Use Company Invoice Address for Tax Calculation** editable at Manual Supplier Invoice Level.

*Example: Once the toggle **Use Company Invoice Address for Tax Calculation** is enabled at Manual Supplier invoice level, the comparison will now change to the state in the **Supplier Delivery address** that is DL and the state in **Company Invoice Address** that is UP, the same transaction is now classified as an Interstate transaction at header level and the Tax Structure specified for Interstate transactions in **HSN/SAC Groups** page will be fetched when the HSN/SAC Code is entered to invoice line as per below screenshot. Assume if the state in **Company Invoice Address** is DL, then the transaction will remain as an Interstate transaction even after the toggle is enabled.*



The screenshots show the 'New Manual Supplier Invoice' form with the following data:

Invoice							
Company	Supplier	Series ID	Invoice No	Currency	Gross Amount	Net Amount	Tax Amount
0101011	SIATLK WHT IN	SI	INV 798791986	INR			

Line Information				
Gross Amount	Net Amount	Tax Amount	Non-deductible Tax Amount	Cost Amount
1450.00	1000.00	450.00	0.00	1000.00

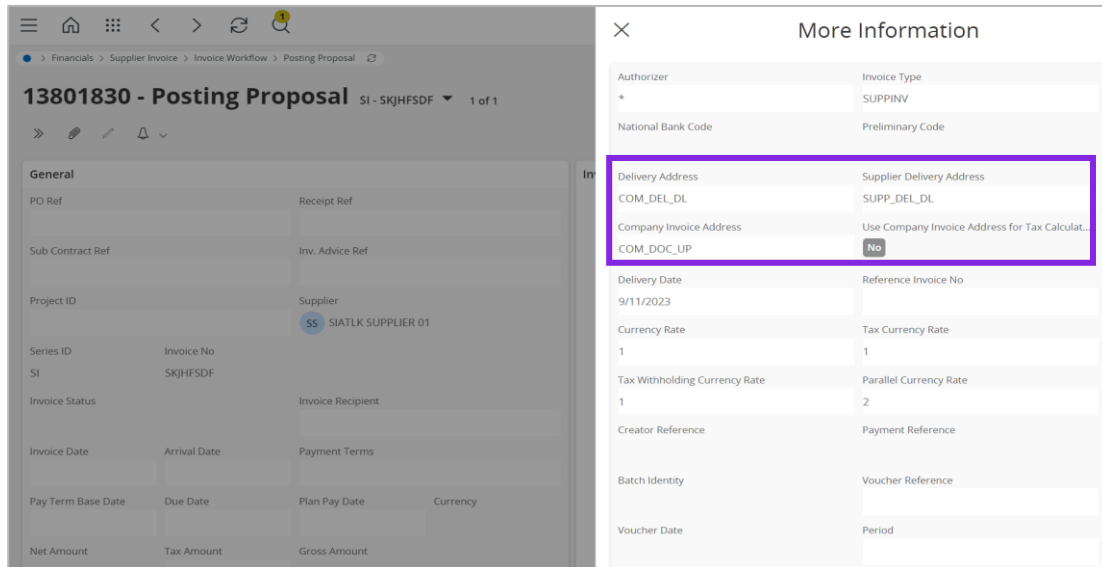
Lines											
Line ID	HSN/SAC Code	Multiple Tax Lines	Tax Calculation Structure	Gross Amount	Net Amount	Manual Tax Base Amount	Tax Amount	Delivery Type	Income Type Identity	Tax Code	Tax Category 1
1	102039 - Battery	Yes	BATTERY_INTRA	1450.00	1000.00	2000.00	450.00		IN1		

Line Information				
Gross Amount	Net Amount	Tax Amount	Non-deductible Tax Amount	Cost Amount
1500.00	1000.00	500.00	0.00	1000.00

Lines											
Line ID	HSN/SAC Code	Multiple Tax Lines	Tax Calculation Structure	Gross Amount	Net Amount	Manual Tax Base Amount	Tax Amount	Delivery Type	Income Type Identity	Tax Code	Tax Category 1
1	102039 - Battery	No	BATTERY_INTER	1500.00	1000.00	2000.00	500.00		IN1		

The relevant Tax Structure must be re fetched accordingly, even after changes are done to the Invoice line elements like HSN/SAC Code at Posting Proposal Line Level.

However, information such as addresses and Use Company Invoice Address for Tax Calculation toggle, available in **More Information** section of **Posting Proposal** page, is not editable. Accordingly, if the user requires to change above information, that must be done at Manual Supplier Invoice level and not in Posting Proposal level.



If the Manual Supplier Invoice is created based on a **Purchase Order**, the **Supplier Delivery Address**, **Delivery Address** (Company Delivery address), **Company Invoice Address** and the status of **the Use Company Invoice Address for Tax Calculation** toggle in the header level of the Purchase Order will be fetched and displayed in **Manual Supplier Invoice** page header level.

When the user selects either of the options, **Copy Unmatched PO Receipts** or **Copy Un-received PO Lines**, the Purchase Order lines will be copied to **Manual Supplier Invoice** line-item level, along with **HSN/SAC Codes** and **Tax Structures** fetched in **Purchase Order**. The user can also manually change the HSN/SAC Codes, which will direct to re fetch the tax structure on supplier invoice line level.

However, if “Match PO Receipts” command is used to manually match the invoice with purchase order, no HSN/SAC Codes or tax information will be fetched to the invoice lines, same as in the core solution.

HSN/SAC Code based fetching is also supported in creation of **Recurring Invoices**, so that the user will be able to bring the information in addresses, HSN/SAC Codes, and fetched Tax Structures of a base Invoice to a **Recurring Invoice** created.

If the **Tax Structure** fetched is with **Allow Manual Amount in Tax Base** toggle enabled, then the user has the option to enter a value in the **Manual tax base amount** column available in the Invoice Line-item level. If a value is entered in the **Manual Tax Base Amount** Column, the Taxes will be calculated considering the same as the tax base and if the field remains blank, the tax amounts will be calculated based on net value of the invoice if **Include Price in Tax Base** toggle is also enabled for the selected tax structure line.

Moreover, as an enhancement, the HSN/SAC related information is made visible in **Supplier Invoice Analysis** page. Accordingly, the user will be able to view,

- The **Supplier Delivery Address**, **Supplier Invoice Address**, **Company Invoice Address**, **Delivery Address** and the **Use Company Invoice Address for Tax Calculation** toggle in **More Information** tab.
- The **HSN/SAC Code** and **Tax Calculation Structure** in **Invoice Lines**

However, HSN/SAC Code based fetching functionality is not supported for Supplier invoice Template. Therefore, the user is expected to manually enter **Supplier Delivery Address** and **HSN/SAC Code** in invoice lines when an invoice is created using a Supplier Invoice Template.

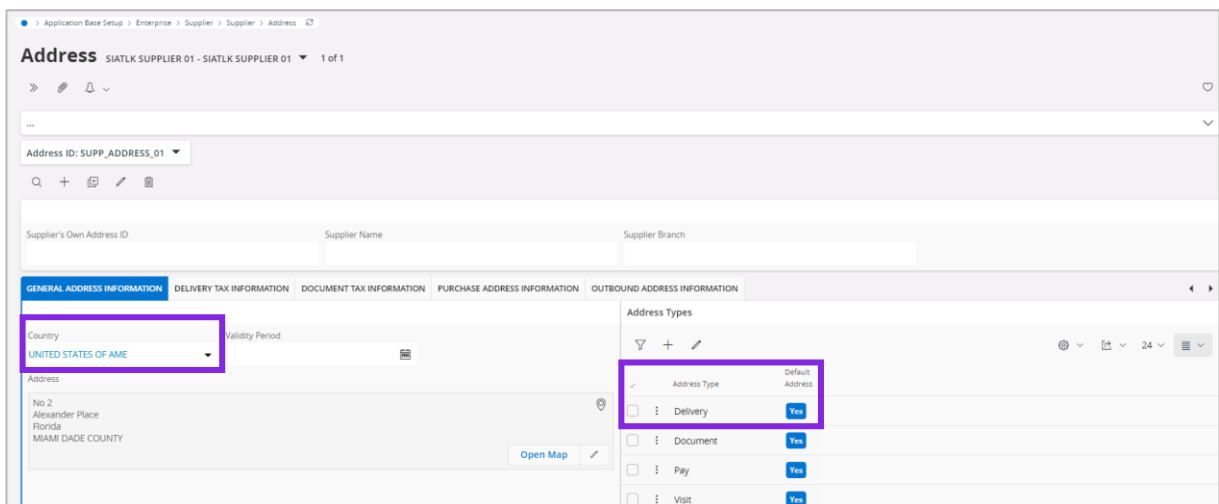
7.7 Export and Import Handling

Exports and Imports are transactions that extends outside geographical boundaries of India and HSN/SAC code-based fetching is not applicable for said transactions as per the Indian GST tax regime. To facilitate Tax Fetching in these scenarios, IFS Cloud, Indian Solution has diverted the Tax Fetching Logic to the IFS Core Tax Fetching Logic so that the user can define taxes applicable for Import and Export transactions in Supplier, Customer, and Company Basic data and fetch them to Import and Export transactions.

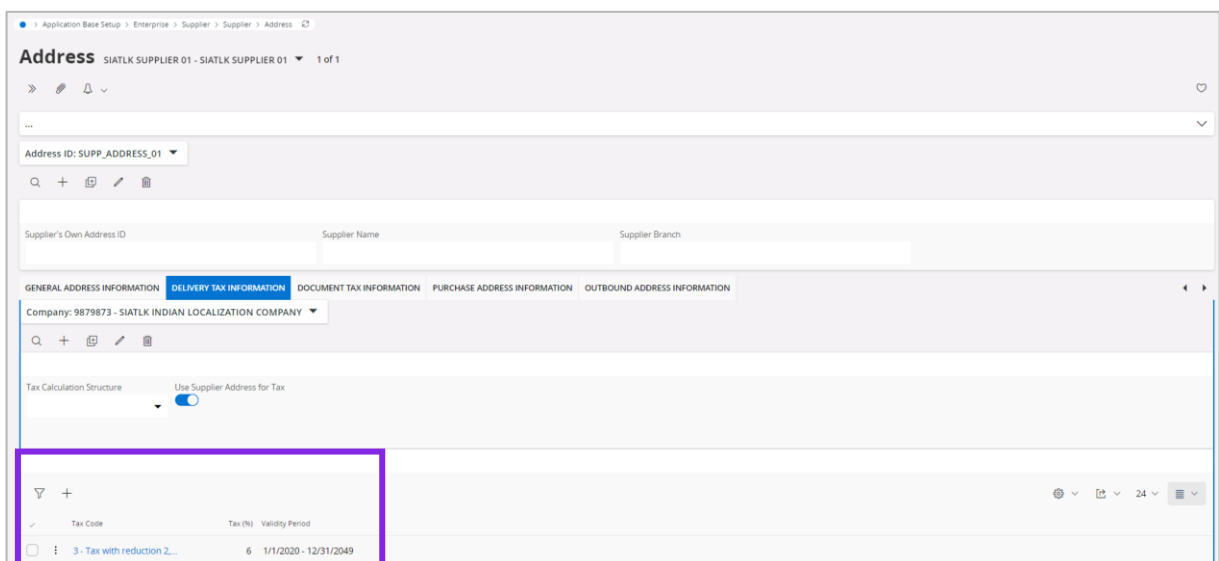
Import Transaction

1. User must set up address-specific or supplier-specific Tax Codes/Tax Structures aligning with the Core Tax Fetching Logic in Company or Supplier Basic data.

*Example: Assume an Import Transaction where the default **Supplier Delivery** address is in the he USA and Tax Code defined in the **Supplier Delivery** address is 3.*

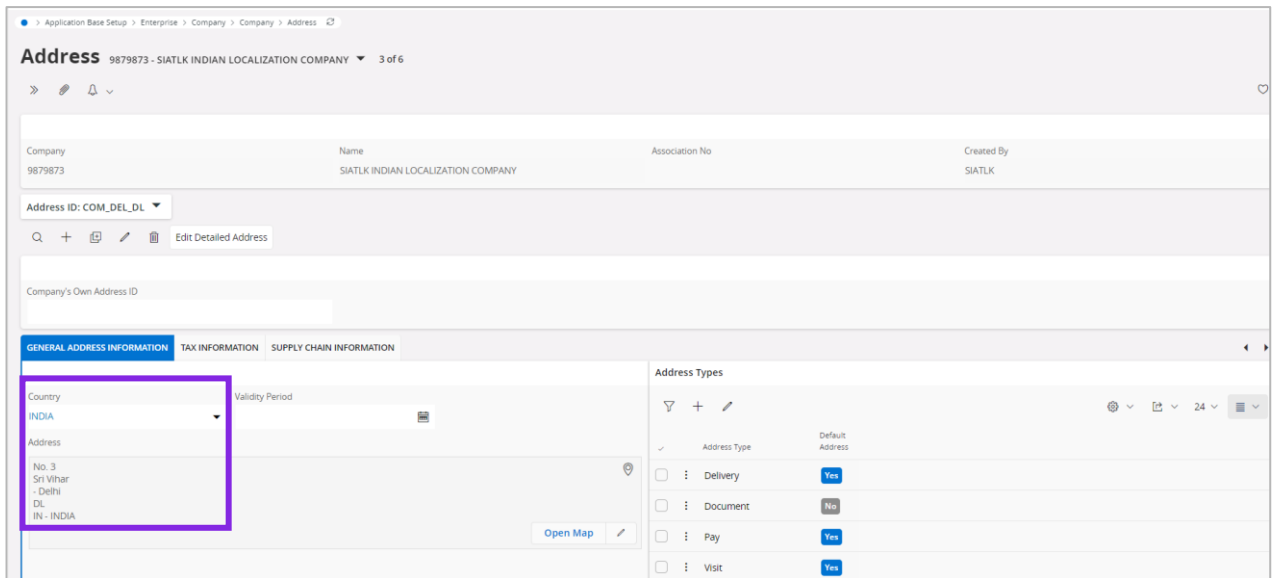


The screenshot shows the 'Address' configuration page for 'SIATLK SUPPLIER 01'. The 'Country' is set to 'UNITED STATES OF AME'. Under 'Address Types', 'Delivery' is selected as the default address type.



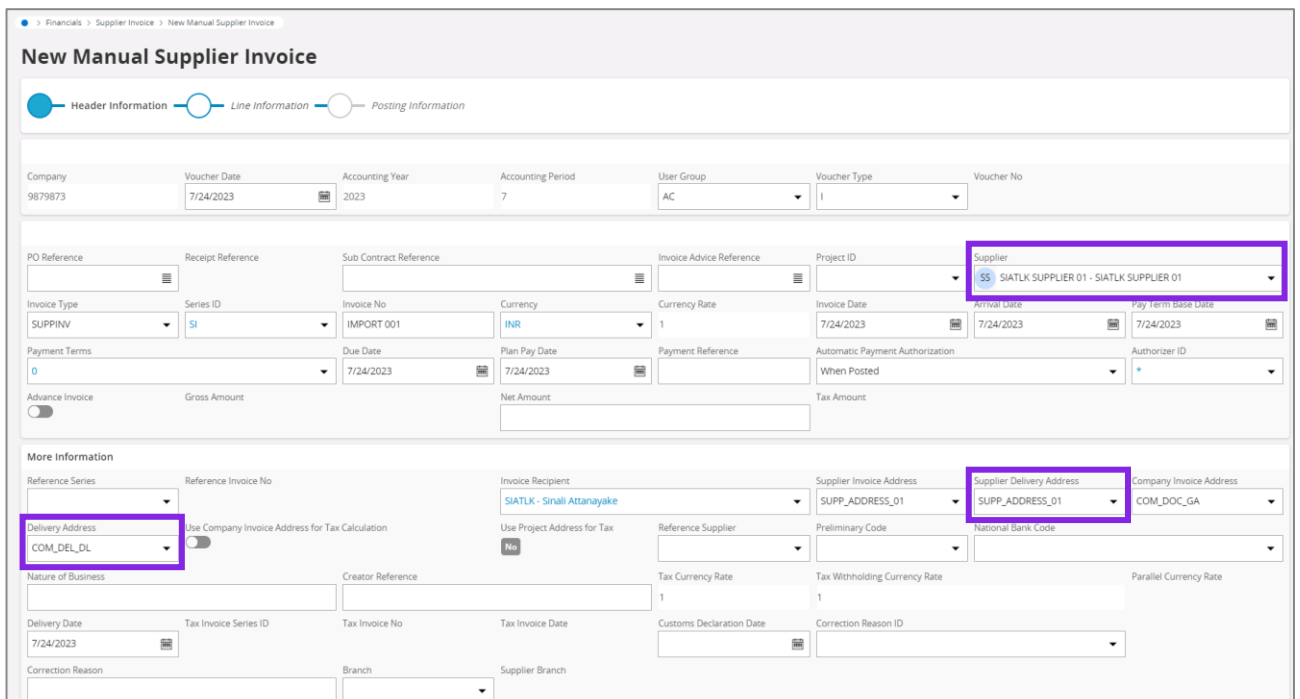
The screenshot shows the 'Address' configuration page for 'SIATLK SUPPLIER 01'. The 'Company' is '9879873 - SIATLK INDIAN LOCALIZATION COMPANY'. The 'Tax Calculation Structure' is set to 'Use Supplier Address for Tax'. A tax code '3 - Tax with reduction 2...' is selected.

The state in **Company Delivery Address** is DL(Delhi) and the country is India.



Address Type	Default Address
Delivery	Yes
Document	No
Pay	Yes
Visit	Yes

- At transaction entry header levels, IFS Cloud will first validate the country (India) and then the state codes that are mentioned in the delivery addresses of the supplier and the company, to determine whether the transaction is Interstate or Intrastate. When the Supplier delivery address is not in India, the Tax Fetching Logic will shift to Core Tax Fetching logic.



- Then, at Transaction line-item level, defined core tax codes or Tax Calculation Structures will be fetched instead of Tax Calculation Structures fetched based on the HSN/SAC Code.

Manual Supplier Invoice Tax Lines

Gross Amount	Net Amount	Tax Amount	Non-deductible Tax Amount
10600.00	10000.00	600.00	0.00
Total Tax Amount			
600.00			

Tax Line Details

Tax Code	Tax Type	Tax(%)	Deductible(%)	Tax Amount	Tax Amount in Accounting Currency	Tax Amount in Parallel Currency	Non-deductible Tax Amount	Total Tax Amount	Tax Category 1	Tax Category 2
3	Tax	6	100	600.00	600.00	0.00	0.00	600.00	NONE - None	

OK Cancel

Export Transaction

- User must set up Address specific or Customer Specific Tax Codes/Tax Structures aligning with the core Tax Fetching Logic in Company or Customer Basic data.

*Example: Assume an Export Transaction where the **Customer Delivery** address is in USA and Tax Code defined in the **Customer Delivery** address is 2.*

Address SIATLK CUS 01 INR - SIATLK CUS 01 INR 1 of 2

Customer SIATLK CUS 01 INR	Name SIATLK CUS 01 INR	Association No
-------------------------------	---------------------------	----------------

Address ID: IMPORT USA ADDRESS

End Customer

GENERAL ADDRESS INFORMATION DELIVERY TAX INFORMATION DOCUMENT TAX INFORMATION SALES ADDRESS INFORMATION

Country UNITED STATES OF AME	Validity Period
---------------------------------	-----------------

Address

Other Information

Jurisdiction Code	Customer Branch	Primary Contact
Secondary Contact		

Address Types

Address Type	Default Address
<input type="checkbox"/> Delivery	No
<input type="checkbox"/> Document	No
<input type="checkbox"/> Pay	No
<input type="checkbox"/> PrimaryContact	No
<input type="checkbox"/> SecondaryContact	No
<input type="checkbox"/> Visit	No

Application Base Setup > Enterprise > Customer > Customer > Address

Address

SIATLK CUS 01 INR - SIATLK CUS 01 INR 1 of 2

Customer: SIATLK CUS 01 INR | Name: SIATLK CUS 01 INR | Association No:

Address ID: IMPORT USA ADDRESS

End Customer

GENERAL ADDRESS INFORMATION | **DELIVERY TAX INFORMATION** | DOCUMENT TAX INFORMATION | SALES ADDRESS INFORMATION

Company: 9879873 - SIATLK INDIAN LOCALIZATION COMPANY

Supply Country: INDIA

Tax Liability: TAX | Tax Book Ref: | Tax Calculation Structure:

(1)	Tax Code	Tax (%)	Validity Period	Tax Identity per Tax Code	Tax Code Selection
<input checked="" type="checkbox"/>	2 - Tax with reduction 1...	12	1/1/2020 - 12/31/2049		

The state in Company Delivery Address is DL(Delhi) and the country is India.

Application Base Setup > Enterprise > Company > Company > Address

Address

9879873 - SIATLK INDIAN LOCALIZATION COMPANY 3 of 6

Company: 9879873 | Name: SIATLK INDIAN LOCALIZATION COMPANY | Association No: | Created By: SIATLK

Address ID: COM_DEL_DL

Company's Own Address ID:

GENERAL ADDRESS INFORMATION | TAX INFORMATION | SUPPLY CHAIN INFORMATION

Country: INDIA | Validity Period:

Address: No. 3 Sri Vihar - Delhi DL - INDIA

Address Types:

Address Type	Default Address
<input type="checkbox"/> : Delivery	Yes
<input type="checkbox"/> : Document	No
<input type="checkbox"/> : Pay	Yes
<input type="checkbox"/> : Visit	Yes

- At Transaction Entry header levels, IFS Cloud will first validate the country (India) and then the state codes that are mentioned in the delivery addresses of the Customer and the company, to determine whether the transaction is Interstate or Intrastate. When the Customer delivery address is not in India, the Tax Fetching Logic will shift to Core Tax Fetching logic.

Financials > Customer Invoice > New Manual Customer Invoice

New Manual Customer Invoice

Header Information | Line Information | Posting Information

Company: 9879873 | Voucher Date: 7/24/2023 | Accounting Year: 2023 | Accounting Period: 7 | User Group: AC | Voucher Type: F | Voucher No:

Customer: SC SIATLK CUS 01 INR - SIATLK CUS 01 INR | Series ID: CI | Invoice No: EXPORT 001 | Currency: INR | Invoice type: CUSTINV | Advance Invoice:

More Information

Invoice Date: 7/24/2023 | Delivery Date: 7/24/2023 | Pay. Term Base Date: 7/24/2023 | Payment Terms: 0 - Due Immediately | Due Date: 7/24/2023 | Invoice Address: CUS_DOC_GA | **Delivery Address: IMPORT USA ADDRESS**

Company Delivery Address: COM_DEL_DL | Use Customer Invoice Address for Tax Calculation: | Currency Rate: 1 | Tax Currency Rate: 1 | Customer Reference: | Reference Series: | Reference Invoice No: | Deduction Group: | Deduction Amount: 0 | Payment Method: | Payment Address ID: | Payer: SIATLK CUS 01 INR | Payment Reference: | National Bank Code: | Nature of Business: | Language Code: English | Branch: | Customer Branch: | Project ID: | Tax Invoice Series ID: | Tax Invoice Number: | Tax Invoice Date: | Creator Reference: | Additional Reference: | Correction Reason ID: | Correction Reason: |

- Then, at Transaction line-item level, defined core tax codes or Tax Calculation Structures will be fetched instead of Tax Calculation Structures fetched based on the HSN/SAC Code.

Manual Customer Invoice Tax Lines

Gross Amount	Net Amount	Tax Amount
1120.00	1000.00	120.00

Tax Line Details

Tax Code	Tax Type	Tax(%)	Tax Amount	Tax Amount in Accounting Currency	Tax Amount in Parallel Currency	Tax Category 1	Tax Category 2
2	Tax	12	120.00	120.00	0.00	NONE - None	

OK Cancel

Special Notes:

- Although in Indian HSN/SAC Code based tax Fetching Logic, IFS Cloud has supported to fetch Tax Structures based on different delivery and Invoice Addresses, In Core Tax Fetching Logic, address based fetching is only supported for certain fields visible in the core application only. Accordingly, when shifting to core tax fetching logic for Export and Import scenarios in Indian Localization Companies, user must be aware that only taxes defined under address fields available in the core application, will be fetched as per the Core Tax Fetching Logic and taxes defined in addresses introduced in Indian Localization are not supported for Import and Export Transactions.

*Example: Supplier delivery address field is not available in **Manual Supplier invoice** header level in IFS Cloud core application and therefore, the taxes in default Supplier Delivery address is always fetched. Although this field is visible in Indian Solution and the user can change different addresses under Supplier delivery address, the taxes in the default Supplier Delivery address is always fetched.*

- Although in Indian HSN/SAC Code based tax Fetching Logic, IFS Cloud has supported to fetch Tax Structures based on different Invoice Addresses using the **Use Customer/Company Invoice address for Tax Calculation** toggle, In Core Tax Fetching Logic, tax fetching is not supported based on different Invoice addresses. However, determination of whether a transaction is an Import/Export transaction or not can be determined by using the toggle.

*Example: In Manual Customer Invoice, address based tax fetching is supported for field delivery address only. If, **Use Customer Invoice address for Tax Calculation** toggle is enabled, the Indian Tax Fetching will be based on the Invoice address. However, if the Invoice address is outside India, although the IFS Cloud identifies the transaction as an Export transaction and no HSN/SAC Code-based fetching is observed, the core taxes fetched, are not derived from the invoice address, and instead will be fetched from the address visible in the delivery address field.*

7.8 Tax Transactions

Once the core process to bring Tax Information to **Tax Transactions** page is followed, i.e., **Update GL Vouchers** and **Fetch Tax Ledger Information** are performed, the relevant **HSN/SAC Code**, **To State** and **From State** will be made visible on the Tax transactions page.

HSN Code - The **HSN/SAC Code** that is selected in the invoice entry pages to determine the tax calculation structure, is fetched to the tax line in **Tax Transaction** page so that the user can report the HSN/SAC Code relevant to the tax transaction.

To State – A new column named **To State** is added to **Tax Transaction** page, in order to depict the state in the buyer's address.

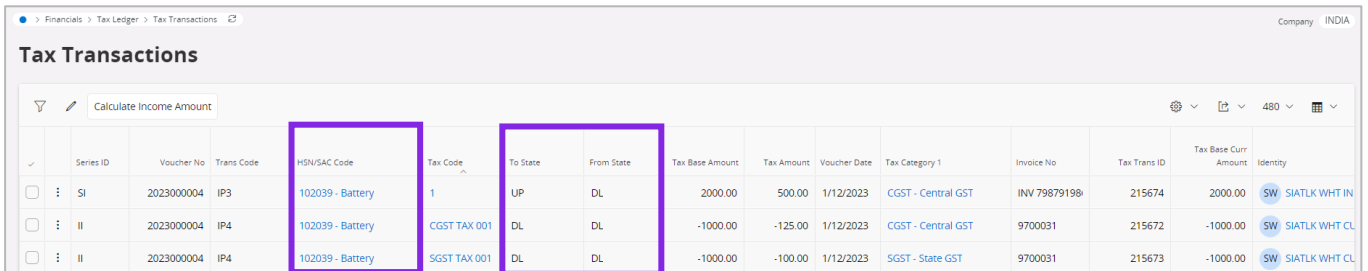
Accordingly,

- For Procurement Transactions** - **To State** would be identified from the delivery address of the company mentioned in the invoice and, if the **Use Company Invoice Address for Tax Calculation** option is enabled in the invoice, the **To State** will depict the state in the invoice address/document address of the company mentioned in the invoice.
- For Sales Transactions** - **To State** would be identified from the delivery address of the customer mentioned in the invoice and, if the **Use Customer Invoice Address for Tax Calculation** option is enabled in the invoice, the **To State** will depict the state in the invoice address/document address of the customer mentioned in the invoice.

From State - A new column named **From State** is added to **Tax Transaction** page, in order to depict the state in the seller's delivery address.

Accordingly,

- **For Procurement Transactions** - **From State** would be identified from the delivery address of the supplier, mentioned in the invoice.
- **For Sales Transactions** - **From State** would be identified from the delivery address of the company, mentioned in the invoice.



Series ID	Voucher No	Trans Code	HSN/SAC Code	Tax Code	To State	From State	Tax Base Amount	Tax Amount	Voucher Date	Tax Category 1	Invoice No	Tax Trans ID	Tax Base Curr Amount	Identity
SI	2023000004	IP3	102039 - Battery	1	UP	DL	2000.00	500.00	1/12/2023	CGST - Central GST	INV 79879198	215674	2000.00	SW SIATLK WHT IN
II	2023000004	IP4	102039 - Battery	CGST TAX 001	DL	DL	-1000.00	-125.00	1/12/2023	CGST - Central GST	9700031	215672	-1000.00	SW SIATLK WHT CL
II	2023000004	IP4	102039 - Battery	SGST TAX 001	DL	DL	-1000.00	-100.00	1/12/2023	SGST - State GST	9700031	215673	-1000.00	SW SIATLK WHT CL

Note: The **To State** and **From State**, are new columns introduced in IFS Cloud Solution as an enhancement, so that the user will now be able to separately identify the two states, that was considered in tax transactions, to arrive at the fetched tax structure, at **Tax Transaction** page.

Furthermore, an upgrade handling is facilitated for the customers shifting their application from App10 GET to IFS Cloud 23R1 in order to fetch information on their existing tax transactions to these two new columns. Accordingly, the user can view the fetched information to the new columns **To State** and **From State** for transactions backdating up to eight years.

7.9 Delimitations

- HSN/SAC codes are not available on the overview and analysis pages. (Except **Supplier Invoice Analysis** and **Customer Invoice Analysis**)
- Self-billing invoices are not supported for HSN/SAC code-based fetching.
- Single Occurrence address changes re-fetch any tax calculations.

8 Address Specific Tax Registration Number

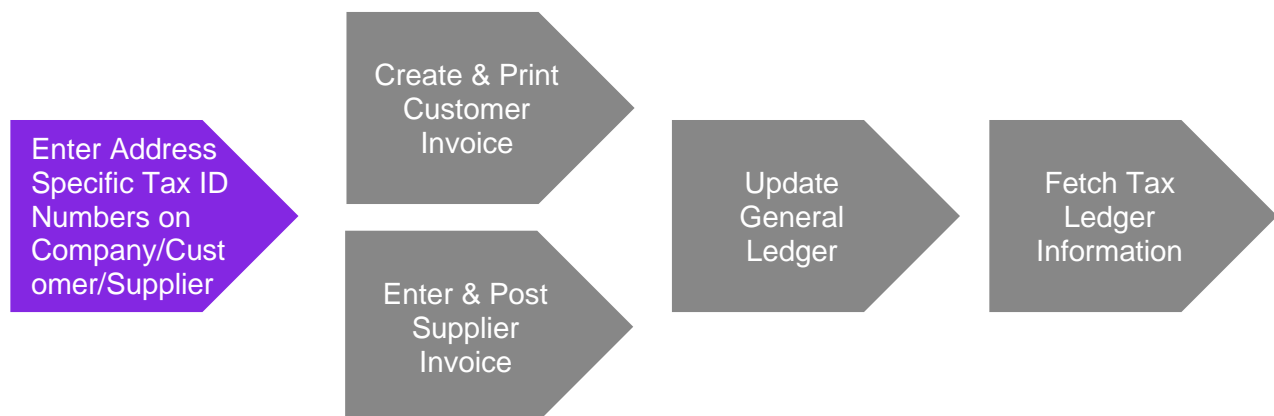
This is a country specific functionality introduced for India in IFS Cloud 23R1. This functionality is shared with Brazil and France and is introduced to cater the requirements in India previously handled by the two country-specific functionalities in “Multiple Tax Registration” and “Additional Tax Numbers in Customer/Supplier Pages”.

8.1 Overview Legal Requirement

According to the Indian Tax Legislation, companies must apply mainly two types of Tax Identification Numbers into their transactions.

- PAN (Permanent Account Number) – One unique number given for each taxpayer.
- GSTIN (Goods and Services Tax Identification Number)
 - GST registration is state wise, each company must have separate tax registrations per each state in which it has a place of business.
 - Separate invoice numbering should be used per each tax registration.
 - Separate tax reporting applies per each tax registration, both for sales as well as for procurement.

8.2 Process Overview



8.3 Solution Overview

Multiple tax registration in Company

Tax Identity Number in IFS core is used to handle *Permanent Account Number (PAN)* for the company. This PAN is fetched to the Tax Ledger through Company basic data.

Defining *Multiple Goods and Services Tax Identification Numbers (GSTIN)* based on the different addresses of the Company supported under *Address Specific Tax ID Numbers* section.

GSTIN relevant to the *Company Delivery Address* is fetched to the Tax Ledger once tax transactions are fetched from the general ledger.

Additional tax ID NUMBERS registration in Customer/supplier

Permanent Account Number (PAN) and Goods and Services Tax Identification Numbers (GSTIN) for the Customer and Supplier are supported under the Address Specific Tax ID Numbers section in basic data.

These different Tax ID numbers are retrieved to the Tax Ledger from different Invoice Types once user fetches the tax transactions.

8.4 Prerequisites

The company must be set up to use Indian localization, see the [Company Set-Up](#) chapter, and the “Address Specific Tax Registration Numbers” and “Indian Specific Additional Tax ID Numbers” parameters are mandatory and enabled as default.

Localization Control Center CHBELK INDIA PP - CHBELK INDIA PP 4 of 5

Company: CHBELK INDIA PP, Name: CHBELK INDIA PP, Association No, Created By: CHBELK
Localization: India

✓	Functionality	Description	Mandato...	Enabled
<input type="checkbox"/>	Address Specific Tax Registration Numbers	Enables the definition of multiple, address specific tax registration numbers on Company, Customer and Supplier for legal reporting pu	Yes	Yes
<input type="checkbox"/>	E-invoicing Compliance	Enables the generation of an xml file for invoices electronically to enable the compliance with tax authorities.	No	Yes
<input type="checkbox"/>	Indian Specific Additional Tax ID Numbers	Enabling and fetching values to Indian Specific Tax ID Columns/Fields in Customer Order, Customer Invoices and Tax Transaction Page.	Yes	Yes
<input type="checkbox"/>	E-invoice in India	Enables the generation of the e-invoice XML file, including Indian legal required data, used for sending invoices to tax authorities.	No	Yes
<input type="checkbox"/>	HSN/SAC Codes and Intra/Inter State Tax Rates Fetching	Enables fetching of tax rates on customer and purchase orders as well as on invoices, based on HSN/SAC codes on materials or service:	Yes	Yes
<input type="checkbox"/>	Tax Structure-Manual Tax Base Amount	Enables the possibility to manually enter a different tax base amount than the system calculated net amount in selected pages in the pr	No	Yes
<input type="checkbox"/>	Number of Decimals in Withheld Tax Amount	Enables to define number of decimals in Withheld Tax Amount, in Supplier Invoice.	No	Yes
<input type="checkbox"/>	Specific Currency Rate type for Withholding tax	Enables the calculation and posting of withholding taxes with a currency rate different than the invoice currency rate and the tax currer	No	Yes

8.5 Set up Basic Data

Ensure the Tax ID Types “PAN” and “GST” are defined for Country Code “IN” in the *Application Base Setup/Enterprise/Tax/Tax ID Types* page (standard functionality)

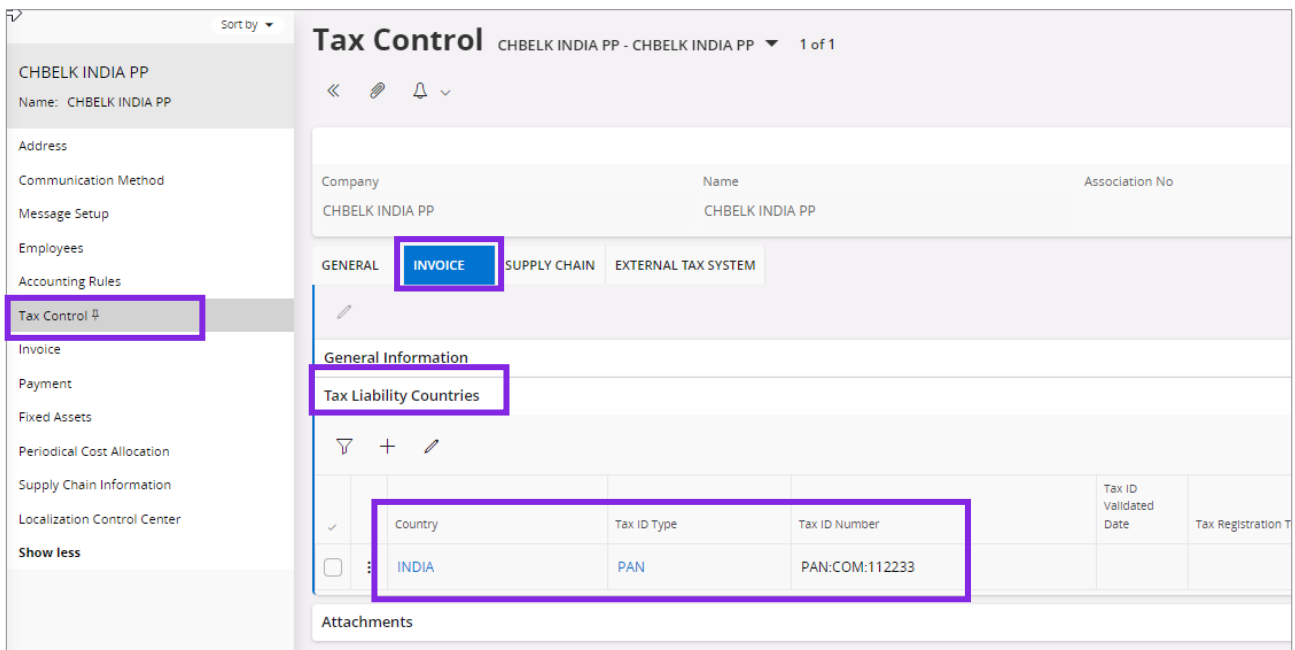
Tax ID Types

Tax ID Type Country Code: IN Report Code More Favorites Apply Clear

✓	Tax ID Type	Country Code	Report Code	Description	Layout Format	Validate Tax ID Number
<input type="checkbox"/>	PAN	IN	1			No
<input type="checkbox"/>	GST	IN	1			No

enter basic data in Company page

Enter Company *Permanent Account Number (PAN)* under **Application Base Setup/ Enterprise/ Company/ Tax Control/ Invoice/ Tax Liability Countries.**



Tax Control CHBELK INDIA PP - CHBELK INDIA PP 1 of 1

Company: CHBELK INDIA PP, Name: CHBELK INDIA PP, Association No: [blank]

Tabs: GENERAL, **INVOICE**, SUPPLY CHAIN, EXTERNAL TAX SYSTEM

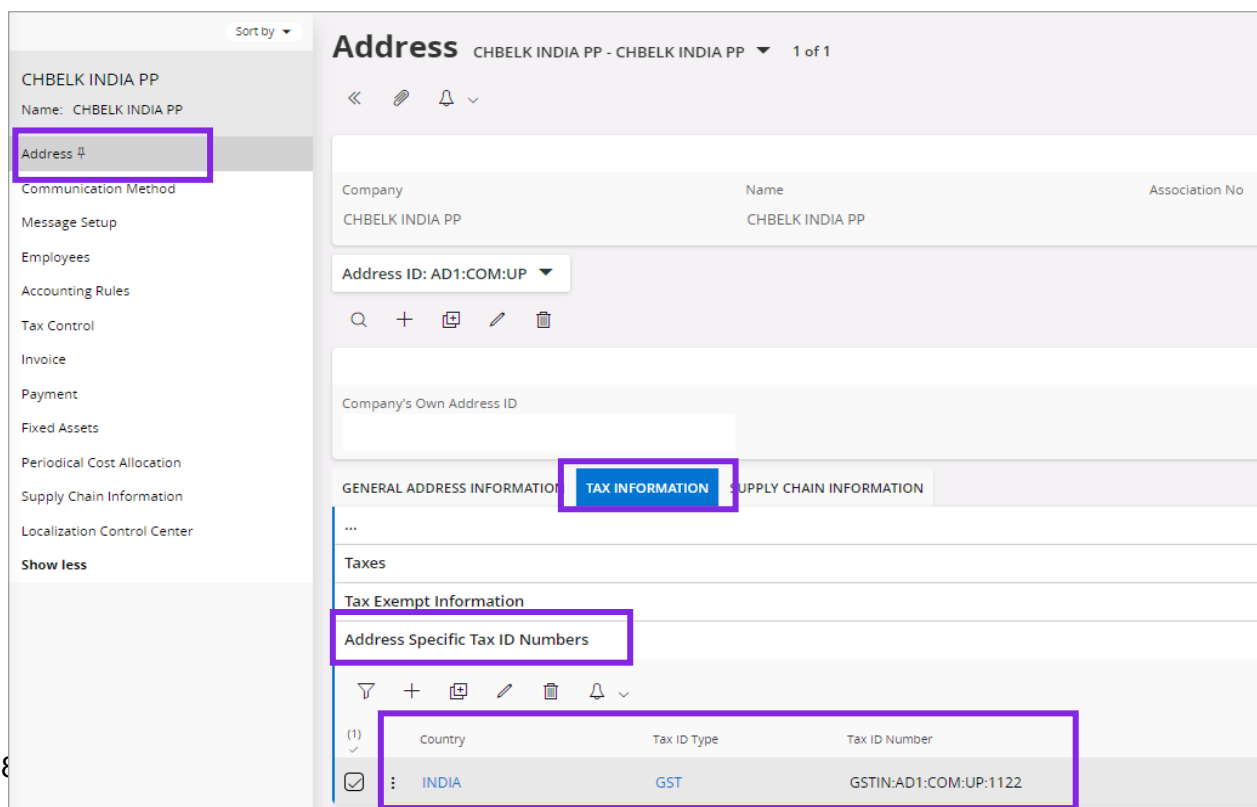
General Information

Tax Liability Countries

Country	Tax ID Type	Tax ID Number	Tax ID Validated Date	Tax Registration T
INDIA	PAN	PAN:COM:112233		

Attachments

Enter address specific *Goods and Services Tax ID numbers (GSTIN)* for your company in the **Application Base Setup/ Enterprise/ Company/ Address Tab/ Tax Information/ Address Specific Tax ID Numbers Section.**



Address CHBELK INDIA PP - CHBELK INDIA PP 1 of 1

Company: CHBELK INDIA PP, Name: CHBELK INDIA PP, Association No: [blank]

Address ID: AD1:COM:UP

Tabs: GENERAL ADDRESS INFORMATION, **TAX INFORMATION**, SUPPLY CHAIN INFORMATION

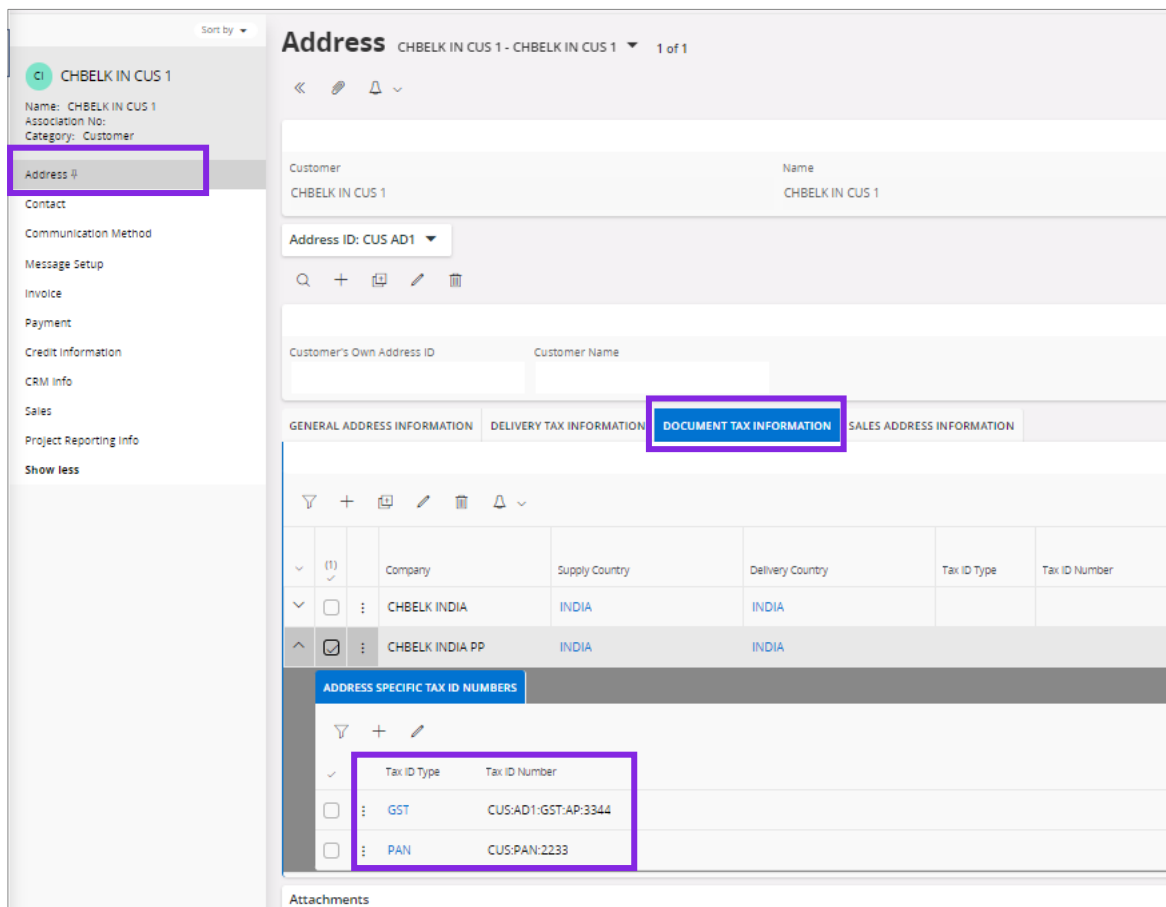
Tax Exempt Information

Address Specific Tax ID Numbers

Country	Tax ID Type	Tax ID Number
INDIA	GST	GSTIN:AD1:COM:UP:1122

Enter the *Permanent Tax ID Number (PAN)* and address specific *Goods and Services Tax ID numbers (GSTIN)* for Customers and Suppliers under **Financials/ Customer Invoice or Supplier**

Invoice/ Customer or Supplier/ Address Tab, in the nested list below under Document Tax Information.



Address CHBELK IN CUS 1 - CHBELK IN CUS 1 1 of 1

Customer: CHBELK IN CUS 1 Name: CHBELK IN CUS 1

Address ID: CUS AD1

GENERAL ADDRESS INFORMATION DELIVERY TAX INFORMATION **DOCUMENT TAX INFORMATION** SALES ADDRESS INFORMATION

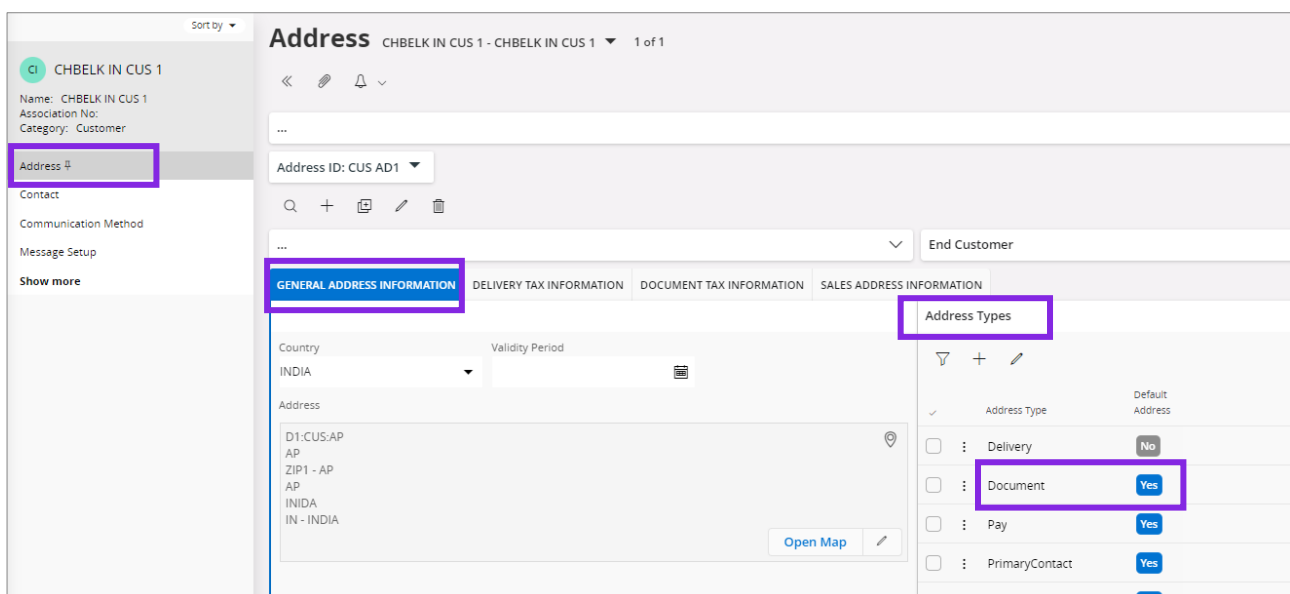
	Company	Supply Country	Delivery Country	Tax ID Type	Tax ID Number
<input type="checkbox"/>	CHBELK INDIA	INDIA	INDIA		
<input checked="" type="checkbox"/>	CHBELK INDIA PP	INDIA	INDIA		

ADDRESS SPECIFIC TAX ID NUMBERS

	Tax ID Type	Tax ID Number
<input type="checkbox"/>	GST	CUS:AD1:GST:AP:3344
<input type="checkbox"/>	PAN	CUS:AD1:IN:2233

Special Notes:

- Tax ID numbers cannot be entered on the upper level if address-specific tax ID numbers are already entered in the nested list. This is to ensure no duplicate records are entered.
- PAN should be defined under each Address of the Customer/Supplier.
- It is a must to have **Address Type for Document** for each address of the Customer or Supplier to include Tax ID numbers under the *Document Tax Information* for that particular address in Basic Data.



Address CHBELK IN CUS 1 - CHBELK IN CUS 1 1 of 1

Address ID: CUS AD1

End Customer

GENERAL ADDRESS INFORMATION DELIVERY TAX INFORMATION DOCUMENT TAX INFORMATION SALES ADDRESS INFORMATION

Country: INDIA Validity Period: [Calendar Icon]

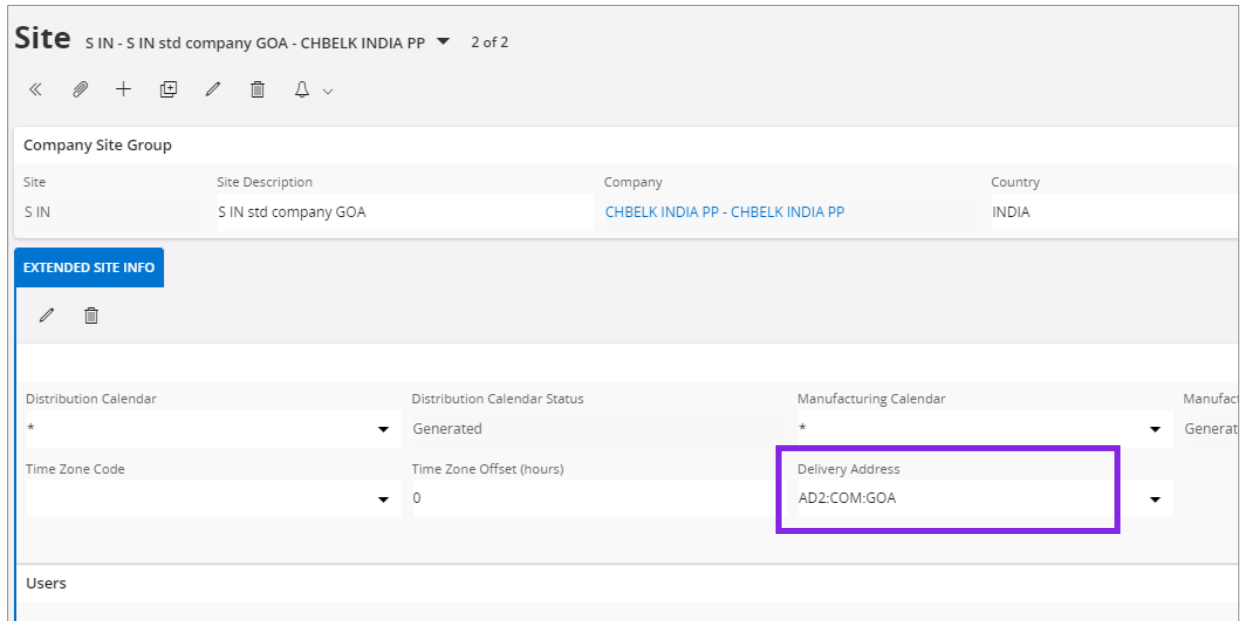
Address: D1:CUS:AP AP ZIP1 - AP AP INIDA IN - INDIA [Open Map]

Address Types

	Address Type	Default Address
<input checked="" type="checkbox"/>	Delivery	No
<input type="checkbox"/>	Document	Yes
<input type="checkbox"/>	Pay	Yes
<input type="checkbox"/>	PrimaryContact	Yes

ENTER BASIC DATA IN SITE

In the *Site/ Extended Site Info* in *General* page, connect the *Delivery Address* considering the 'State' of the Company Site.



The screenshot shows the 'Site' configuration page for 'S IN - S IN std company GOA - CHBELK INDIA PP'. The 'EXTENDED SITE INFO' tab is active, and the 'Delivery Address' field is highlighted with a red box, containing the value 'AD2:COM:GOA'.

Additional BASIC DATA setup

- In the *Branches* page, define a separate branch per State.
- In the *Invoice Series* page, define separate invoice series per State.
- In the *Invoice Type* page, context menu *Combinations per Invoice Type*, connect invoice series to invoice type. Use branch to have different number series for each State.
- On the *Document Footer/Define Footer* tab, define a new footer. Make sure to use the system defined field "TAX_NO".
- On the *Document Footer/Connect Report* tab, connect the document footer to reports:

Report ID	Report Title	Module
CUSTOMER_ORDER_ADV_IVC_REP	Advance Invoice	ORDER
CUSTOMER_ORDER_COLL_IVC_REP	Collective Invoice	ORDER
CUSTOMER_ORDER_IVC_REP	Invoice	ORDER
INSTANT_INVOICE_REP	Instant Invoice	INVOIC
PROJECT_INVOICE_REP	Invoice Printout	PRJREP

8.6 Multiple Tax ID Numbers in Customer Invoice Flow

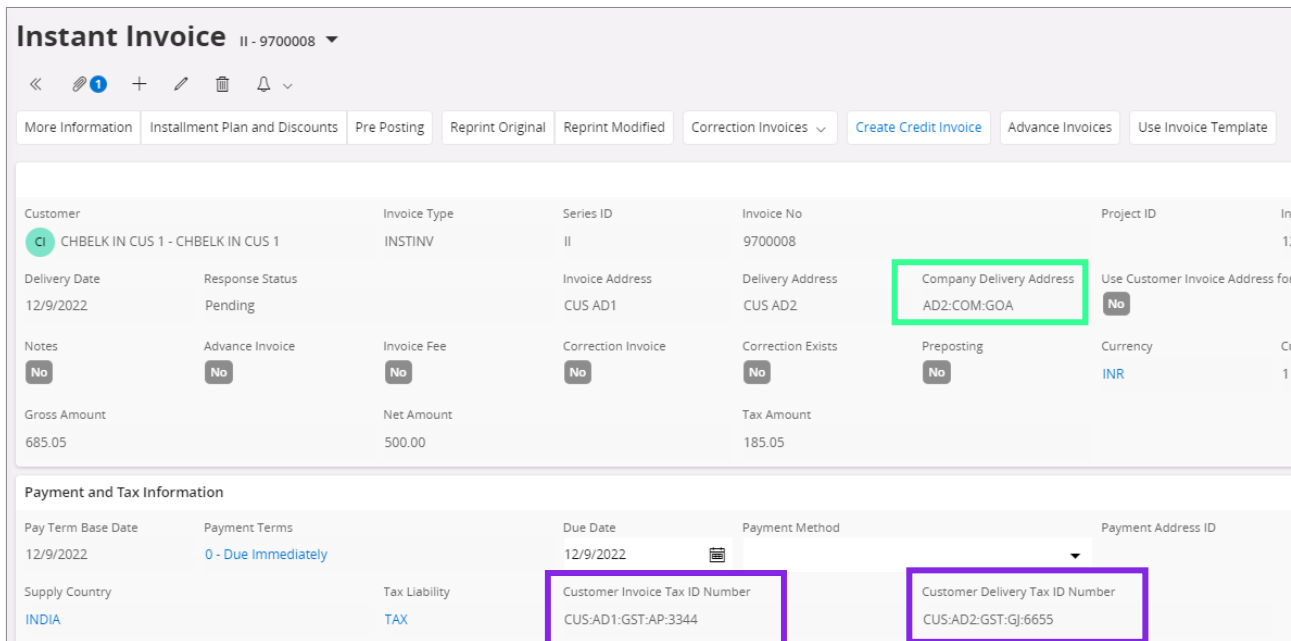
Instant invoice

Follow the IFS Cloud core processes to create Instant Invoice.

Two new fields are introduced under 'Payment and Tax Information' section to display GSTIN numbers related to *Invoice Address* and *Delivery Address* specified in the Invoice.

- **Customer Invoice Tax ID Number**
- **Customer Delivery Tax ID Number**

When Invoice is in Preliminary State, Users can change the Address IDs according to the Business Requirement and GSTIN numbers of these new fields are changing accordingly.



Instant Invoice II - 9700008

More Information | Installation Plan and Discounts | Pre Posting | Reprint Original | Reprint Modified | Correction Invoices | **Create Credit Invoice** | Advance Invoices | Use Invoice Template

Customer	Invoice Type	Series ID	Invoice No	Project ID
CHBELK IN CUS 1 - CHBELK IN CUS 1	INSTINV	II	9700008	
Delivery Date	Response Status	Invoice Address	Delivery Address	Company Delivery Address
12/9/2022	Pending	CUS AD1	CUS AD2	AD2:COM:GOA
Notes	Advance Invoice	Invoice Fee	Correction Invoice	Correction Exists
No	No	No	No	No
Gross Amount	Net Amount	Tax Amount		
685.05	500.00	185.05		

Payment and Tax Information

Pay Term Base Date	Payment Terms	Due Date	Payment Method	Payment Address ID
12/9/2022	0 - Due Immediately	12/9/2022		
Supply Country	Tax Liability	Customer Invoice Tax ID Number	Customer Delivery Tax ID Number	
INDIA	TAX	CUS:AD1:GST:AP:3344	CUS:AD2:GST:Gj:6655	

GSTIN related to the Company is fetched from the *Company Delivery Address* specified in the Invoice.

Note: Same process is applying when creating Credit Instant Invoice and Correction Instant Invoice.

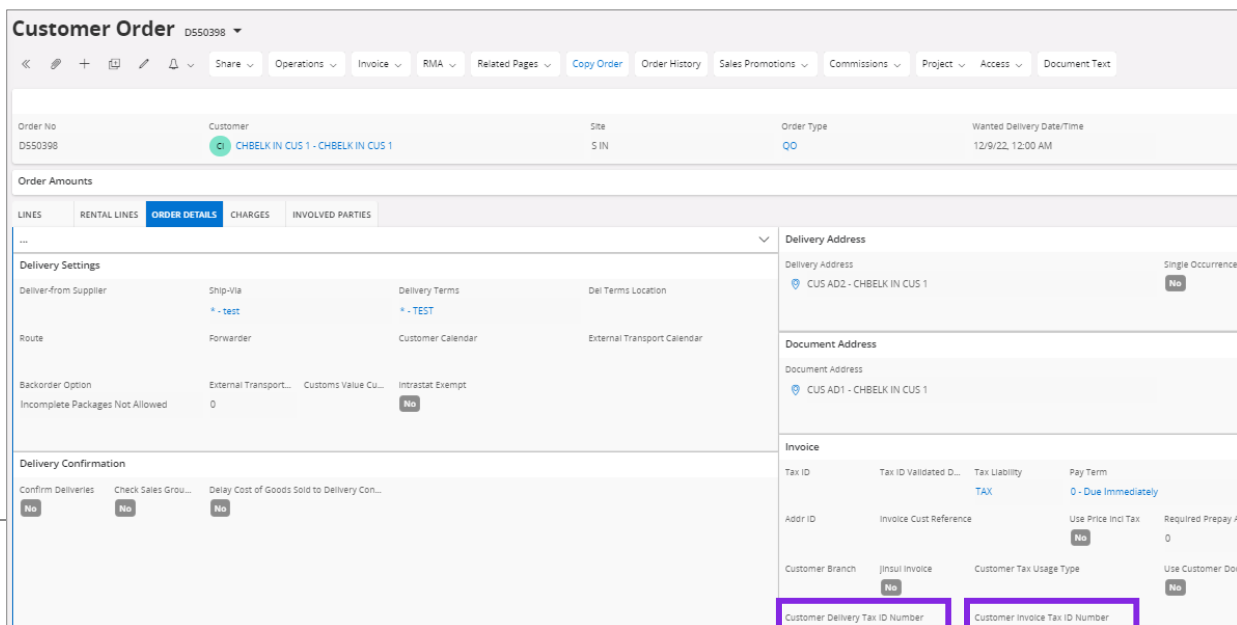
Customer order

Follow the IFS Cloud core processes to create Customer orders.

Two new fields are introduced under 'Invoice' group box in 'Order Details' tab to display GSTIN numbers related to the *Document Address* and *Delivery Address* specified in the *Customer Order*.

- **Customer Invoice Tax ID Number**
- **Customer Delivery Tax ID Number**

When Customer Order is in Planned State, Users can change the Address IDs according to the Business Requirement and GSTIN numbers of these new fields are changing accordingly.



Customer Order D550398

Share | Operations | Invoice | RMA | Related Pages | **Copy Order** | Order History | Sales Promotions | Commissions | Project | Access | Document Text

Order No	Customer	Site	Order Type	Wanted Delivery Date/Time
D550398	CHBELK IN CUS 1 - CHBELK IN CUS 1	S IN	QO	12/9/22, 12:00 AM

Order Amounts

LINES | RENTAL LINES | **ORDER DETAILS** | CHARGES | INVOLVED PARTIES

Delivery Settings

Deliver-from Supplier	Ship-Via	Delivery Terms	Del Terms Location
	* - test	* - TEST	
Route	Forwarder	Customer Calendar	External Transport Calendar
Backorder Option	External Transport...	Customs Value Cu...	Intrastat Exempt
Incomplete Packages Not Allowed	0		No

Delivery Confirmation

Confirm Deliveries	Check Sales Grou...	Delay Cost of Goods Sold to Delivery Con...
No	No	No

Delivery Address

Delivery Address	Single Occurrence
CUS AD2 - CHBELK IN CUS 1	No

Document Address

Document Address
CUS AD1 - CHBELK IN CUS 1

Invoice

Tax ID	Tax ID Validated D...	Tax Liability	Pay Term
		TAX	0 - Due Immediately
Addr ID	Invoice Cust Reference	Use Price Incl Tax	Required Prepay A
		No	0
Customer Branch	Insl Invoice	Customer Tax Usage Type	Use Customer Doc
	No		No
Customer Delivery Tax ID Number	Customer Invoice Tax ID Number		

Note: All the customer order lines connected to a single customer order are supposed to have a common GSTIN defined in the customer order header lever. Therefore, customer order lines that are supposed to have different GSTIN should not be connected to the same customer order.

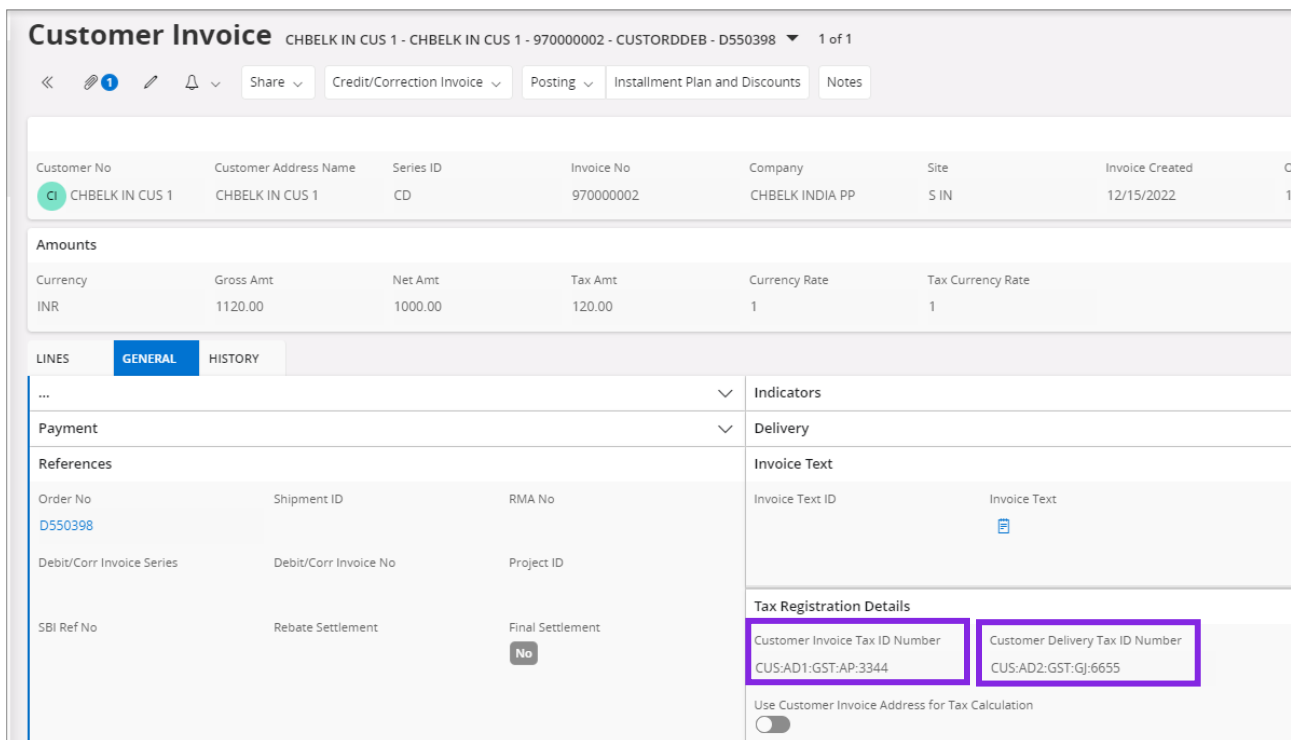
Customer order invoice

Follow the IFS Cloud core processes to create a Customer Order Invoice. If creating Collective Customer Order Invoices, make sure to connect Customer Orders that have the same GSTIN.

Two new fields are introduced under 'Tax Registration Details' group box under the 'General' tab to display GSTIN numbers related to the *Invoice Address* and *Delivery Address* specified in the *Customer Order Invoice*.

- **Customer Invoice Tax ID Number**
- **Customer Delivery Tax ID Number**

When the Customer Order Invoice is in Preliminary State, Users can change the Invoice Address ID of the Invoice according to the Business Requirement and the *Customer Invoice Tax ID Number* is updating accordingly.



Customer Invoice CHBELK IN CUS 1 - CHBELK IN CUS 1 - 970000002 - CUSTORDDEB - D550398 1 of 1

Customer No: CHBELK IN CUS 1, Customer Address Name: CHBELK IN CUS 1, Series ID: CD, Invoice No: 970000002, Company: CHBELK INDIA PP, Site: S IN, Invoice Created: 12/15/2022

Currency	Gross Amt	Net Amt	Tax Amt	Currency Rate	Tax Currency Rate
INR	1120.00	1000.00	120.00	1	1

Tax Registration Details

Customer Invoice Tax ID Number	Customer Delivery Tax ID Number
CUS:AD1:GST:AP:3344	CUS:AD2:GST:Gj:6655

Use Customer Invoice Address for Tax Calculation:

GSTIN related to the Company is fetched from the *Company Delivery Address* linked to the relevant *Site*.

Note: The same process applies when creating the following Customer Order Invoices as well.

- Credit Customer Order Invoice
- Correction Customer Order Invoice
- Advance Customer Order Invoice
- Credit Advance Customer Order Invoice
- Collective Customer Order Invoice
- Collective Customer Order Invoice - Credit

- Collective Customer Order Invoice - Correction

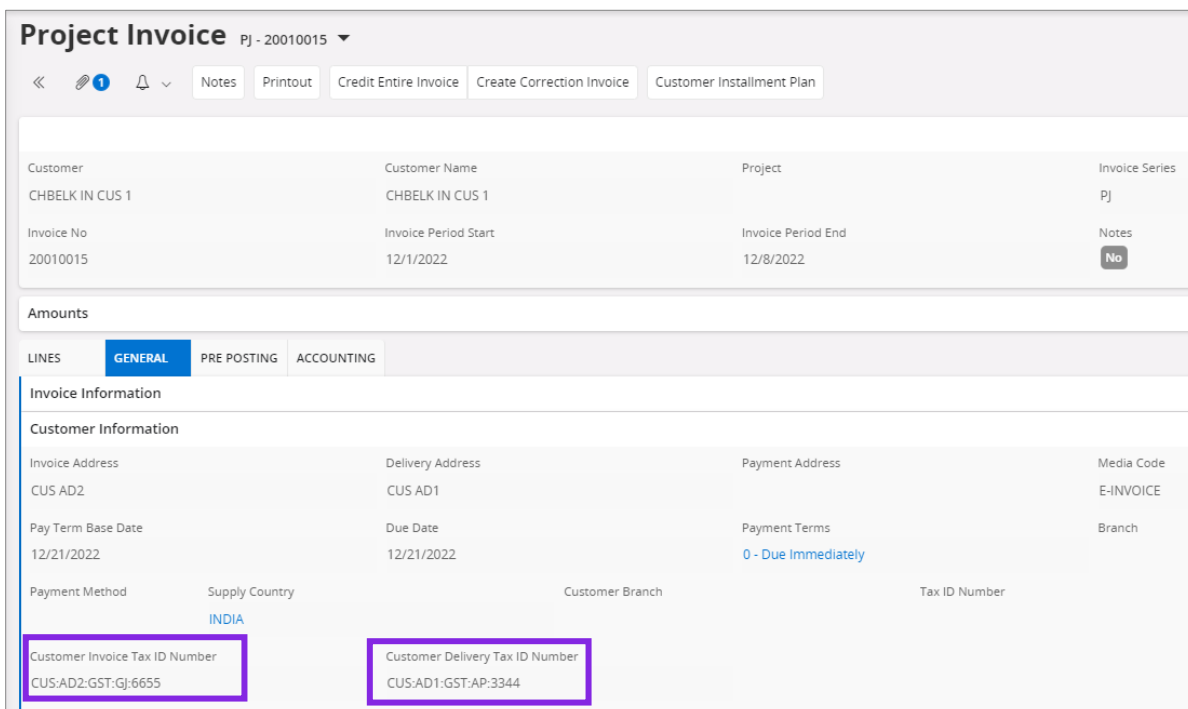
Project invoice

Follow the IFS Cloud core processes to create Project Invoice.

Two new fields are introduced under 'Customer Information' group box in 'General' tab to display GSTIN numbers related to *Invoice Address* and *Delivery Address* specified in the *Customer Order Invoice*.

- **Customer Invoice Tax ID Number**
- **Customer Delivery Tax ID Number**

When the Project Invoice is in Preliminary State, Users can change the Address IDs of the Invoice according to the Business Requirement and GSTIN numbers of these new fields are changing accordingly.



Project Invoice PJ - 20010015

Navigation: << | 1 | | Notes | Printout | Credit Entire Invoice | Create Correction Invoice | Customer Installment Plan

Customer	Customer Name	Project	Invoice Series
CHBELK IN CUS 1	CHBELK IN CUS 1		PJ
Invoice No	Invoice Period Start	Invoice Period End	Notes
20010015	12/1/2022	12/8/2022	No

Amounts

LINES | **GENERAL** | PRE POSTING | ACCOUNTING

Invoice Information


Customer Information

Invoice Address	Delivery Address	Payment Address	Media Code
CUS AD2	CUS AD1		E-INVOICE
Pay Term Base Date	Due Date	Payment Terms	Branch
12/21/2022	12/21/2022	0 - Due Immediately	
Payment Method	Supply Country	Customer Branch	Tax ID Number
	INDIA		
Customer Invoice Tax ID Number	Customer Delivery Tax ID Number		
CUS:AD2:GST:Gj:6655	CUS:AD1:GST:AP:3344		

Note: The same process is applying when creating Credit and Correction Project Invoices.

8.7 Print Multiple Tax ID Numbers on the Invoice PDF

When the customer invoice is printed, these multiple tax ID Numbers are print on the invoice header and Company Delivery GSTIN related to the Invoice is displayed in the footer.

		INVOICE		ORIGINAL	
		Invoice Date 1/11/23	Invoice Number II9700037		
		Order Date	Order Number		
		Permanent Account Number PAN:COM:112233			
Our Reference	Customer Tax Number CUS:PAN:2233	Customer Number CHBELK IN CUS	Customer Reference		
Delivery Address		Invoice Address			
CHBELK IN CUS1		CHBELK IN CUS1			
AD2:CUS:GJ		D1:CUS:AP			
GJ		AP			
ZIP2-GJ		ZIP1-AP			
GJ		AP			
INDIA		INDIA			
IN-INDIA		IN-INDIA			
Delivery Tax ID Number CUS:AD2:GST:GJ:6655		Invoice Tax ID Number CUS:AD1:GST:AP:3344			
Pay Term Base Date 1/11/23	Delivery Date 1/11/23	Due Date 1/11/23			
Ref Invoice No		Ref Net Amount	Ref Tax Amount		
Terms of Payment Due Immediately	Payment Method	Bank Account			
Payment Reference					

Pos	Object	Description	Tax Code	Multiple Tax	Sales UoM	Quantity	Price	Amount
	LG AC	LG Air Conditioners		Yes		1.00	500.00	500.00
							Total Exclusive Tax	500.00
							Total Tax	60.00

Tax Totals					
TaxCode	Description	Tax (%)	Total Net Amount	Tax Base Amount	Tax Amount
6	Tax 5%	5.00	500.00	500.00	25.00
8	TAX 7%	7.00	500.00	500.00	35.00
Total					INR 560.00

Address: City Office,India	SERIAL NUMBER: CC9900#2023	Tax No: GSTIN:AD1:COM:UP:1122
-------------------------------	-------------------------------	----------------------------------

Page 1

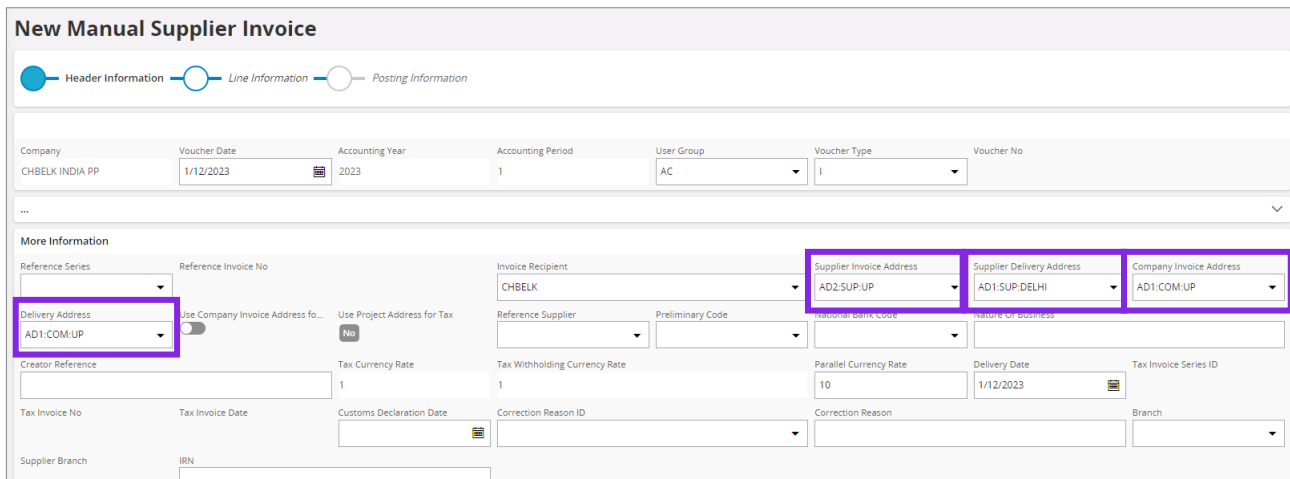
8.8 Multiple Tax ID Numbers in Supplier Invoice Flow

Enter and post Supplier Invoices without PO

Follow the IFS Cloud core processes to create Manual Supplier Invoice.

There are four Addresses are visible in 'New Manual Supplier Invoice' Assistant and 'Manual Supplier Invoice' page under 'More Information' section.

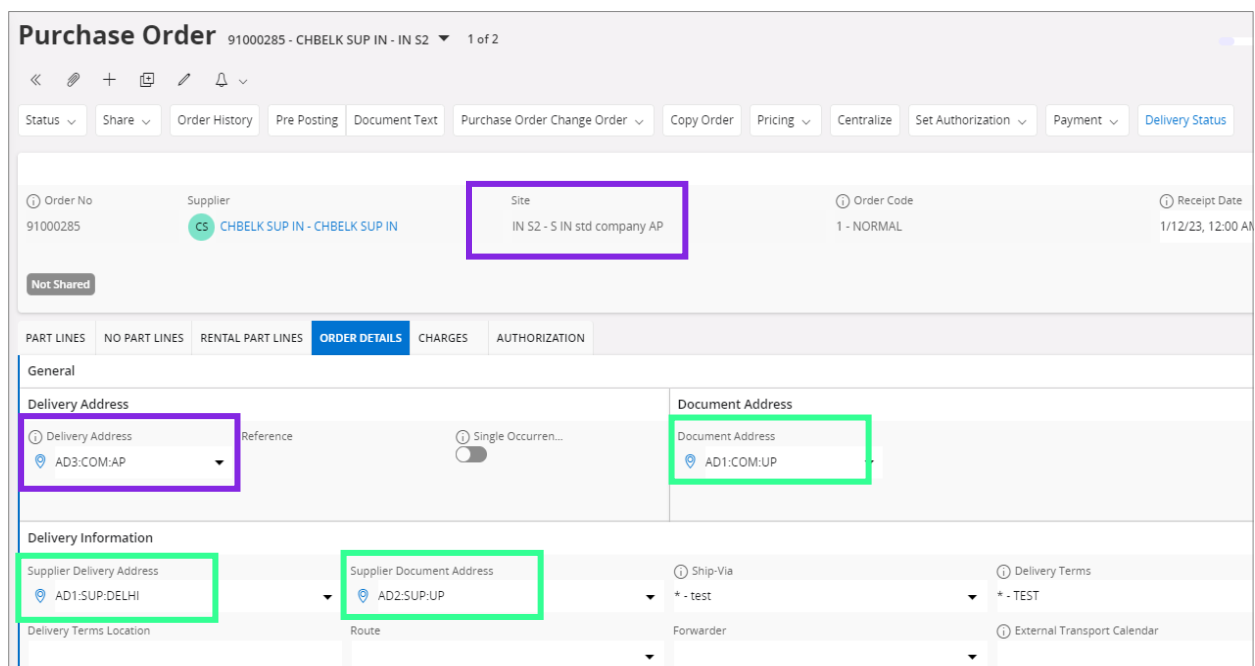
- **Company Invoice Address**
- **Delivery Address (Company)**
- **Supplier Invoice Address**
- **Supplier Delivery Address**



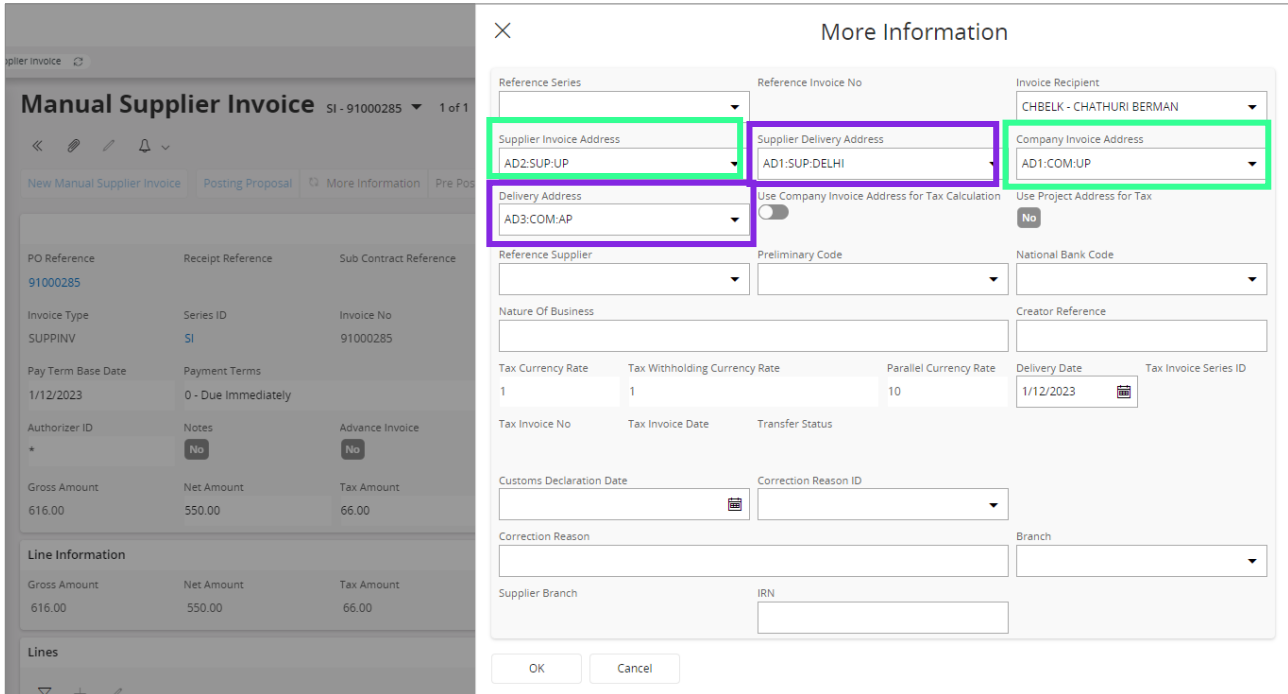
As per the business requirement, these addresses can change in the Supplier Invoice when it is in Preliminary State and are fetch corresponding Tax ID numbers in Tax Ledger once fetch tax ledger information.

Enter and post Supplier Invoices with PO

Follow the IFS Cloud core process to enter the Purchase Order. Note that Company Delivery Address is fetched from the Site Basic Data. Other Addresses can change as per the business requirement when the Purchase Order is in Planned State.



When creating Supplier Invoice with PO, the delivery addresses are copied from the Purchase Order while Invoice Addresses default to Company and Supplier Document Addresses in Basic Data. If required, users can change Invoice Addresses in Supplier Invoice according to the PO before Posting.



8.9 Update General Ledger

Follow the IFS Cloud core process to update voucher to General Ledger (*Update GL Vouchers Assistant*).

8.10 Fetch Tax Ledger Information

Follow the IFS Cloud core process to fetch tax ledger information (*Fetch Tax Ledger Information Assistant*).

Customer/Supplier PAN in the **Tax ID Number** column, GSTIN of both Delivery Address and Invoice Address of the Customer/Supplier in the **Delivery Tax ID Number** and **Invoice Tax ID Number** columns, Company PAN in the **Company Tax ID Number** column, and Company Delivery GSTIN in the **Company Delivery Tax ID Number** column are visible in the *Tax Transactions* page.

Tax Transactions								
Series ID	Invoice Type	Invoice No	Tax ID Number	Company Tax ID Number	Invoice Tax ID Number	Delivery Tax ID Number	Company Delivery Tax ID Number	
II	INSTINV	9700002	CUS: PAN: 6789	PAN: COM: 112233	CUS: AD1: GST: AP: 8877	CUS: AD2: GST: GJ: 6655	GSIN: AD1: COM: UP: 1122	
II	INSTINV	9700003	CUS: PAN: 6789	PAN: COM: 112233	CUS: AD1: GST: AP: 3344	CUS: AD2: GST: GJ: 6655	GSIN: AD1: COM: UP: 1122	
II	INSTINV	9700003	CUS: PAN: 6789	PAN: COM: 112233	CUS: AD1: GST: AP: 3344	CUS: AD2: GST: GJ: 6655	GSIN: AD1: COM: UP: 1122	
II	INSTINV	9700003	CUS: PAN: 6789	PAN: COM: 112233	CUS: AD1: GST: AP: 3344	CUS: AD2: GST: GJ: 6655	GSIN: AD1: COM: UP: 1122	

8.11 Delimitations

Delimitations in Print Invoice

In IFS Cloud core, Document Footer functionality is available for many reports. Company Delivery GSTIN is retrieved from Invoice only for the following reports from the *Document Footer/Connect Report* tab:

Report ID	Report Title	Module
CUSTOMER_ORDER_ADV_IVC_REP	Advance Invoice	ORDER
CUSTOMER_ORDER_COLL_IVC_REP	Collective Invoice	ORDER
CUSTOMER_ORDER_IVC_REP	Invoice	ORDER
INSTANT_INVOICE_REP	Instant Invoice	INVOIC
PROJECT_INVOICE_REP	Invoice Printout	PRJREP

Delimitations in Support of Multiple Tax ID Numbers in Tax Ledger

The process has been verified for the following invoices only:

- Customer Order Invoice
- Credit Customer Order Invoice
- Correction Customer Order Invoice
- Advance Customer Order Invoice
- Credit Advance Customer Order Invoice
- Collective Customer Order Invoice
- Collective Customer Order Invoice - Credit
- Collective Customer Order Invoice - Correction
- Instant Invoice
- Credit Instant Invoice
- Correction Instant Invoice
- Project Invoice
- Credit Project Invoice
- Correction Project Invoice
- Manual Supplier Invoice
- Manual Supplier Invoice in the company with the Posting Proposal set-up

9 Indian Reverse Charge

9.1 Overview Legal Requirement

Reverse charge is a mechanism where the recipient of the goods or services is liable to pay Goods and Services Tax (GST) instead of the supplier with respect of notified categories of supply.

Below provisions in Indian GST legislations are applicable for Indian Reverse Charges.

- **Section 2 (82) and Sub Section (3) and (4) of Section 9 of The Central Goods and Services Tax Act, 2017**
- **Sub Section (3) and (4) of Section 5 of The Integrated Goods and Services Tax Act, 2017**

For an example, assume a reverse charge transaction of value 10,000 INR and taxes applicable are CGST – 10% and SGST – 5%.

*If above is a Procurement Transaction, the Company being the recipient of the goods or services records and pays taxes to Government Authorities. Accordingly, the company is only liable to pay 10,000 INR to the supplier, (payable amount excluding taxes.) and the tax applicable (CGST = 1,000 (10,000*10%) and SGST = 500 (10,000*5%), totally amounting to 1,500 INR), must be recorded separately in company accounts.*

*If above is a Sales Transaction, Company being the sender of the goods or services doesn't record nor pays taxes to government authorities as the recipient (Customer) will do so. Accordingly, the company is to receive only 10,000 INR from the Customer, (receivable amount excluding taxes.) and the tax applicable (CGST = 1,000 (10,000*10%) and SGST = 500 (10,000*5%), totally amounting to 1,500 INR), is not recorded in Company accounts as the Customer will record the same.*

9.2 Process Overview



9.3 Solution Overview

Complying with the above requirement, upon enablement of an LCC parameter, the user is given the ability to connect Tax Codes with Tax Type, Calculated Tax in Tax Calculation Structures.

Calculated Tax codes are utilized to record accounting entries/postings in compliance with the Reverse Charge entries in IFS Cloud Core Solution. However, Calculated Tax codes are not allowed to be connected to Tax Calculation Structures in IFS Cloud Core Solution.

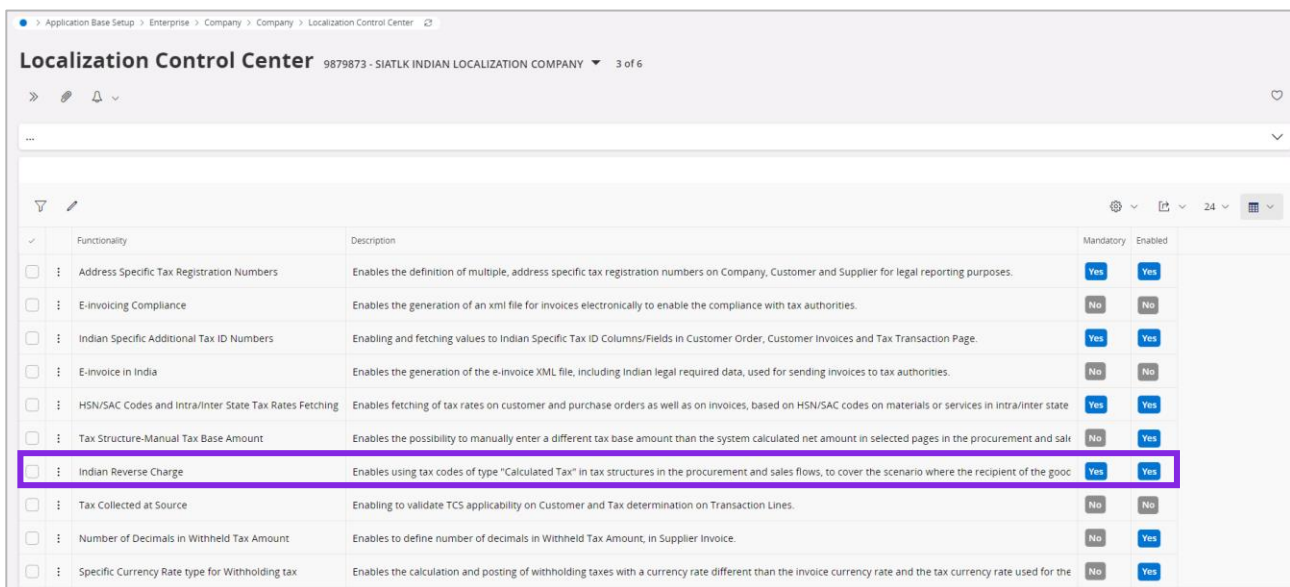
By enabling the use of Calculated Tax Codes in Tax Calculation Structures, IFS Cloud Indian Solution is enabled to handle Reverse Charge treatment in accordance with the HSN/SAC Code based Indian GST Tax Regime, facilitating the use of multiple tax codes for a single business transaction.

9.4 Prerequisites

- The company must be set up to use Indian localization, see the [Company Setup](#) chapter and the 'Indian Reverse Charge' parameter must be enabled on the **Company/Localization Control Center** tab.
- The Tax Code utilized must be set to 'Calculated Tax' in **Tax Codes /Tax Type** and 'Invoice' in **Tax Codes/ Tax Method Tax Received**.

9.5 Enable Localization Control Center Parameter

In order to utilize this functionality, the LCC parameter 'Indian Reverse Charge' in **Company/Localization Control Center**, must be enabled. However, as this is a mandatory parameter, the parameter is automatically enabled and noneditable.



Functionality	Description	Mandatory	Enabled
<input type="checkbox"/> : Address Specific Tax Registration Numbers	Enables the definition of multiple, address specific tax registration numbers on Company, Customer and Supplier for legal reporting purposes.	Yes	Yes
<input type="checkbox"/> : E-invoicing Compliance	Enables the generation of an xml file for invoices electronically to enable the compliance with tax authorities.	No	No
<input type="checkbox"/> : Indian Specific Additional Tax ID Numbers	Enabling and fetching values to Indian Specific Tax ID Columns/Fields in Customer Order, Customer Invoices and Tax Transaction Page.	Yes	Yes
<input type="checkbox"/> : E-invoice in India	Enables the generation of the e-invoice XML file, including Indian legal required data, used for sending invoices to tax authorities.	No	No
<input type="checkbox"/> : HSN/SAC Codes and Intra/Inter State Tax Rates Fetching	Enables fetching of tax rates on customer and purchase orders as well as on invoices, based on HSN/SAC codes on materials or services in intra/inter state	Yes	Yes
<input type="checkbox"/> : Tax Structure-Manual Tax Base Amount	Enables the possibility to manually enter a different tax base amount than the system calculated net amount in selected pages in the procurement and sale	No	Yes
<input type="checkbox"/> : Indian Reverse Charge	Enables using tax codes of type "Calculated Tax" in tax structures in the procurement and sales flows, to cover the scenario where the recipient of the good	Yes	Yes
<input type="checkbox"/> : Tax Collected at Source	Enabling to validate TCS applicability on Customer and Tax determination on Transaction Lines.	No	No
<input type="checkbox"/> : Number of Decimals in Withheld Tax Amount	Enables to define number of decimals in Withheld Tax Amount, in Supplier Invoice.	No	Yes
<input type="checkbox"/> : Specific Currency Rate type for Withholding tax	Enables the calculation and posting of withholding taxes with a currency rate different than the invoice currency rate and the tax currency rate used for the	No	Yes

9.6 Create Tax Structures using Tax Codes with Tax Type 'Calculated Tax'.

Upon enablement of the LCC parameter, the user is given the ability to connect Tax Codes with Tax Type, Calculated Tax to Tax Calculation Structures. Thereby, the user can enter tax lines applicable for Reverse Charge, using Calculated Tax Codes in Tax Calculation Structures.

Once the Tax Calculation Structure is set to Active, it can be used in transaction pages directly, or can be connected to HSN/SAC basic data, to facilitate automatic tax fetching. ([HSN/SAC Basic data](#))

Note: The Reverse Charge functionality catered by the usage of Tax Type "Calculated Tax" In IFS Cloud, was handled via a Tax Type named "Use Tax" in APPs 9 and 10 GET Solution. This results in a change in the utilized posting controls as shown below.

Transaction Type	Apps 9, 10	IFS Cloud 23R2
Procurement Transactions	IP3, IP11	IP9, IP10
Sales Transactions	IP4	IP4

An upgrade handling is facilitated for the customers shifting their application from Apps 9,10 GET to IFS Cloud 23R2 in order to make sure the smooth data transfer between these two different solutions.

Accordingly, any Tax Calculation Structure created using Tax Type “Use Tax” in Apps 9, 10 GET Solution is set to “Obsolete” status during the upgrade process. The user won’t be able to reactivate those Obsolete Tax Calculation Structures and is expected to create new Tax Calculation Structures using Calculated Tax Codes as used tax codes are no longer valid.

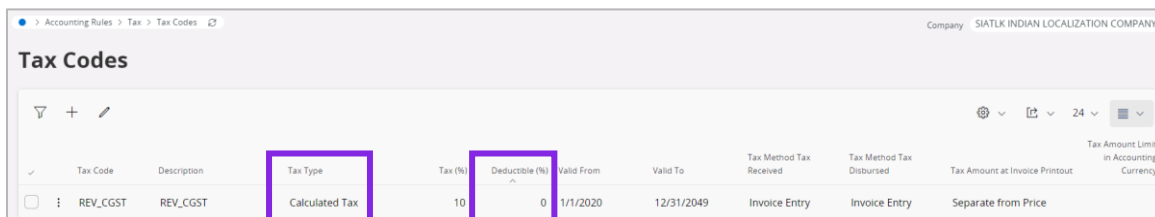
9.7 Procurement Flow

Input Tax Credit Disclaimer

Tax paid on reverse charge basis will be available for Input Tax Credit (ITC), if such goods and/or services are used, or will be used, for business.

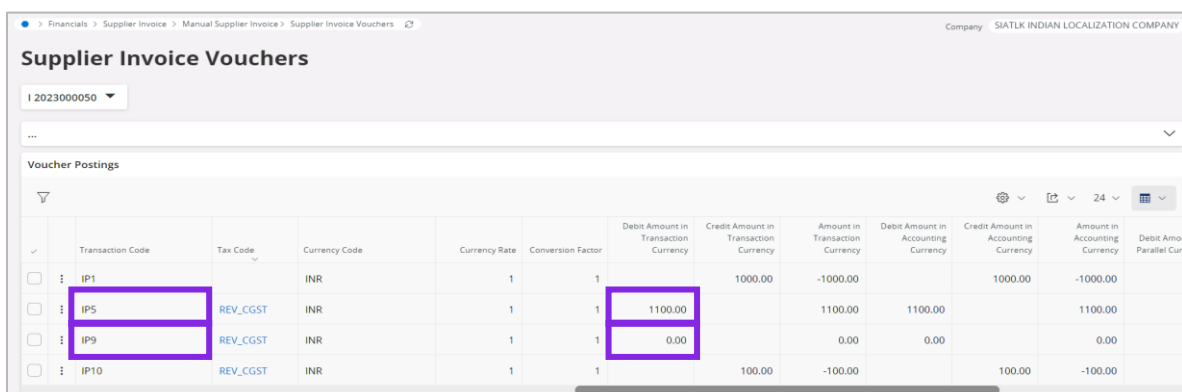
In case when such goods and/or services are not used, or will not be used for business, ITC couldn’t be claimed. In this case the amount of Input tax paid to the government should be identified as a cost to the business organization.

To facilitate this, the core functionality of “Deductible %” could be used. For transaction in this nature, the user can use a 0% deductible “Calculated Tax” tax code.



Tax Code	Description	Tax Type	Tax (%)	Deductible (%)	Valid From	Valid To	Tax Method Tax Received	Tax Method Tax Disturbed	Tax Amount at Invoice Printout	Tax Amount Limit in Accounting Currency
REV_CGST	REV_CGST	Calculated Tax	10	0	1/1/2020	12/31/2049	Invoice Entry	Invoice Entry	Separate from Price	

When the user uses 0% deductible Calculated Tax code to post a procurement transaction, IP9 posting line will be created with a 0 value and the tax amount will be added to the cost posting.



Transaction Code	Tax Code	Currency Code	Currency Rate	Conversion Factor	Debit Amount in Transaction Currency	Credit Amount in Transaction Currency	Amount in Transaction Currency	Debit Amount in Accounting Currency	Credit Amount in Accounting Currency	Amount in Accounting Currency	Debit Amou Parallel Cur
IP1		INR	1	1		1000.00	-1000.00		1000.00	-1000.00	
IP5	REV_CGST	INR	1	1	1100.00		1100.00	1100.00		1100.00	
IP9	REV_CGST	INR	1	1	0.00		0.00	0.00		0.00	
IP10	REV_CGST	INR	1	1		100.00	-100.00		100.00	-100.00	

Purchase order

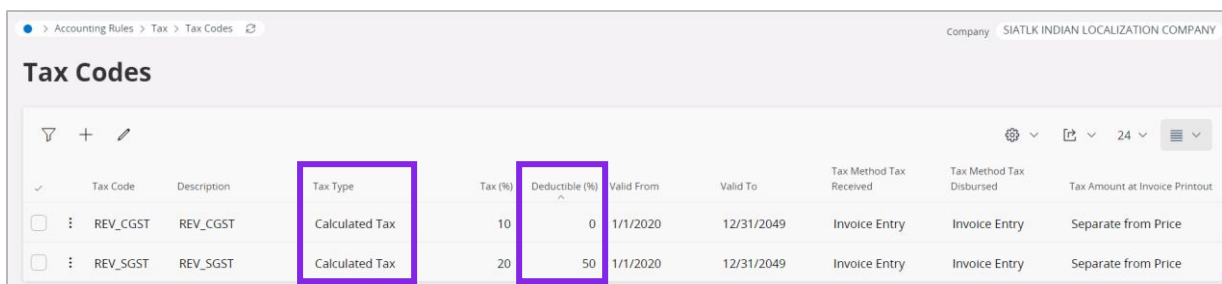
The Tax Calculation Structure with Calculated Tax Codes can be entered to Purchase Order Transaction lines either manually or be automatically fetched using the HSN/SAC based Tax Fetching.

Moreover, Reverse Charge Functionality is supported in below transaction types under Supplier Order flow.

- Purchase Order (Part line, No Part line, Rental Part Line, Charges)
- Purchase Order Change Order ((Part line, No Part line, Rental Part Line, Charges)
- Purchase Requisition (Part Line, No Part Line, Rental Part Line)
- Order Quotation (Part Line, No Part Line)
- Order Quotation Approval

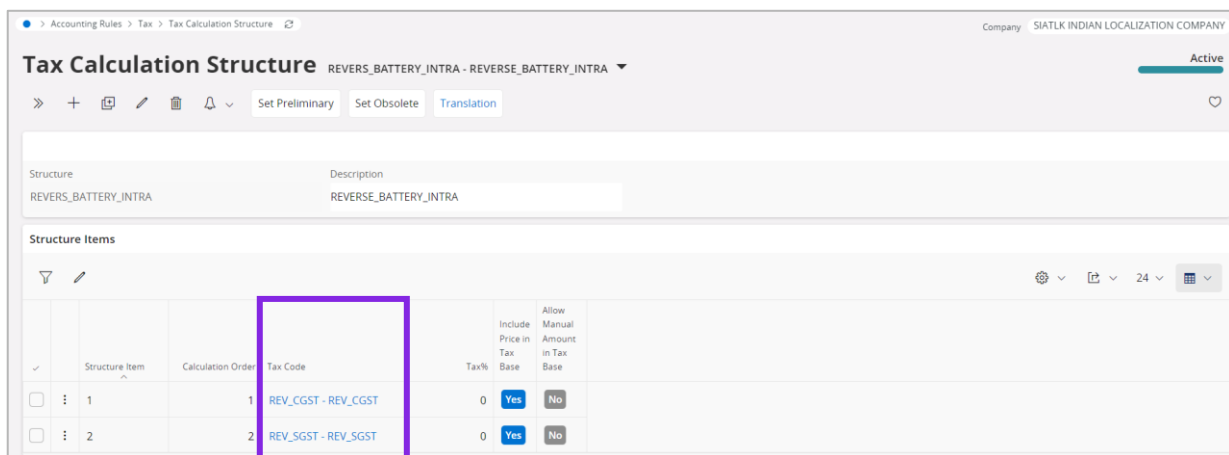
For an example, assume the company buys a product taxable via reverse charge mechanism for 1,000 INR and the taxes applicable are CGST – 10% (No tax credit available) and SGST – 20% (50% tax credit available) as the transaction was an Intrastate transaction.

- The calculated tax codes must be created to facilitate the reverse charge treatment.



✓	Tax Code	Description	Tax Type	Tax (%)	Deductible (%)	Valid From	Valid To	Tax Method Tax Received	Tax Method Tax Disbursed	Tax Amount at Invoice Printout
<input type="checkbox"/>	REV_CGST	REV_CGST	Calculated Tax	10	0	1/1/2020	12/31/2049	Invoice Entry	Invoice Entry	Separate from Price
<input type="checkbox"/>	REV_SGST	REV_SGST	Calculated Tax	20	50	1/1/2020	12/31/2049	Invoice Entry	Invoice Entry	Separate from Price

- The created Tax Codes must be then connected to a Tax Calculation Structure, as both the tax codes are applicable for an Intrastate transaction.



✓	Structure Item	Calculation Order	Tax Code	Tax%	Include Price in Tax Base	Allow Manual Amount in Tax Base
<input type="checkbox"/>	1	1	REV_CGST - REV_CGST	0	Yes	No
<input type="checkbox"/>	2	2	REV_SGST - REV_SGST	0	Yes	No

- The Tax Calculation Structure is then utilized in a Purchase Order Line-item level and Invoiced via Manual Supplier Invoice.

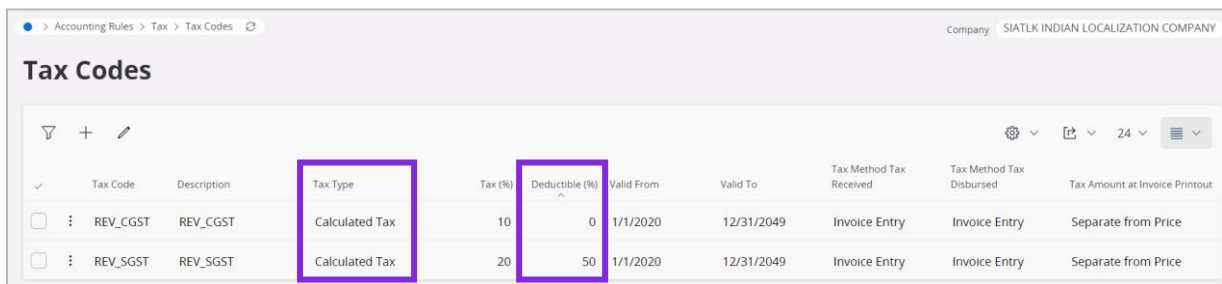
Manual Supplier Invoice

The Tax Calculation Structure with Calculated Tax Codes can be entered to invoice lines either manually or be automatically fetched using the HSN/SAC based Tax Fetching.

Moreover, when the user selects either of the options, Copy Unmatched PO Receipts or Copy Unreceived PO Lines, the Purchase Order lines will be copied to Manual Supplier Invoice line-item level, along with Tax Structures with Calculated Tax Codes fetched from Purchase Order. The user can also manually change the Tax Structures which will direct to re-calculation of taxes on supplier invoice line level.

For an example, assume the company buys a product taxable via reverse charge mechanism for 1,000 INR and the taxes applicable are CGST – 10% (No tax credit available) and SGST – 20% (50% tax credit available) as the transaction was an Intrastate transaction.

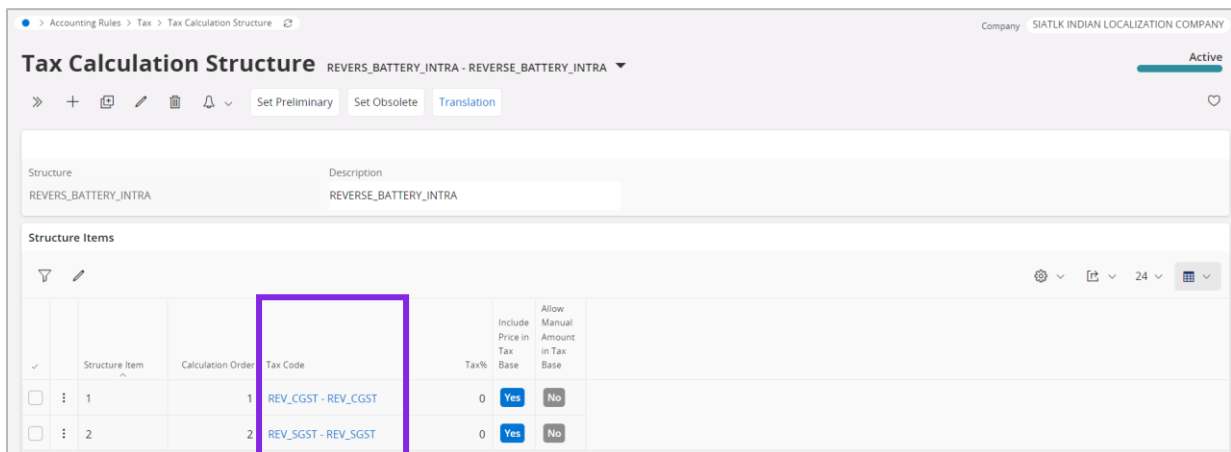
- *The calculated tax codes must be created to facilitate the reverse charge treatment.*



The screenshot shows the 'Tax Codes' configuration page. Two tax codes are listed: REV_CGST and REV_SGST. Both are of type 'Calculated Tax'. The REV_CGST code has a tax rate of 10% and is non-deductible (0%). The REV_SGST code has a tax rate of 20% and is 50% deductible. Both codes are valid from 1/1/2020 to 12/31/2049 and use 'Invoice Entry' for both tax methods.

✓	Tax Code	Description	Tax Type	Tax (%)	Deductible (%)	Valid From	Valid To	Tax Method Tax Received	Tax Method Tax Disbursed	Tax Amount at Invoice Printout
<input type="checkbox"/>	REV_CGST	REV_CGST	Calculated Tax	10	0	1/1/2020	12/31/2049	Invoice Entry	Invoice Entry	Separate from Price
<input type="checkbox"/>	REV_SGST	REV_SGST	Calculated Tax	20	50	1/1/2020	12/31/2049	Invoice Entry	Invoice Entry	Separate from Price

- *The created Tax Codes must be then connected to a Tax Calculation Structure, as both the tax codes are applicable for an Intrastate transaction.*



The screenshot shows the 'Tax Calculation Structure' configuration page for 'REVER_BATTERY_INTRA - REVERSE_BATTERY_INTRA'. Two structure items are defined, each linked to a tax code. The first item (order 1) is linked to REV_CGST - REV_CGST with a 0% tax rate. The second item (order 2) is linked to REV_SGST - REV_SGST with a 0% tax rate. Both items have 'Yes' for 'Include Price in Tax Base' and 'No' for 'Allow Manual Amount in Tax Base'.

✓	Structure Item	Calculation Order	Tax Code	Tax%	Include Price in Tax Base	Allow Manual Amount in Tax Base
<input type="checkbox"/>	1	1	REV_CGST - REV_CGST	0	Yes	No
<input type="checkbox"/>	2	2	REV_SGST - REV_SGST	0	Yes	No

- The Tax Calculation Structure is then utilized in a Manual Supplier Invoice Line-item level, directly or via a Purchase Order and once the Invoice is Posted, the accounting treatment applicable for the Reverse charge transaction will be posted as follows.

Supplier Invoice Vouchers

12023000051

Voucher Postings

Transaction Code	Tax Code	Currency Code	Currency Rate	Conversion Factor	Debit Amount in Transaction Currency	Credit Amount in Transaction Currency	Amount in Transaction Currency	Debit Amount in Accounting Currency	Credit Amount in Accounting Currency	Amount in Accounting Currency	Debit Amount Parallel Cur
IP5		INR	1	1	1200.00		1200.00	1200.00		1200.00	
IP1		INR	1	1		1000.00	-1000.00		1000.00	-1000.00	
IP9	REV_SGST	INR	1	1	100.00		100.00	100.00		100.00	
IP10	REV_SGST	INR	1	1		200.00	-200.00		200.00	-200.00	
IP9	REV_CGST	INR	1	1	0.00		0.00	0.00		0.00	
IP10	REV_CGST	INR	1	1		100.00	-100.00		100.00	-100.00	

Indian Reverse Charge is also supported in the creation of Recurring Invoices, Invoice creation Template, Correction Invoices, Credit Invoices, and Collective Invoices so that the user will be able to bring Tax Structures of a base Invoice to a Recurring Invoice, Correction Invoice, Credit Invoice, or a Collective Invoice created.

Posting Proposal

Similar to Manual Supplier Invoices, The Tax Calculation Structure with Calculated Tax Codes can be entered into posting proposal lines either manually or automatically fetched using the HSN/SAC based Tax Fetching.

Moreover, when the user selects either of the options, Copy Unmatched PO Receipts or Copy Unreceived PO Lines, the Purchase Order lines will be copied to Manual Supplier Invoice line-item level and Posting proposal line level, along with Tax Structures with Calculated Tax Codes fetched from Purchase Order. The user can also manually change the Tax Structures which will direct to re calculation of taxes on supplier invoice line level and Posting proposal line level.

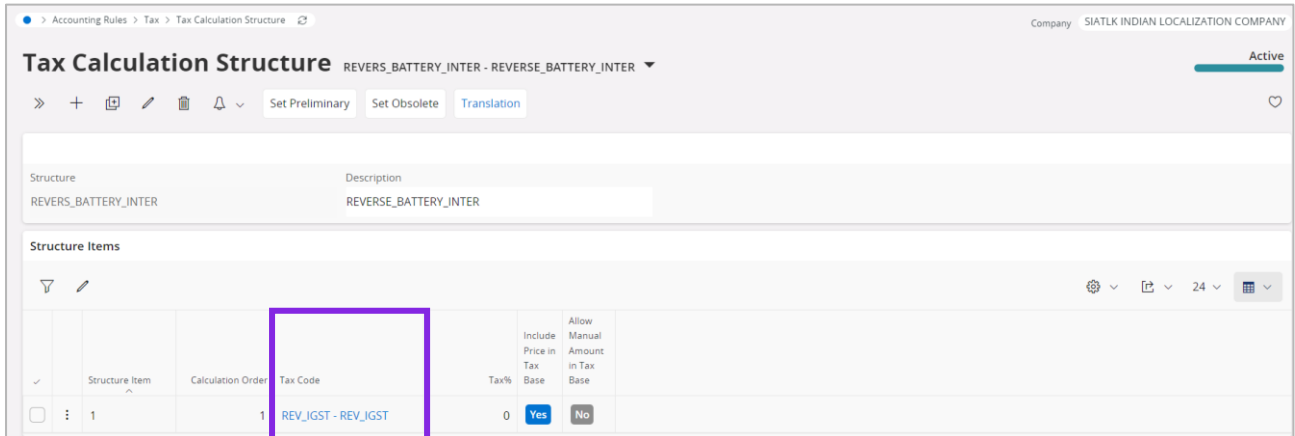
For an example, assume the company buys a product taxable via reverse charge mechanism for 1,000 INR and the taxes applicable are IGST – 30% (100% tax credit available) as the transaction was an Interstate transaction.

- The calculated tax codes must be created to facilitate the reverse charge treatment.

Tax Codes

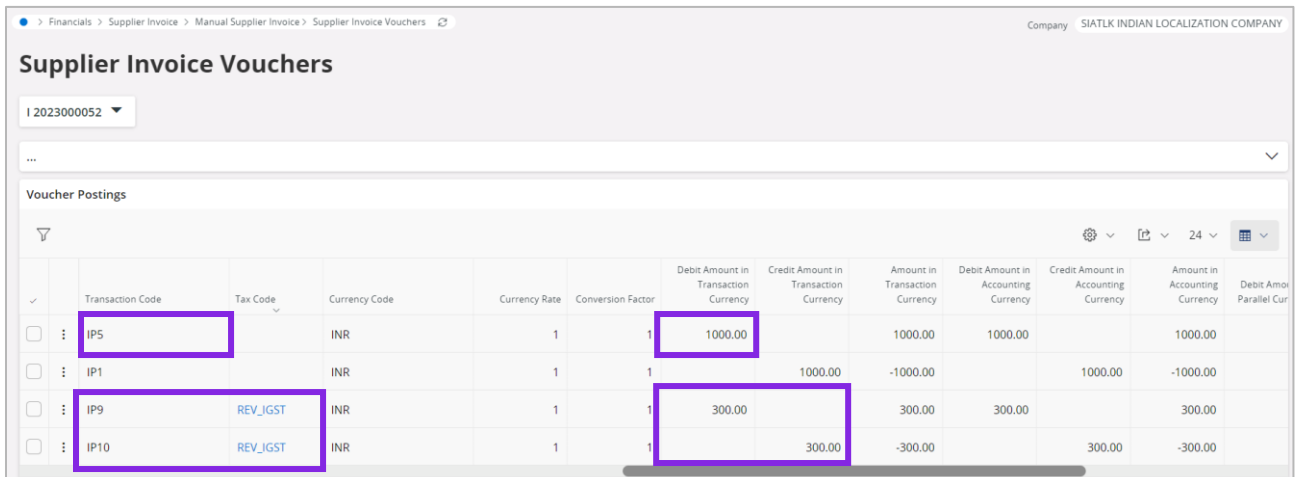
Tax Code	Description	Tax Type	Tax (%)	Deductible (%)	Valid From	Valid To	Tax Method Tax Received	Tax Method Tax Disbursed	Tax Amount at Invoice Printout	Tax Amount Limit in Accounting Currency
REV_IGST	REV_IGST	Calculated Tax	30	100	1/1/2020	12/31/2049	Invoice Entry	Invoice Entry	Separate from Price	

- The created Tax Codes must be then connected to a Tax Calculation Structure, as only IGST tax code is applicable for an Interstate transaction.



Structure Item	Calculation Order	Tax Code	Tax%	Include Price in Tax Base	Allow Manual Amount in Tax Base
1	1	REV_IGST - REV_IGST	0	Yes	No

- The Tax Calculation Structure is then utilized in a Posting Proposal Line-item level, and once the Invoice is Posted, the accounting treatment applicable for the Reverse charge transaction will be posted as follows.



Transaction Code	Tax Code	Currency Code	Currency Rate	Conversion Factor	Debit Amount in Transaction Currency	Credit Amount in Transaction Currency	Amount in Transaction Currency	Debit Amount in Accounting Currency	Credit Amount in Accounting Currency	Amount in Accounting Currency	Debit Amount in Accounting Currency
IP5		INR	1	1	1000.00		1000.00	1000.00		1000.00	
IP1		INR	1	1		1000.00	-1000.00		1000.00		-1000.00
IP9	REV_IGST	INR	1	1	300.00		300.00	300.00		300.00	
IP10	REV_IGST	INR	1	1		300.00	-300.00		300.00		-300.00

9.8 Sales Flow

Customer Order

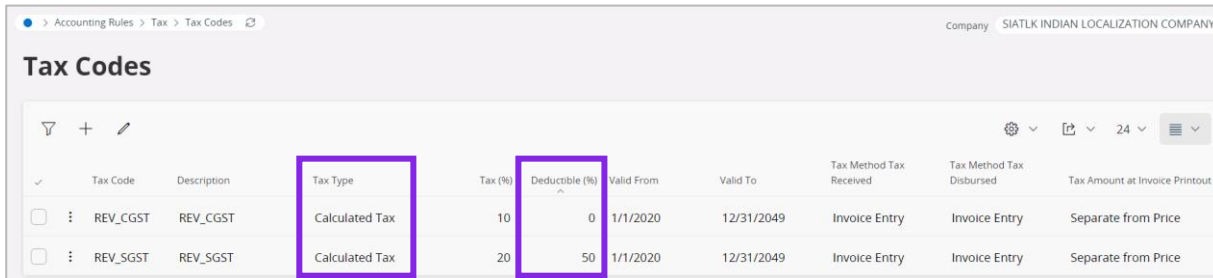
The Tax Calculation Structure with Calculated Tax Codes can be entered into invoice lines either manually or be automatically fetched using the HSN/SAC based Tax Fetching.

Moreover, Calculated Tax Functionality is supported in the below transaction types under Customer Order flow.

- Sales Quotation (Lines, Rental Lines, Charges)
- Customer Order (Lines, Rental Lines, Charges)
- Customer Invoice
- Return Material Authorization (Return Material Lines, Credit Charges)

For an example, assume the company sells a product taxable via reverse charge mechanism for 1,000 INR and the taxes applicable are CGST – 10% (No tax credit available) and SGST – 20% (50% tax credit available) as the transaction was an Intrastate transaction.

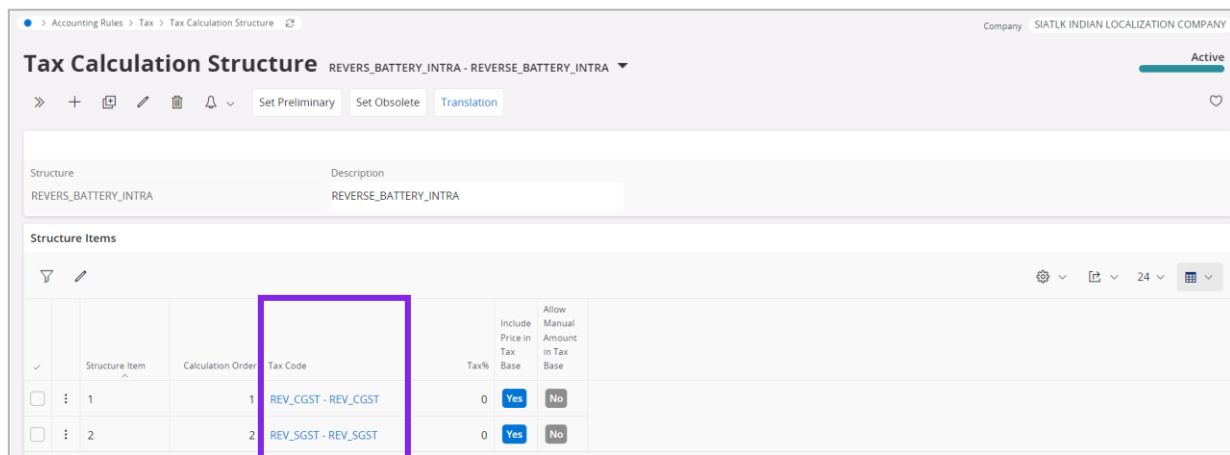
- The calculated tax codes must be created to facilitate the reverse charge treatment.



The screenshot shows the 'Tax Codes' configuration page for 'SIATLK INDIAN LOCALIZATION COMPANY'. It displays a table with two tax codes: REV_CGST and REV_SGST. The 'Tax Type' column for both is 'Calculated Tax'. The 'Tax (%)' column shows 10 for REV_CGST and 20 for REV_SGST. The 'Deductible (%)' column shows 0 for REV_CGST and 50 for REV_SGST. The 'Valid From' and 'Valid To' dates are 1/1/2020 and 12/31/2049 respectively. The 'Tax Method Tax Received' and 'Tax Method Tax Disbursed' are both 'Invoice Entry'. The 'Tax Amount at Invoice Printout' is 'Separate from Price'.

✓	Tax Code	Description	Tax Type	Tax (%)	Deductible (%)	Valid From	Valid To	Tax Method Tax Received	Tax Method Tax Disbursed	Tax Amount at Invoice Printout
<input type="checkbox"/>	REV_CGST	REV_CGST	Calculated Tax	10	0	1/1/2020	12/31/2049	Invoice Entry	Invoice Entry	Separate from Price
<input type="checkbox"/>	REV_SGST	REV_SGST	Calculated Tax	20	50	1/1/2020	12/31/2049	Invoice Entry	Invoice Entry	Separate from Price

- The created Tax Codes must be then connected to a Tax Calculation Structure, as both the tax codes are applicable for an Intrastate transaction.



The screenshot shows the 'Tax Calculation Structure' configuration page for 'SIATLK INDIAN LOCALIZATION COMPANY'. It displays a table with two structure items. The 'Tax Code' column for both is 'REV_CGST - REV_CGST' and 'REV_SGST - REV_SGST'. The 'Tax%' column shows 0 for both. The 'Include Price in Tax Base' column shows 'Yes' for both. The 'Allow Manual Amount in Tax Base' column shows 'No' for both.

✓	Structure Item	Calculation Order	Tax Code	Tax%	Include Price in Tax Base	Allow Manual Amount in Tax Base
<input type="checkbox"/>	1	1	REV_CGST - REV_CGST	0	Yes	No
<input type="checkbox"/>	2	2	REV_SGST - REV_SGST	0	Yes	No

- The Tax Calculation Structure is then utilized in a Customer Order Line-item level, and once the Customer Order Invoice is Posted, the accounting treatment applicable for the Reverse charge transaction will be posted as follows.

Accounting Rules > Voucher > Manual Voucher > Voucher

Company: SIATLK INDIAN LOCALIZATION COMPANY

Voucher

F - 2023000035 1 of 11

Approved

Buttons: New Voucher, New Voucher Template, Instant Update General Ledger, Set Awaiting Approval, Set Not Approved, Notes

Voucher Date: 6/7/2023 | User Group: AC | Voucher Type: F | Voucher No: 2023000035 | Accounting Year: 2023 | Accounting Period: 6 | Accounting Period Description: June 2023

Amount Method: | Use Correction Rows: No | Text ID: | Text for Voucher and Row: SIATLK CUS 01 INR | Notes: No

VIEW VOUCHER ROWS | GENERAL

Voucher Summary

Voucher Rows

✓	Trans Code	Tax Code	Currency Code	Correction	Currency Debit Amount	Currency Credit Amount	Currency Amount	Currency Rate	Conversion Factor	Accounting Currency	Debit Amount	Credit Amount	Amount
<input type="checkbox"/>	IP2		INR	No	1000.00		1000.00	1	1	INR	1000.00		1000.00
<input type="checkbox"/>	IP4	REV_CGST	INR	No		0.00	0.00	1	1	INR		0.00	0.00
<input type="checkbox"/>	IP4	REV_SGST	INR	No		0.00	0.00	1	1	INR		0.00	0.00
<input type="checkbox"/>	MANUAL		INR	No		1000.00	-1000.00	1	1	INR	1000.00		-1000.00

Instant Invoice

The Tax Calculation Structure with Calculated Tax Codes can be entered to invoice lines either manually or be automatically fetched using the HSN/SAC based Tax Fetching.

For an example, assume the company sells a product taxable via reverse charge mechanism for 1,000 INR and the taxes applicable are CGST – 10% (No tax credit available) and SGST – 20% (50% tax credit available) as the transaction was an Intrastate transaction.

- The calculated tax codes must be created to facilitate the reverse charge treatment.

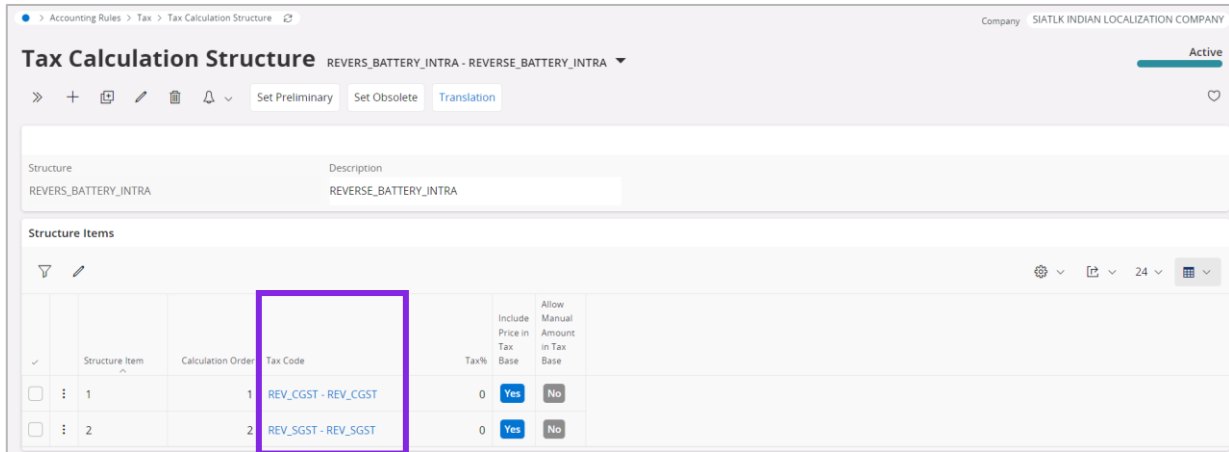
Accounting Rules > Tax > Tax Codes

Company: SIATLK INDIAN LOCALIZATION COMPANY

Tax Codes

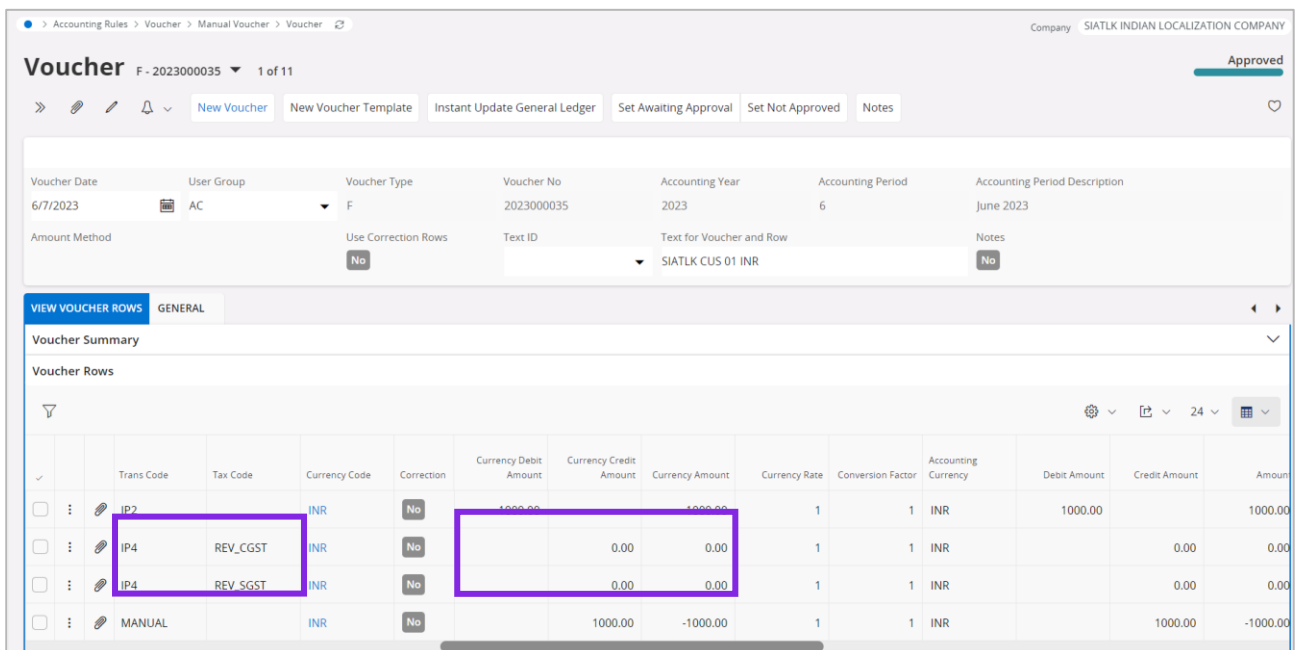
✓	Tax Code	Description	Tax Type	Tax (%)	Deductible (%)	Valid From	Valid To	Tax Method Tax Received	Tax Method Tax Disbursed	Tax Amount at Invoice Printout
<input type="checkbox"/>	REV_CGST	REV_CGST	Calculated Tax	10	0	1/1/2020	12/31/2049	Invoice Entry	Invoice Entry	Separate from Price
<input type="checkbox"/>	REV_SGST	REV_SGST	Calculated Tax	20	50	1/1/2020	12/31/2049	Invoice Entry	Invoice Entry	Separate from Price

- The created Tax Codes must be then connected to a Tax Calculation Structure, as both the tax codes are applicable for an Intrastate transaction.



Structure Item	Calculation Order	Tax Code	Tax%	Include Price in Tax Base	Allow Manual Amount in Tax Base
1	1	REV_CGST - REV_CGST	0	Yes	No
2	2	REV_SGST - REV_SGST	0	Yes	No

- The Tax Calculation Structure is then utilized at an Instant Invoice Line-item level, and once the Invoice is Posted, the accounting treatment applicable for the Reverse charge transaction will be posted as follows.



Trans Code	Tax Code	Currency Code	Correction	Currency Debit Amount	Currency Credit Amount	Currency Amount	Currency Rate	Conversion Factor	Accounting Currency	Debit Amount	Credit Amount	Amount
IP2		INR	No	1000.00	1000.00		1	1	INR	1000.00		1000.00
IP4	REV_CGST	INR	No		0.00	0.00	1	1	INR		0.00	0.00
IP4	REV_SGST	INR	No		0.00	0.00	1	1	INR		0.00	0.00
MANUAL		INR	No		1000.00	-1000.00	1	1	INR		1000.00	-1000.00

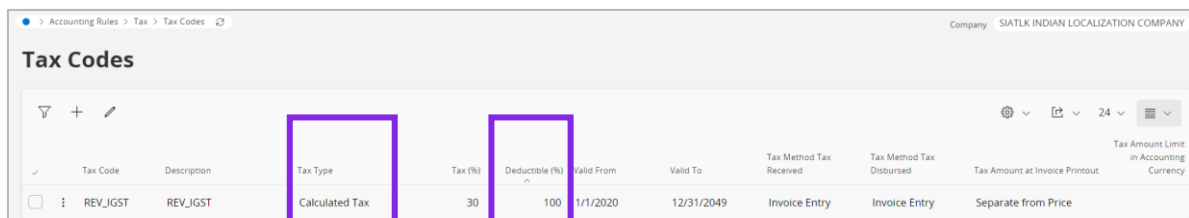
Indian Reverse Charge is also supported in the creation of Recurring Invoices, Correction Invoices, Credit Invoices and Collective Invoices so that the user will be able to bring Tax Structures of a base Invoice to a Recurring Invoice, Correction Invoice, Credit Invoice, or a Collective Invoice created.

Manual Customer Invoice

The Tax Calculation Structure with Calculated Tax Codes can be entered into invoice lines either manually or automatically fetched using the HSN/SAC based Tax Fetching.

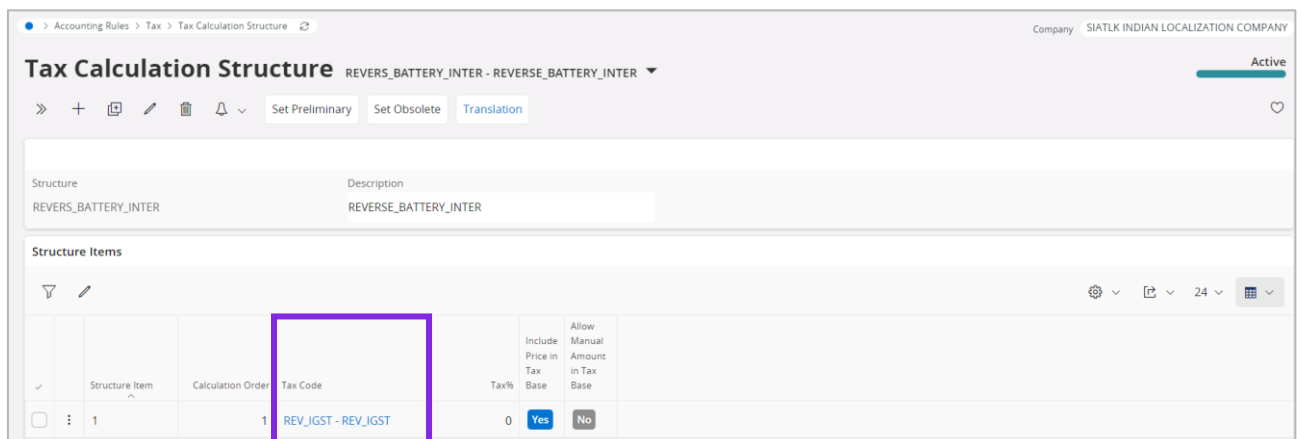
For an example, assume the company sells a product taxable via reverse charge mechanism for 1,000 INR and the taxes applicable are IGST – 30% (100% tax credit available) as the transaction was an Interstate transaction.

- *The calculated tax codes must be created to facilitate the reverse charge treatment.*



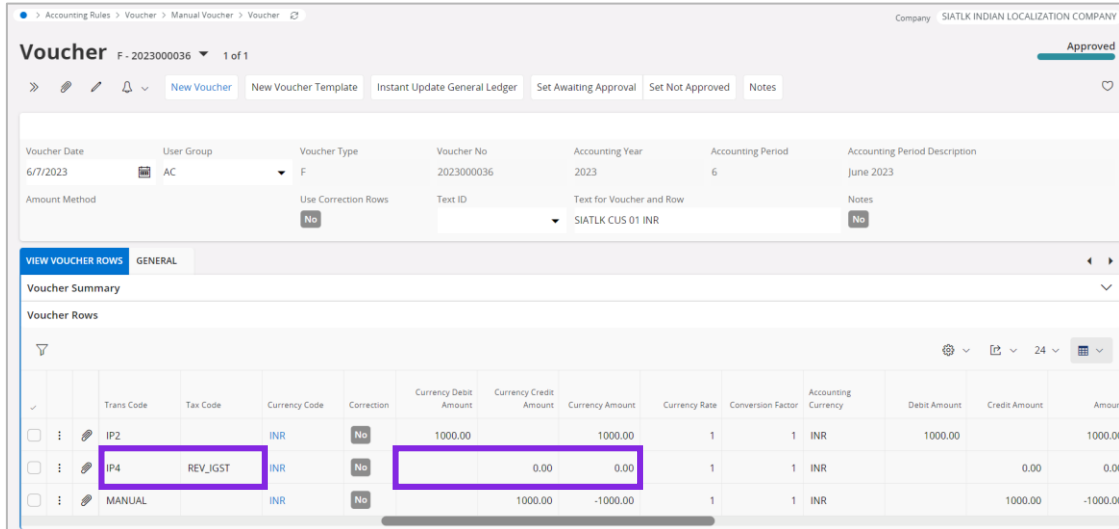
Tax Code	Description	Tax Type	Tax (%)	Deductible (%)	Valid From	Valid To	Tax Method Tax Received	Tax Method Tax Disbursed	Tax Amount at Invoice Printout	Tax Amount Limit in Accounting Currency
REV_IGST	REV_IGST	Calculated Tax	30	100	1/1/2020	12/31/2049	Invoice Entry	Invoice Entry	Separate from Price	

- *The created Tax Codes must be then connected to a Tax Calculation Structure, as only IGST tax code is applicable for an Interstate transaction.*



Structure Item	Calculation Order	Tax Code	Tax%	Include Price in Tax Base	Allow Manual Amount in Tax Base
1	1	REV_IGST - REV_IGST	0	Yes	No

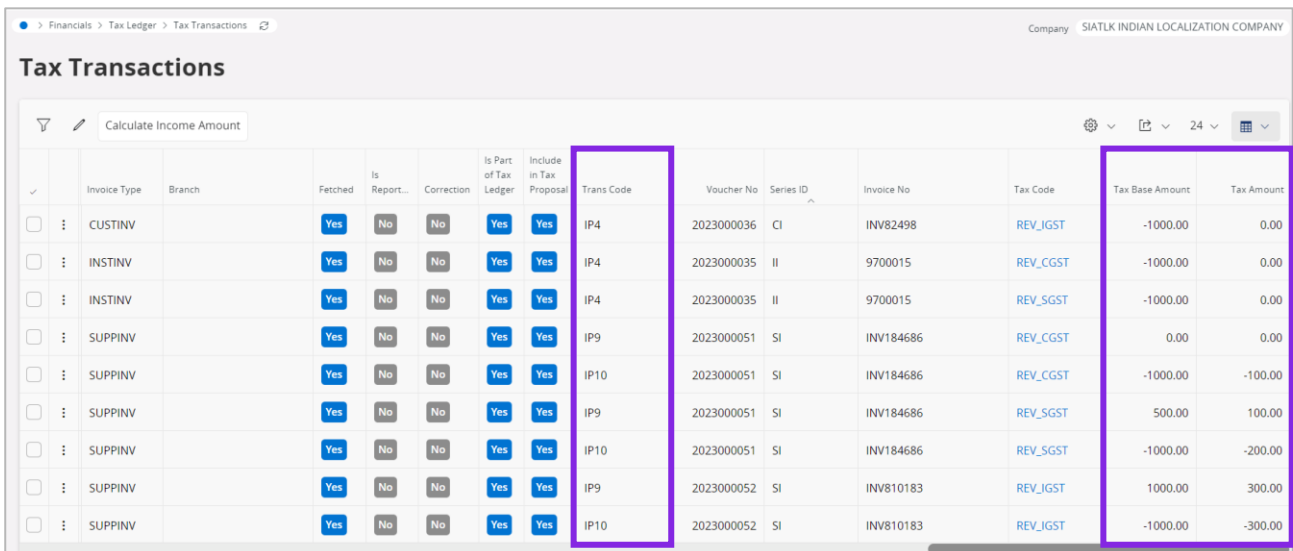
- The Tax Calculation Structure is then utilized in a Manual Customer Invoice Line-item level, and once the Invoice is Posted, the accounting treatment applicable for the Reverse charge transaction will be posted as follows.



Trans Code	Tax Code	Currency Code	Correction	Currency Debit Amount	Currency Credit Amount	Currency Amount	Currency Rate	Conversion Factor	Accounting Currency	Debit Amount	Credit Amount	Amount
IP2		INR	No	1000.00	1000.00		1	1	INR	1000.00		1000.00
IP4	REV_JGST	INR	No		0.00	0.00	1	1	INR		0.00	0.00
MANUAL		INR	No		1000.00	-1000.00	1	1	INR		1000.00	-1000.00

9.9 Tax Transactions

Once the core process to bring Tax Information to **Tax Transactions** page is followed, i.e., **Update GL Vouchers** and **Fetch Tax Ledger Information** are performed, the relevant The Tax Transactions accumulated under calculated Tax will be visible in the Tax Transactions page.



Invoice Type	Branch	Fetched	Is Report...	Correction	Is Part of Tax Ledger	Include in Tax Proposal	Trans Code	Voucher No	Series ID	Invoice No	Tax Code	Tax Base Amount	Tax Amount
CUSTINV		Yes	No	No	Yes	Yes	IP4	2023000036	CI	INV82498	REV_JGST	-1000.00	0.00
INSTINV		Yes	No	No	Yes	Yes	IP4	2023000035	II	9700015	REV_CGST	-1000.00	0.00
INSTINV		Yes	No	No	Yes	Yes	IP4	2023000035	II	9700015	REV_SGST	-1000.00	0.00
SUPPINV		Yes	No	No	Yes	Yes	IP9	2023000051	SI	INV184686	REV_CGST	0.00	0.00
SUPPINV		Yes	No	No	Yes	Yes	IP10	2023000051	SI	INV184686	REV_CGST	-1000.00	-100.00
SUPPINV		Yes	No	No	Yes	Yes	IP9	2023000051	SI	INV184686	REV_SGST	500.00	100.00
SUPPINV		Yes	No	No	Yes	Yes	IP10	2023000051	SI	INV184686	REV_SGST	-1000.00	-200.00
SUPPINV		Yes	No	No	Yes	Yes	IP9	2023000052	SI	INV810183	REV_JGST	1000.00	300.00
SUPPINV		Yes	No	No	Yes	Yes	IP10	2023000052	SI	INV810183	REV_JGST	-1000.00	-300.00

Note: Although in Apps 9 & 10 solutions, the **Tax Liability Date** of the Reverse Charge related IP3 posting was automatically set to the 1st date of the subsequent month when fetching to the **Tax Ledger**, coming to 23R2, the said alteration is omitted on purpose due to absence of any legal requirement to do so.

9.10 Delimitations

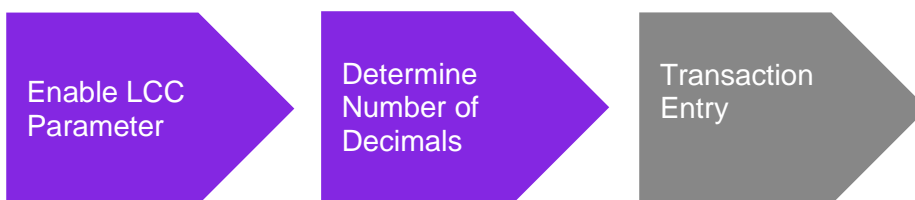
N/A

10 Number of Decimals in Withheld Tax Amount, Supplier Invoice

10.1 Overview Legal Requirement

Tax Deducted at Source (TDS), is a form of indirect, withholding tax collection by Indian authorities according to the Income Tax Act, 1961. Any payment covered under the provisions available shall be paid after deducting the prescribed percentage. The tax amounts levied via TDS is expected to be rounded up.

10.2 Process Overview



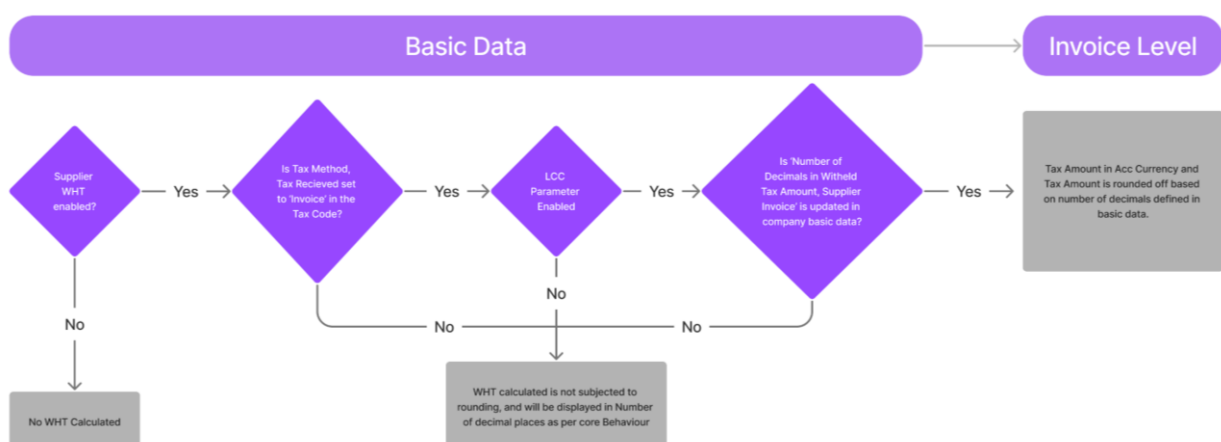
10.3 Solution Overview

Complying with the above requirement, upon enablement of an LCC parameter, the user is given ability to determine the number of decimals to which the withholding tax amount must be rounded up to.

Accordingly, the withholding tax component applicable to an Invoice is rounded up as follows.

If the Manual Supplier Invoice is raised in accounting currency (Ex - INR): The rounding will be applicable to both Tax Amount and Tax Amount in Accounting Currency.

If the Manual Supplier Invoice is raised in foreign currency (Ex - USD): The rounding will only be applicable to Tax Amount in Accounting Currency and not for foreign currency amount/ transaction amount.



10.4 Prerequisites

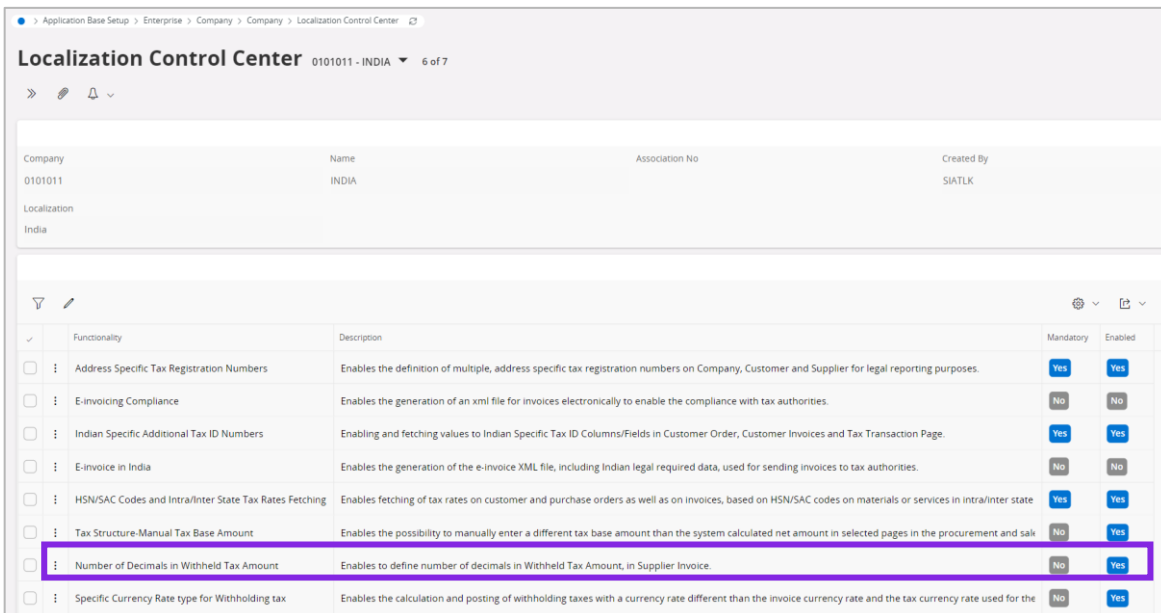
The company must be set-up to use Indian localization, see the [Company Set up](#) chapter and the 'Number of Decimals in Withheld Tax Amount' parameter must be enabled on the *Company/Localization Control Center* tab.

- The company must be set-up to use Indian localization, see the [Company Setup](#) chapter.
- The Withholding Tax Code utilized must be set to 'Invoice' in **Tax Codes/ Tax Method Tax Received**.
- In **Supplier/ Invoice/ Tax Information/ Tax Withholding/Reporting** must be set to Report Income/Withhold Tax, so that the Supplier is WHT enabled.

10.5 Enable Localization Control Center Parameter

In order to enable this new functionality, navigate to the Company/Localization Control Center and enable the functionality, "Number of Decimals in Withheld Tax Amount".

Please note that this is an optional localization parameter and user need to enable it manually.



Company	Name	Association No	Created By
0101011	INDIA		SIATLK
Localization India			

Functionality	Description	Mandatory	Enabled
<input type="checkbox"/> Address Specific Tax Registration Numbers	Enables the definition of multiple, address specific tax registration numbers on Company, Customer and Supplier for legal reporting purposes.	Yes	Yes
<input type="checkbox"/> E-invoicing Compliance	Enables the generation of an xml file for invoices electronically to enable the compliance with tax authorities.	No	No
<input type="checkbox"/> Indian Specific Additional Tax ID Numbers	Enabling and fetching values to Indian Specific Tax ID Columns/Fields in Customer Order, Customer Invoices and Tax Transaction Page.	Yes	Yes
<input type="checkbox"/> E-invoice in India	Enables the generation of the e-invoice XML file, including Indian legal required data, used for sending invoices to tax authorities.	No	No
<input type="checkbox"/> HSN/SAC Codes and Intra/Inter State Tax Rates Fetching	Enables fetching of tax rates on customer and purchase orders as well as on invoices, based on HSN/SAC codes on materials or services in intra/inter state.	Yes	Yes
<input type="checkbox"/> Tax Structure-Manual Tax Base Amount	Enables the possibility to manually enter a different tax base amount than the system calculated net amount in selected pages in the procurement and sale.	No	Yes
<input checked="" type="checkbox"/> Number of Decimals in Withheld Tax Amount	Enables to define number of decimals in Withheld Tax Amount, in Supplier Invoice.	No	Yes
<input type="checkbox"/> Specific Currency Rate type for Withholding tax	Enables the calculation and posting of withholding taxes with a currency rate different than the invoice currency rate and the tax currency rate used for the	No	Yes

10.6 Determine the Number of Decimals to which the Withholding Tax Amount must be rounded up to.

Compiling with the Indian requirement, upon enablement of the LCC parameter Number of Decimals in Withheld Tax Amount, a new field is made visible in **Company / Tax Control / Invoice** tab named, **Number of Decimals in Withheld Tax Amount, Supplier Invoice**, where the user can define the number of decimal places to which the WHT amount must be rounded up to.

Application Base Setup > Enterprise > Company > Company > Tax Control 6 of 7

Tax Control 0101011 - INDIA

Company: 0101011 | Name: INDIA | Association No: | Created By: SIATLK

GENERAL | **INVOICE** | SUPPLY CHAIN | EXTERNAL TAX SYSTEM

General Information

Amount Method: Net Amount Entry | Tax Rounding Level: Line Level | Invoice Fee Tax Code: | No of Decimals in Withheld Tax Amount, Supplier Invoice: 0

Tax Correspondence, Invoice Line - Manual Postings: | Tax Amount Limit, Outgoing Invoice Lines: | Use Tax Invoice: | Correspondence, Invoice Net Amount - Tax Withholding Base Amount:

Supplement Tax Withholding: | Post Preliminary Tax Withholding:

Tax Liability Countries

Country	Tax ID Type	Tax ID Number	Tax ID Validated Date	Tax Registration Text	Branch	Valid From	Valid Until
(No data)							

Attachments

10.7 Invoice Entry

The Tax Amount and Tax Amount in Accounting Currency, are calculated in **Tax Lines, Withholding** will be rounded up accordingly at invoice creation.

Example:

When Withholding Tax Base is 1,239.87 INR and Tax Rate is 10%, The Tax Amount must be 123.98. However, as the No. of Decimals to which the Tax Amount should round off is set to 0, the value 123.987 is rounded and shown as 124.00 in both Tax Amount and Tax Amount in Accounting Currency.

Tax Lines, Withholding

Supplier	Withholding Base	Series ID	Invoice No
SW SIATLK WHT IN - SIATLK WHT SUPPLIER INDIA	Invoice Net Amount	SI	NUMBER OF DECIMALS
Tax Curr Rate	Gross Amount	Net Amount	
1	1239.87	1239.87	

Line Details

✓	Tax Code	Tax Type	Withholding Base Amount	Tax %	Tax Amount	Tax Amount in Accounting Currency	Tax Amount in Parallel Currency	Use Withholding Amount Table	Report Code	State
<input type="checkbox"/>	WHT INV 01	Tax Withhold	1239.87	10	124.00	124.00	62.00	No		

OK Cancel

Supplier Invoice Vouchers

Voucher Type: U, Voucher No: 2023000005, Date: 1/12/2023, Year: 2023, Period: 1

Voucher Postings

Transaction Code	Currency Rate	Currency Code	Debit Amount in Transaction Currency	Credit Amount in Transaction Currency	Amount in Transaction Currency	Debit Amount in Accounting Currency	Credit Amount in Accounting Currency	Amount in Accounting Currency	Parallel Currency Rate	Debit Amount in Parallel Currency	Credit Amount in Parallel Currency	Amount in Parallel Currency	Tax Code	Process Code
IP1	1	INR	124.00		124.00	124.00		124.00	2	62.00		62.00		
PP48	1	INR		124.00	-124.00		124.00	-124.00	2		62.00	-62.00	WHT INV 01	

However, if the Invoice is raised in foreign currency, the rounding off will be only applicable to the value in Tax Amount in Accounting Currency.

Example:

When the Withholding Tax Base is 1,234.56 USD, Currency Rate of USD is 2.00 and Tax Rate is 10%, The Tax Amount in INR (Accounting Currency) must be 246.92. However, as the No. of Decimals to which the Tax Amount should round off is set to 0, the value 246.92 is rounded and shown as 247.00 only in Tax Amount in Accounting Currency.

Tax Lines, Withholding

Supplier: SW SIATLK WHT IN - SIATLK WHT SUPPLIER INDIA, Withholding Base: Invoice Net Amount, Series ID: SI, Invoice No: NUMBER OF DECIMALS USD

Tax Curr Rate: 2, Gross Amount: 1234.56, Net Amount: 1234.56

Line Details

Tax Code	Tax Type	Withholding Base Amount	Tax %	Tax Amount	Tax Amount in Accounting Currency	Tax Amount in Parallel Currency	Use Withholding Amount Table	Report Code	State
WHT INV 01	Tax Withhold	1234.56	10	123.46	247.00	123.46	No		

This will create a rounding difference which is handled via PP61/ PP62 posting types.

Supplier Invoice Vouchers

Voucher Type: U, Voucher No: 2023000006, Date: 1/12/2023, Year: 2023, Period: 1

Voucher Postings

Transaction Code	Currency Rate	Currency Code	Debit Amount in Transaction Currency	Credit Amount in Transaction Currency	Amount in Transaction Currency	Debit Amount in Accounting Currency	Credit Amount in Accounting Currency	Amount in Accounting Currency	Parallel Currency Rate	Debit Amount in Parallel Currency	Credit Amount in Parallel Currency	Amount in Parallel Currency	Tax Code	Process Code
IP1	2	USD	123.46		123.46	246.92		246.92	2	123.46		123.46		
PP61	2	USD		0.00	0.00	0.08		0.08	2	0.00		0.00	WHT INV 01	
PP48	2	USD		123.46	-123.46		247.00	-247.00	2		123.46	-123.46	WHT INV 01	

10.8 Delimitations

- The following invoices are not handled with this functionality:
 - Self-billing Invoices
 - External Invoices
- Functionality described above applies only to tax codes with tax method tax received set to 'Invoice Entry'. For method Payment standard rounding will be applied.
- Functionality does not apply to customer withholding tax reporting.

11 Allow Specific Currency Rates for Supplier Tax Withholding

11.1 Overview Legal Requirement

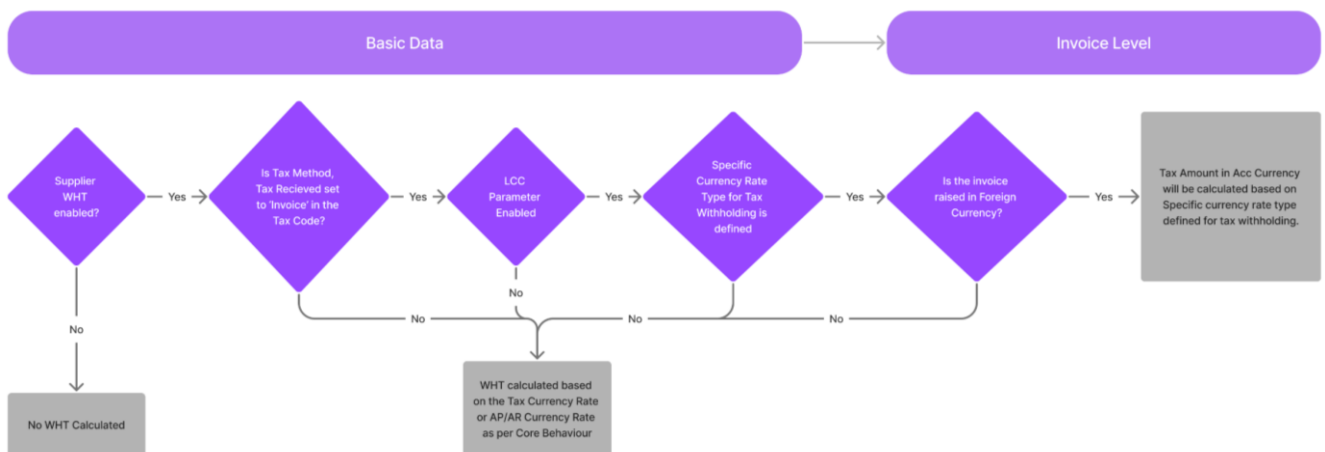
Tax Deducted at Source (TDS), is a form of indirect, withholding tax collection by Indian authorities according to the Income Tax Act, 1961. Any payment covered under the provisions available shall be paid after deducting the prescribed percentage. The **Tax Amount in Accounting Currency** levied via TDS is expected to be calculated and posted using a specific currency rate different than the usual currency rate applied for the invoice transactions and tax transactions.

11.2 Process Overview



11.3 Solution Overview

Complying with the above requirement, upon enablement of an LCC parameter, the user is given ability to determine the specific currency rate applicable for withholding tax calculation, so that the specified **Currency Rate Type** is utilized to calculate withholding taxes under **Tax Lines, Withholding** in **Manual Supplier Invoice**.



11.4 Prerequisites

- The company must be set-up to use Indian localization, see the [Company Setup](#) chapter.
- A Specific Currency Rate Type must be defined for Withholding Taxes in **Currency rate Types** page.
- In **Supplier/ Invoice/ Tax Information/ Tax Withholding/Reporting** must be set to Report Income/Withhold Tax, so that the Supplier is WHT enabled.
- The Withholding Tax Code utilized must be set to 'Invoice' in **Tax Codes/ Tax Method Tax Received**.

11.5 Enable Localization Control Center Parameter

In order to enable this new functionality, navigate to the Company/Localization Control Center and enable the functionality, "Specific Currency Rate type for Withholding tax".

Please note that this is an optional localization parameter and the user need to enable manually.

Application Base Setup > Enterprise > Company > Company > Localization Control Center 0101011 - INDIA 6 of 7

Localization Control Center 0101011 - INDIA 6 of 7

Company	Name	Association No	Created By
0101011	INDIA		SIATLK

Localization
India

Functionality	Description	Mandatory	Enabled
<input type="checkbox"/> : Address Specific Tax Registration Numbers	Enables the definition of multiple, address specific tax registration numbers on Company, Customer and Supplier for legal reporting purposes.	Yes	Yes
<input type="checkbox"/> : E-invoicing Compliance	Enables the generation of an xml file for invoices electronically to enable the compliance with tax authorities.	No	No
<input type="checkbox"/> : Indian Specific Additional Tax ID Numbers	Enabling and fetching values to Indian Specific Tax ID Columns/Fields in Customer Order, Customer Invoices and Tax Transaction Page.	Yes	Yes
<input type="checkbox"/> : E-invoice in India	Enables the generation of the e-invoice XML file, including Indian legal required data, used for sending invoices to tax authorities.	No	No
<input type="checkbox"/> : HSN/SAC Codes and Intra/Inter State Tax Rates Fetching	Enables fetching of tax rates on customer and purchase orders as well as on invoices, based on HSN/SAC codes on materials or services in Intra/Inter state	Yes	Yes
<input type="checkbox"/> : Tax Structure-Manual Tax Base Amount	Enables the possibility to manually enter a different tax base amount than the system calculated net amount in selected pages in the procurement and sale	No	Yes
<input type="checkbox"/> : Number of Decimals in Withheld Tax Amount	Enables to define number of decimals in Withheld Tax Amount, in Supplier Invoice.	No	Yes
<input type="checkbox"/> : Specific Currency Rate type for Withholding tax	Enables the calculation and posting of withholding taxes with a currency rate different than the invoice currency rate and the tax currency rate used for the	No	Yes

11.6 Determine the Specific Currency Rate to be utilized for Withholding Tax Calculation.

Complying with the Indian requirement, upon enablement of the LCC parameter, a new field group named, **Default Currency Rate type for Withholding tax** is made visible in **Company / Accounting Rules / Currency Rate Type Information**, where the user can both allow and define a specific currency rate type to be utilized in WHT calculations.

Application Base Setup > Enterprise > Company > Company > Accounting Rules 0101011 - INDIA 6 of 7

Accounting Rules 0101011 - INDIA 6 of 7

Company	Name	Association No	Created By
0101011	INDIA		SIATLK

GENERAL DATA **CURRENCY RATE TYPE INFORMATION**

Default Buy Currency Rate Type: 1 - Normal

Default Sell Currency Rate Type: 1 - Normal

Default Currency Rate Types for Tax

Allow Specific Currency Rates for Tax Transactions:

Buying Currency Rate for Tax: 3 - TAX

Selling Currency Rate for Tax: 3 - TAX

Default Currency Rate Types for Tax, Withholding

Allow Specific Currency Rates for Supplier Withholding Tax Transactions:

Buying Currency Rate Type for Tax, Withholding: 4 - WHT

Attachments

If the Buying Currency Rate Type for Tax, Withholding is not specified at the company level, the currency rate will be based on the Default Currency Rate type specified for tax. If the same is also

not specified, then the **Default Buy Currency Rate Type** will be applicable for withholding tax calculation at the Invoice level.

If no specific currency rate type for withhold taxes is specified then the core behavior will be kept that is, withheld tax amount will be calculated according to tax currency rate specified on the invoice.

11.7 Invoice Entry

The currency rate fetched in **Tax Withholding Currency Rate** field available in *Manual Supplier Invoice* Creation is defaulted from the **Default Currency Rates for Supplier Tax Withholding** defined in company basic data. The specified rate is made visible in **More Information** section of the *Manual Supplier Invoice* and *Manual Supplier Invoice Assistant* in field **Tax Withholding Currency Rate**.

Financials > Supplier Invoice > New Manual Supplier Invoice

New Manual Supplier Invoice

Header Information | Line Information | Posting Information

Company	Voucher Date	Accounting Year	Accounting Period	User Group	Voucher Type	Voucher No
0101011	1/12/2023	2023	1	AC	I	

PO Reference	Receipt Reference	Sub Contract Reference	Invoice Advice Reference	Project ID	Supplier
					SIATLK WHT IN - SIATLK WHT SUPPLIER INDIA

Invoice Type	Series ID	Invoice No	Currency	Currency Rate	Invoice Date	Arrival Date	Pay Term Base Date
SUPPINV	SI	SPECIFIC CURR	USD	2	1/12/2023	1/12/2023	1/12/2023

Payment Terms	Due Date	Plan Pay Date	Payment Reference	Automatic Payment Authorization	Authorizer ID
0	1/12/2023	1/12/2023		When Posted	*

Advance Invoice: Gross Amount: Net Amount: Tax Amount:

More Information

Reference Series	Reference Invoice No	Invoice Recipient	Supplier Invoice Address	Supplier Delivery Address	Company Invoice Address
		SIATLK - Sinali Attanayake	SUPP DOC GA	SUPP DEL DL	COM_DOCUMENT_UP

Delivery Address	Use Company Invoice Address for...	Use Project Address for Tax	Reference Supplier	Preliminary Code	National Bank Code	Nature Of Business
COM_DELIVERY_DL	<input type="checkbox"/>	No				

Creator Reference	Tax Currency Rate	Tax Withholding Currency Rate	Parallel Currency Rate	Delivery Date	Tax Invoice Series ID
	4	5	2	1/12/2023	

Tax Invoice No	Tax Invoice Date	Customs Declaration Date	Correction Reason ID	Correction Reason	Branch

Supplier Branch:

The **Tax Withholding Currency Rate** field is added to the **More Information** section of the New

More Information

Reference Series	Reference Invoice No	Invoice Recipient
		SIATLK - Sinali Attanayake

Supplier Invoice Address	Supplier Delivery Address	Company Invoice Address
SUPP DOC GA	SUPP DEL DL	COM_DOCUMENT_UP

Delivery Address	Use Company Invoice Address for Tax Cal...	Use Project Address for Tax
COM_DELIVERY_DL	<input type="checkbox"/>	No

Reference Supplier	Preliminary Code	National Bank Code

Nature Of Business	Creator Reference

Tax Currency Rate	Tax Withholding Currency Rate	Parallel Currency ...	Delivery Date	Tax Invoice Series ...
4	5	2	1/12/2023	

Tax Invoice No	Tax Invoice Date	Transfer Status

Customs Declaration Date	Correction Reason ID

Correction Reason	Branch

Supplier Branch:

OK Cancel

Manual Supplier Invoice Assistant and **Manual Supplier Invoice** Page.

These fields are editable only when,

- Invoice is in foreign currency
- Invoice is not posted (invoice is in Preliminary state)
- Buying Currency Rate for Tax, Withholding is specified

The **Tax Withholding Currency Rate** field is defaulted from the *Default Currency Rates for Supplier Tax Withholding*

The **Tax Curr Rate** field in **Tax lines, withholding** dialog box, fetches the **tax withholding currency rate** specified on the invoice (**New Manual Supplier Invoice Assistant or Supplier Invoice More Information** dialog box).

Note that tax currency rate in **Tax Curr Rate** field in the **Tax Lines, withholding** dialog cannot be edited the same as in core. The only places where the currency rate for withholding taxes can be changed is **Tax Withholding Currency Rate** field on **New Manual Supplier Invoice Assistant or Manual Supplier Invoice, More Information** dialog box (When the Invoice is in “Preliminary” state).

The **Tax Amount in Accounting Currency** in **Tax Lines, Withholding**, is calculated based on the Specific Currency Rate fetched to **Tax Curr Rate** field and the user can edit the field in case of tax codes with ‘Invoice Entry’ as a method when the Buying Currency Rate for Tax, Withholding is specified.

✕
Tax Lines, Withholding

Supplier	Withholding Base	Series ID	Invoice No
SW SIATLK WHT IN - SIATLK WHT SUPPLIER INDIA	Invoice Net Amount	SI	SPECIFIC CURR RATE 01
Tax Curr Rate	Gross Amount	Net Amount	
5	1000.00	1000.00	

Line Details

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	Tax Code	Tax Type	Withholding Base Amount	Tax %	Tax Amount	Tax Amount in Accounting Currency	Tax Amount in Parallel Currency	Use Withholding Amount Table	Report Code	State
<input type="checkbox"/>	WHT INV 01	Tax Withhold	1000.00	10	100.00	500.00	100.00	No		

OK
Cancel

Application posts the gain or loss occurred due to the currency rate difference in invoice and the rate used in the withholding tax using posting type PP61 Tax currency loss and PP62 Tax currency profit.

Example:

When Withholding Tax Base is 1,000 USD, Accounts Payable Currency Rate of USD is 2.00, Specific WHT Currency Rate of USD is 4.00 and Tax Rate is 10%, The Withheld Tax Amount in USD (Transaction Currency) is 100 USD and Tax Amount in Accounting Currency (INR), will be 400.00 INR (as Specific Currency Rate is utilized). However, the Tax Amount Withheld from the Invoice Value is calculated based on the Accounts Payable Currency Rate and therefore, the value of IP1 entry will be 200.00 INR. The difference of 200 is handled via a PP61 Entry.

Financials > Supplier Invoice > Manual Supplier Invoice > Supplier Invoice Vouchers Company: INDIA

Supplier Invoice Vouchers

U 2023000008

Voucher Type	Voucher No	Date	Year	Period
U	2023000008	1/12/2023	2023	1

Voucher Postings

Transaction Code	Currency Rate	Currency Code	Debit Amount in Transaction Currency	Credit Amount in Transaction Currency	Amount in Transaction Currency	Debit Amount in Accounting Currency	Credit Amount in Accounting Currency	Amount in Accounting Currency	Parallel Currency Rate	Debit Amount in Parallel Currency	Credit Amount in Parallel Currency	Amount in Parallel Currency	Tax Code	Process Code
IP1	2	USD	100.00		100.00	200.00		200.00	2	100.00		100.00		
PP61	5	USD	0.00		0.00	300.00		300.00	2	0.00		0.00	WHT INV 01	
PP48	5	USD		100.00	-100.00		500.00	-500.00	2		100.00	-100.00	WHT INV 01	

11.8 Delimitations

- The following invoices are not handled with this functionality:
 - Self-billing Invoices
 - External Invoices
- Functionality described above applies only for tax codes with tax method 'Invoice Entry'.
- Functionality does not apply to customer withholding tax reporting.

12 TCS – Tax Collected at Source

12.1 Overview Legal Requirement

Tax collection at source (TCS) is an extra amount collected as tax by a seller of specified goods from the buyer at the time of sale over and above the sale amount and is remitted to the government account.

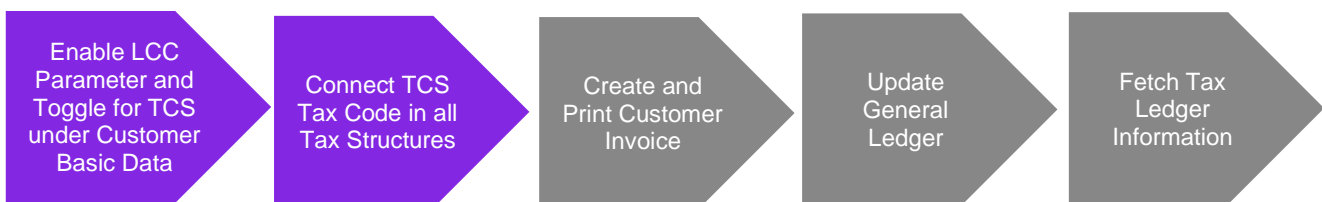
Where total turnover is more than Rs.10 crore in the previous financial year and receives sale consideration of any products of more than Rs.50 lakh, such seller must collect TCS upon receiving consideration from the buyer on such amount over and above Rs.50 lakh, as per Section 206C(IH). Such persons must have the Tax Collection Account Number to be able to collect TCS.

- Threshold as of now (2023): TCS to be charged to customers on invoices where the transaction value of the customer is more than **50 Lakhs** in a Financial Year.
- Rate and the Base as of now (2023): **0.1% on Gross Amount** (Net Amount + GST)*TCS% (Without PAN, then 1% is TCS)

Example:

Mr. A buys a scrap of INR 10,000 from Mr. B. Mr. B, being a seller, will be liable to collect TCS @0.1% on scrap sold to Mr. A. Accordingly, it will collect INR 10,010 [INR 10,000 sale consideration + INR 10 TCS].

12.2 Process Overview



12.3 Solution Overview

In the App10 Get solution, TCS was supported under the *Indian E-Invoice* parameter. But in the cloud, a new LCC parameter and new toggle in Customer Basic Data are introduced to support TCS the in transaction flow.

Further, an error message is introduced to notify users if TCS Tax Code is not connected in Invoice Lines, and until the user connects TCS Tax Code to the relevant Tax Structure, the invoice is not get posted.

Once any customer is reached the specified threshold by the Indian Government, the following steps need to be followed to apply TCS in the transactions.

Note: Even though TCS Tax Code is connecting to all relevant Tax Structures, it does not impact in Supplier Invoicing Flow. (TCS Tax Code is not fetching in Purchase Order or Supplier Invoice Lines)

TCS included in E-invoice xml

Companies which are following e-invoice mechanism in India, TCS related details need to be included in the e-invoice xml file in order to get accepted by Indian Tax Authority. Therefore, TCS related information is appear under following xml tags.

Aggregate InvoiceRow:

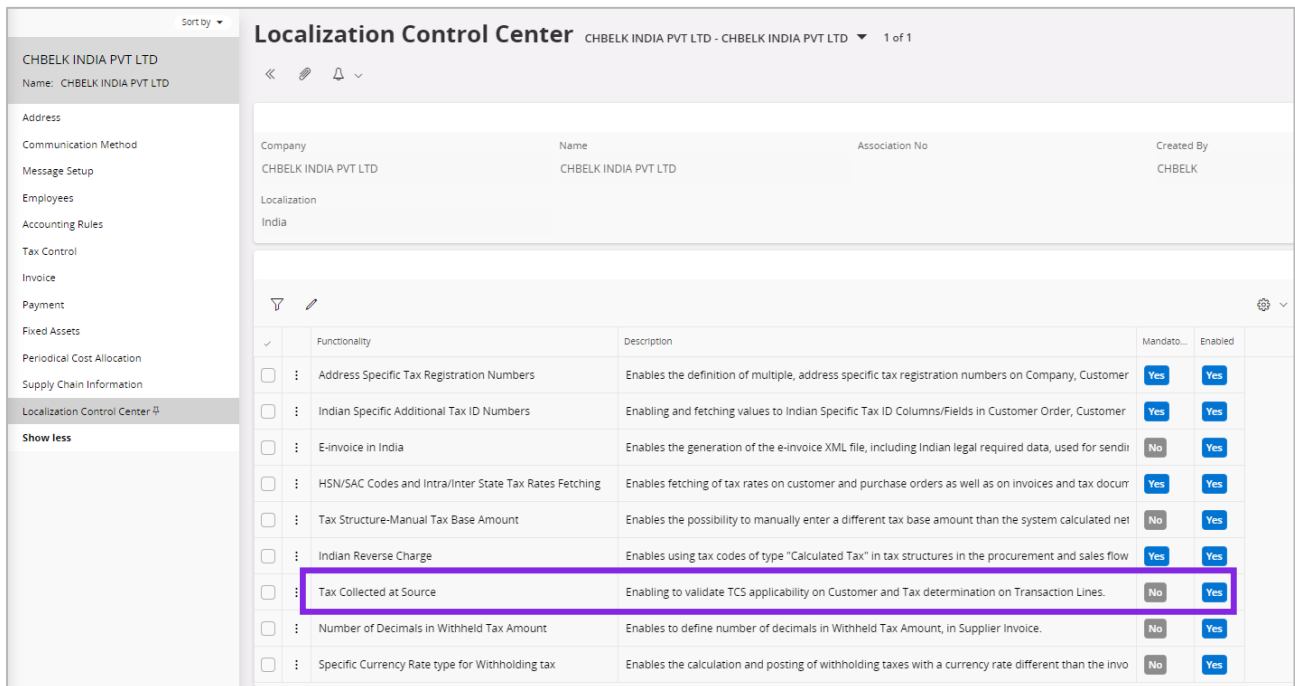
- INTcsRate
- INTcsAmount

Note that TCS tax amount is not summarized and displayed in the aggregate InvoiceDetails.

12.4 Prerequisites

12.4.1 ENABLE LCC PARAMETER UNDER LOCALIZATION CONTROL CENTER

- Functionality: Tax Collected at Source
- Description: Enabling to validate TCS applicability on Customer and Tax determination on Transaction Lines



Localization Control Center CHBELK INDIA PVT LTD - CHBELK INDIA PVT LTD 1 of 1

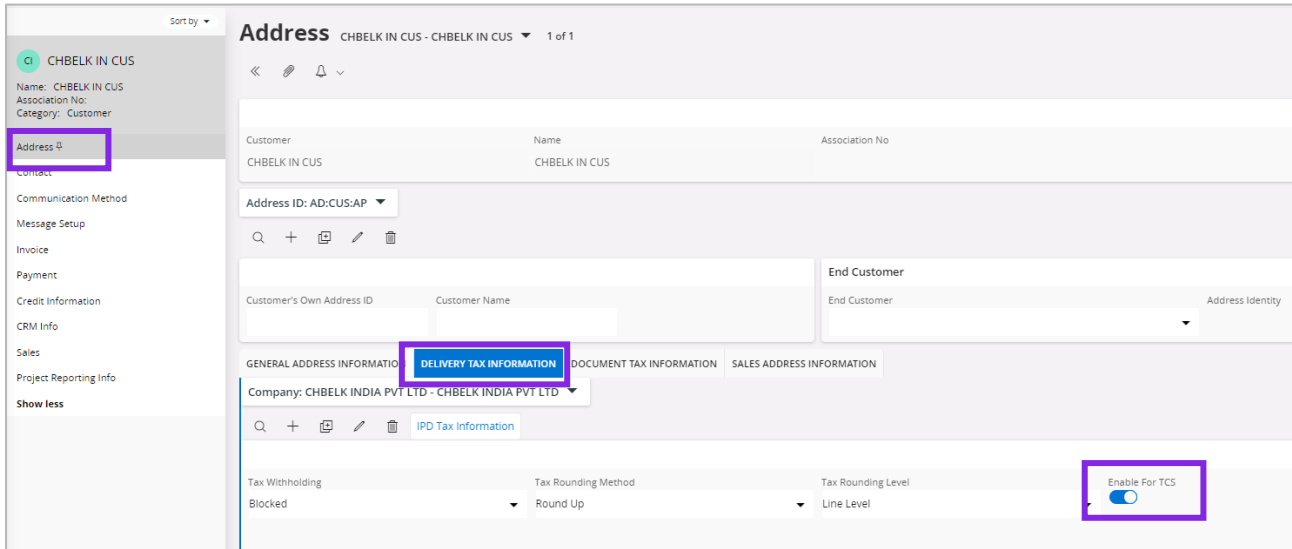
Company: CHBELK INDIA PVT LTD | Name: CHBELK INDIA PVT LTD | Association No: | Created By: CHBELK

Localization: India

Functionality	Description	Mandato...	Enabled
<input type="checkbox"/> : Address Specific Tax Registration Numbers	Enables the definition of multiple, address specific tax registration numbers on Company, Customer	Yes	Yes
<input type="checkbox"/> : Indian Specific Additional Tax ID Numbers	Enabling and fetching values to Indian Specific Tax ID Columns/Fields in Customer Order, Customer	Yes	Yes
<input type="checkbox"/> : E-invoice in India	Enables the generation of the e-invoice XML file, including Indian legal required data, used for sendi	No	Yes
<input type="checkbox"/> : HSN/SAC Codes and Intra/Inter State Tax Rates Fetching	Enables fetching of tax rates on customer and purchase orders as well as on invoices and tax docum	Yes	Yes
<input type="checkbox"/> : Tax Structure-Manual Tax Base Amount	Enables the possibility to manually enter a different tax base amount than the system calculated net	No	Yes
<input type="checkbox"/> : Indian Reverse Charge	Enables using tax codes of type "Calculated Tax" in tax structures in the procurement and sales flow	Yes	Yes
<input type="checkbox"/> : Tax Collected at Source	Enabling to validate TCS applicability on Customer and Tax determination on Transaction Lines.	No	Yes
<input type="checkbox"/> : Number of Decimals in Withheld Tax Amount	Enables to define number of decimals in Withheld Tax Amount, in Supplier Invoice.	No	Yes
<input type="checkbox"/> : Specific Currency Rate type for Withholding tax	Enables the calculation and posting of withholding taxes with a currency rate different than the invo	No	Yes

ENABLE toggle under customer basic data

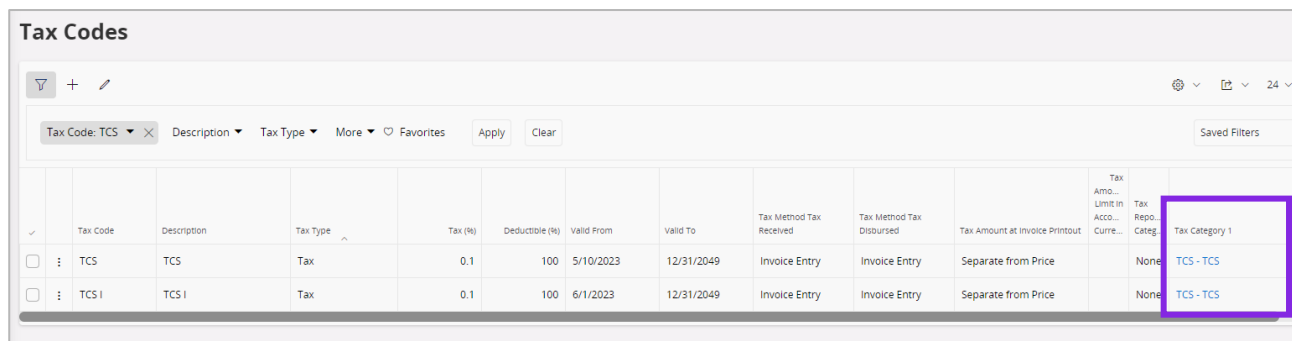
Once specified Threshold is reached for a given Customer, user must manually enable this toggle in Customer Basic Data for each address (**Address>Delivery Tax Information**)



The screenshot shows the 'Address' configuration page for 'CHBELK IN CUS'. The 'DELIVERY TAX INFORMATION' tab is selected. The 'Enable For TCS' toggle is turned on. The 'Tax Withholding' is set to 'Blocked', 'Tax Rounding Method' is 'Round Up', and 'Tax Rounding Level' is 'Line Level'.

Define new tax code as tcs

TCS Tax Code define under Tax Codes page using 'Tax Category 1' as TCS.



✓	Tax Code	Description	Tax Type	Tax (%)	Deductible (%)	Valid From	Valid To	Tax Method Tax Received	Tax Method Tax Disbursed	Tax Amount at Invoice Printout	Tax Amou... Limit In Acco... Curre...	Tax Repo. Categ.	Tax Category 1
<input type="checkbox"/>	TCS	TCS	Tax	0.1	100	5/10/2023	12/31/2049	Invoice Entry	Invoice Entry	Separate from Price	None	None	TCS - TCS
<input type="checkbox"/>	TCS I	TCS I	Tax	0.1	100	6/1/2023	12/31/2049	Invoice Entry	Invoice Entry	Separate from Price	None	None	TCS - TCS

CONNECT TCS TAX CODE IN TAX STRUCTURES

Connect TCS tax code to all Tax Structures and refer (Structure Item Reference) all other Tax codes specified under the same Tax Structure to the TCS Tax Code.

Tax Calculation Structure TAX STRUCTURE INTRA - TAX STRUCTURE INTRA ▼

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Set Preliminary Set Obsolete Translation

Structure: TAX STRUCTURE INTRA Description: TAX STRUCTURE INTRA

Structure Items

🔍 ✎ 🔔 ▼

(1) ✓	Structure Item	Calculation Order	Tax Code	Tax%	Include Price In Tax Base	Allow Manual Amount In Tax Base
<input type="checkbox"/>	1	1	1 - IGST	25	Yes	No
<input type="checkbox"/>	2	2	2 - SGST	12	Yes	No
<input checked="" type="checkbox"/>	3	3	TCS - TCS	0.1	Yes	No

Structure Item Reference

🔍 ✎ 🔔 ▼

(1) ✓	Structure Item Reference	Tax Code	Tax%
<input type="checkbox"/>	1	1	25
<input checked="" type="checkbox"/>	2	2	12

12.5 TCS Process in Customer Invoices

TCS TAX CODE CONNECTED TO THE TAX STRUCTURE

Enter a Customer Invoice (Instant Invoice/Customer Order Invoice/ Manual Customer Invoice) using TCS applicable Customer (who is reached the specified threshold by Indian Government).

TCS Connected Tax Structure is fetch in the invoice lines which is relevant to the specific HSN/SAC code.

Instant Invoice PR - 244516

More Information | Installation Plan and Discounts | Pre Posting | Print Invoice | Print Work Copy | Advance Invoices | Use Invoice Template | Create Invoice Template | Create Recurring Invoice

Customer CHBELK IN CUS - CHBELK IN CUS	Invoice Type INSTINV	Series ID PR	Invoice No 244516	Project ID
Delivery Date 9/7/2023	Invoice Address AD:CUS:AP	Delivery Address AD:CUS:GOA	Company Delivery Address AD:COM:UP	Use Customer Invoice Address for Tax Calculation <input type="checkbox"/>
Invoice Fee No	Correction Invoice No	Correction Exists No	Preposting No	Currency INR
Net Amount 1500.94		Tax Amount 557.06	Currency Rate 1	Gross Amount 2058.00

Payment and Tax Information

Lines

HSN/SAC Code	Tax Calculation Structure	Position	Text ID	Object ID	Description	Delivery Type ID	Customer Income Type	Quantity
MACHINE:99008877 - M...	TAX STRUCTURE INTRA			SEWING MA...	SEWING MACHINE			1

User can check the *Tax Lines* consist of TCS amount based on Invoice Gross amount.

Instant Invoice Tax Lines

Gross Amount	Net Amount	Tax Amount
2057.06	1500.00	557.06

Tax Line Details

Tax Base Amount	Tax Code	Tax Type	Tax(%)	Tax Amount	Tax Amount In Accounting Currency	Tax Amount In Parallel Currency	Tax Category 1	Tax Category 2
1500.00	1	Tax	25	375.00	375.00	3750.00	IGST - Inter-State GST	
1500.00	2	Tax	12	180.00	180.00	1800.00	SGST - State GST	
2055.00	TCS	Tax	0.1	2.06	2.06	20.60	TCS - TCS	

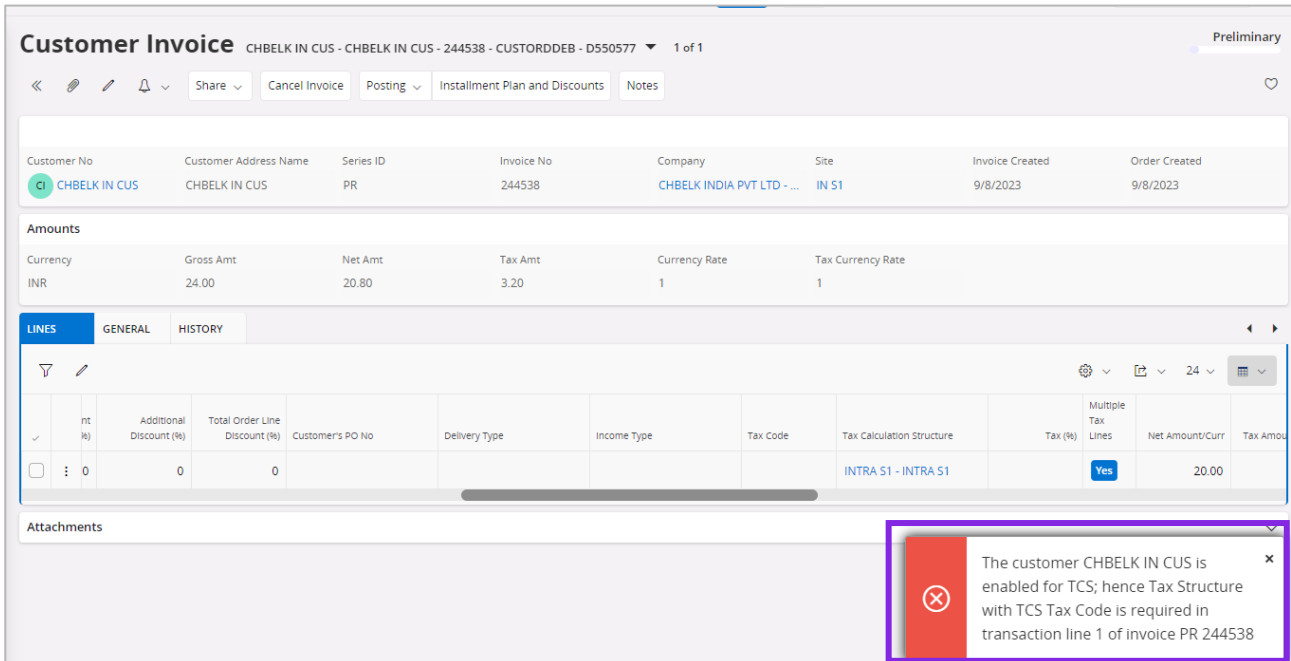
OK Cancel

Follow the standard process (Print/Send/Send E-Invoice) until customer invoice gets **PostedAuth** state.

TCS TAX CODE IS not connect TO THE Tax STRUCTURE

If TCS Tax Code is not connected to the Tax Structures, even after TCS Toggle set to **True** under customer basic data, an error message is appeared until user connect the TCS Tax Code to the Tax Structure in each Transaction Line of the Invoice.

Error Message: “This Customer YYY is enabled for TCS, hence Tax Structure with TCS Tax Code is required in transaction line XXX of Invoice ZZZ”



The screenshot shows a 'Customer Invoice' for customer 'CHBELK IN CUS' with invoice number '244538'. The 'Amounts' section shows a Gross Amt of 24.00, Net Amt of 20.80, and Tax Amt of 3.20. The 'LINES' section shows a single line with a Tax Code of 'INTRA S1 - INTRA S1'. An error message is displayed in a red box, stating: 'The customer CHBELK IN CUS is enabled for TCS; hence Tax Structure with TCS Tax Code is required in transaction line 1 of invoice PR 244538'.

Error message is appearing in different invoice flows and Pages as follows.

Invoice Type	Command				
	Print	Send	Send E-Invoice	Resend Invoice	E-
Instant Invoice	Error message raised when click the command	Error message raised when click the command	Error message raised when click the command	Error message raised when click the command	
Customer Order Invoice	Error message raised when click the command	Error message visible in Background Jobs	Error message raised when click the command	Error message raised when click the command	
Collective Customer Order Invoice	Error message raised when click the command	Error message visible in Background Jobs	Error message raised when click the command	Error message raised when click the command	
New Manual Customer Invoice	Error message raised when click Finish button				

Page Name	Print Invoice Page		
Command	Print	Send	Send E-Invoice
Instant Invoice	Error message raised when click the command	Error message raised when click the command	Error message raised when click the command
Customer Order Invoice	Error message raised when click the command	Error message raised when click the command	Error message raised when click the command
Page Name	Batch Print Customer Invoices Page		
Command	Print	Send	Send E-Invoice
Instant Invoice	Error message raised when click the command	Error message raised when click the command	Error message raised when click the command
Customer Order Invoice	Error message visible in Background Jobs	Error message visible in Background Jobs	Error message raised when click the command
Page Name	Print Customer Invoices Page		
Command	Print	Send	Send E-Invoice
Customer Order Invoice	Error message visible in Background Jobs	Error message visible in Background Jobs	Error message raised when click the command

12.6 Update General Ledger

Follow the IFS Cloud core process to update voucher to General Ledger (*Update GL Vouchers Assistant*).

12.7 Fetch Tax Ledger Information

Follow the IFS Cloud core process to fetch tax ledger information (*Fetch Tax Ledger Information Assistant*).

User can check the Tax Collected at Source amounts in Tax Transaction Page using 'Tax Category I' for TCS.

Tax Transactions											
Invoice No	Tax Trans ID	Identity	Series ID	Party Type	Tax ID Validated Date	Income Type ID	Tax Code	Tax Category 1	Tax Amount	Original Tax ID Number	
9700028	205086	CHBELK IN CUS - CHBELK IN CUS	II	Customer			TCS I	TCS - TCS	-2.22	AD:CUS:PAN-AP:3344	
9700029	205092	CHBELK IN CUS - CHBELK IN CUS	II	Customer			TCS I	TCS - TCS	-2.22	AD:CUS:PAN-AP:3344	
9700030	205098	CHBELK IN CUS - CHBELK IN CUS	II	Customer			TCS I	TCS - TCS	-2.22	AD:CUS:PAN-AP:3344	
9700031	205104	CHBELK IN CUS - CHBELK IN CUS	II	Customer			TCS I	TCS - TCS	-2.22	AD:CUS:PAN-AP:3344	
CDB SI	205110	CHBELK SUP - CHBELK SUP	SI	Supplier			TCS I	TCS - TCS	14.80	SUP:PAN:998877	
97000012	205023	CHBELK IN CUS - CHBELK IN CUS	CD	Customer			TCS I	TCS - TCS	-2.96	AD:CUS:PAN-AP:3344	

12.8 Delimitations

N/A

13 TDS – Tax Deducted at Source

13.1 Overview Legal Requirement

The concept of TDS (Tax Deducted at Source) was introduced with an aim to collect tax from the very source of income. As per this concept, a person (deductor) who is liable to make payment of specified nature to any other person (deductee) shall deduct tax at source and remit the same into the account of the Central Government.

The Finance Act, 2021, introduced Section 194Q of the Income-tax Act, 1961, which is related to Tax Deducted at Source (TDS) on the purchase of goods and not to the provisions of services.

- Threshold as of now (2023): TDS to be deducted from suppliers on invoices where the transaction with the supplier is more than **50 Lakhs** in the current year.
- Rate and the Base as of now (2023): **0.1% on Net Amount**.

Example:

An invoice received by the supplier to pay Rs. 10,000 (Without GST) on which 0.1% TDS was charged and held Rs. 10 when making the payment. So, the total payable to the supplier is Rs. 9,990.

13.2 Process Overview



13.3 Solution Overview

In Indian Context TDS is considered as form of Withholding Tax. Therefore, it is decided to use existing WHT (Withholding Tax) Functionality in IFS to cater this requirement.

When a **Supplier is reached the specified Threshold** (current limit is 50 lakhs per year), user must setup Withholding Tax Codes as per the core functionality.

13.4 Prerequisites

- Define Income Type for TDS under Income Type Page using country code **"IN"** (India).

Income Types							
	Country Code	Income Type	Description	1099 Threshold Currency	1099 Threshold Amount	Report Code	Tax Withholding Code
<input checked="" type="checkbox"/>	IN	TDS	Tax Deducted at Source	INR	0.00		Optional
<input type="checkbox"/>	US	1	Rents	USD	0.00		Optional

- Define Tax Code for TDS using Tax Type for 'Tax Withhold'.
(Tax Method Tax Received / Disbursed – Invoice Entry, Tax Category – None)

(1)	Tax Code	Description	Tax Type	Tax (R)	Deductible (R)	Valid From	Valid To	Tax Method Tax Received	Tax Method Tax Disbursed	Tax Amount at Invoice Printout	Tax Am... Limit in Acco... Curre...	Tax Repo... Categ...	Tax Category 1	Tax Ca
	TDS	TDS	Tax Withhold	0.1	100	5/31/2023	12/31/2049	Invoice Entry	Invoice Entry	Separate from Price	None	NONE - None		
	7	Calculated tax	Calculated Tax	20	100	3/23/2023	12/31/2049	Final Posting	Invoice Entry	Separate from Price	None	SGST - State GST		
	EO	EU Tax 0%	Calculated Tax	0	100	1/1/2020	12/31/2049	Invoice Entry	Invoice Entry	Separate from Price	None			

- Connect TDS tax code under Supplier Withholding setup.
(Supplier > Invoice Tab > Tax Information > Tax Withholding/Reporting)

Sort by ▾

Invoice CHBELK SUP - CHBELK SUP ▾ 1 of 1

Supplier: CHBELK SUP, Name: CHBELK SUP, Association No: CHBELK SUP

Company: CHBELK INDIA PVT LTD - CHBELK INDIA PVT LTD ▾

Notes: Tax Withholding/Reporting

TAX INFORMATION

Tax Liability: TAX, Tax Withholding/Reporting: Report Income/Withhold Tax, Tax Book Ref: [Empty]

Tax Free Tax Code: [Empty], Rounding Tax Code: [Empty], Delivery Type: [Empty]

Attachments

Enter *Supplier Income Type* as TDS and relevant Tax Code under *Default Tax Withholding Codes*.

Tax Withholding/Reporting

CHBELK INDIA PVT LTD - CHBELK SUP 1 of 1

Supplier: CHBELK SUP - CHBELK SUP
 Supplier Tax Office: [Blank]
 Withholding Base: Invoice Net Amount
 Tax Certificate Form: Not Used

UK Specific CIS Reporting: [Blank] | US Specific 1099 Reporting: [Blank]

Supplier Income Type

Income Type	Default Income Type	1099 Threshold Currency	1099 Threshold Amount	Supplier 1099 Threshold Amount
TDS - Tax Deducted at Source	No	INR	0.00	

Supplier State Tax Information

Default Tax Withholding Codes

Tax Code	Tax (%)	Income Type	Report Code	Country Code	State	CIS Status
TDS	0.1	TDS - Tax Deducted at Source				Not Used

13.5 TDS Process in Supplier Invoices

Enter a supplier invoice using TDS applicable supplier (who has reached the specified threshold by the Indian Government).

'Income Type Identity' should be selected as TDS in invoice lines (Income Type which is defined under Tax Withholding Basic Data in Supplier Page).

New Manual Supplier Invoice

Header Information | Line Information | Posting Information

Invoice

Company	Supplier	Series ID	Invoice No	Currency	Gross Amount
CHBELK INDIA PVT LTD	CHBELK SUP	SI	INVOICE 001	INR	

Line Information

Gross Amount	Net Amount	Tax Amount	Non-deductible Tax Amount	Cost Amount
1000.00	1000.00	0.00	0.00	1000.00

Lines

Tax Lines: Tax Lines, Withholding

HSN/SAC Code	Line ID	Delivery Type	Income Type Identity	Tax Code	Tax Calculation Structure	Multiple Tax Lines	Tax (%)
	1		TDS			No	

Previous | Next | Finish | Cancel

User can check the TDS amount clicking the 'Tax Lines, Withholding' command.

×
Tax Lines, Withholding

Supplier	Withholding Base	Series ID	Invoice No
CS CHBELK SUP - CHBELK SUP	Invoice Net Amount	SI	INVOICE 001
Tax Curr Rate	Gross Amount	Net Amount	
1	1000.00	1000.00	

Line Details

🔍 + ✎

	Tax Code	Tax Type	Withholding Base Amount	Tax %	Tax Amount	Tax Amount In Accounting Currency	Tax Amount In Parallel Currency	Use Withholding Amount Table	Report Code
<input type="checkbox"/>	TDS	Tax Withhold	1000.00	0.1	1.00	1.00	10.00	No	

OK
Cancel

Follow the standard process of entering supplier invoice until invoice is in **Posted** state.

13.6 Update General Ledger

Follow the IFS Cloud core process to update voucher to General Ledger (*Update GL Vouchers Assistant*).

13.7 Fetch Tax Ledger Information

Follow the IFS Cloud core process to fetch tax ledger information (*Fetch Tax Ledger Information Assistant*).

User can check the TDS amount in Tax Transaction Page using 'Income Type ID' for TDS.

Tax Transactions									
<input type="checkbox"/>	INVOICE 001	203732	CS CHBELK SUP - CHBELK SUP	Suppl			600.00	SUP: PAN:998877	SUP: PAN:998877
<input type="checkbox"/>	INVOICE 001	203733	CS CHBELK SUP - CHBELK SUP	Suppl			2500.00	SUP: PAN:998877	SUP: PAN:998877
<input type="checkbox"/>	INVOICE 001	203734	CS CHBELK SUP - CHBELK SUP	Suppl	TDS		-10.00	SUP: PAN:998877	SUP: PAN:998877

13.8 Delimitations

N/A

14 India e-Invoice

14.1 Overview Legal Requirement

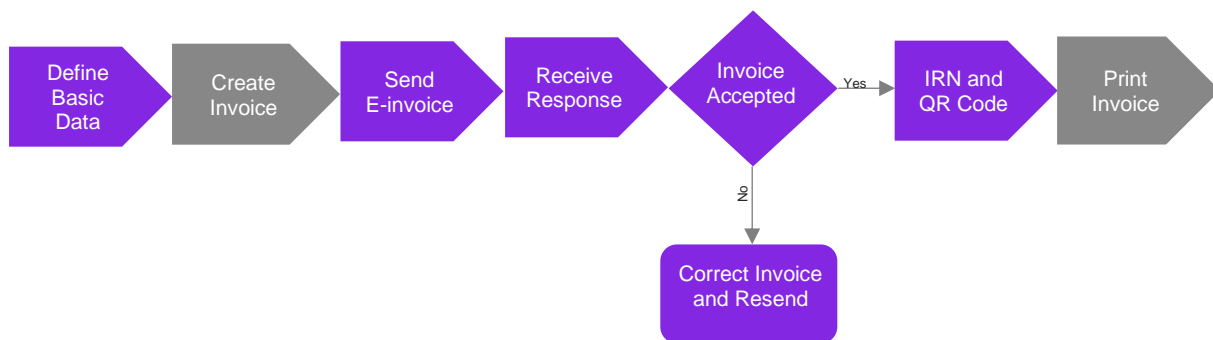
E-invoicing defined under GST law requires specific businesses which are GST registered to generate e-invoice for B2B (business to business) transactions. Based on e-invoicing system, against each invoice an identification number is issued by IRP (Invoice Registration Portal). E-invoicing is applicable to companies in India with aggregate turnover higher than Rs.10 crore from 1st October 2022 and higher than Rs.5 crore from 1st August 2023.

The documents applicable for e-invoice are tax invoices, credit notes and debit notes under Section 34 of the CGST Act.

Chosen clearance model by India consists of three parts:

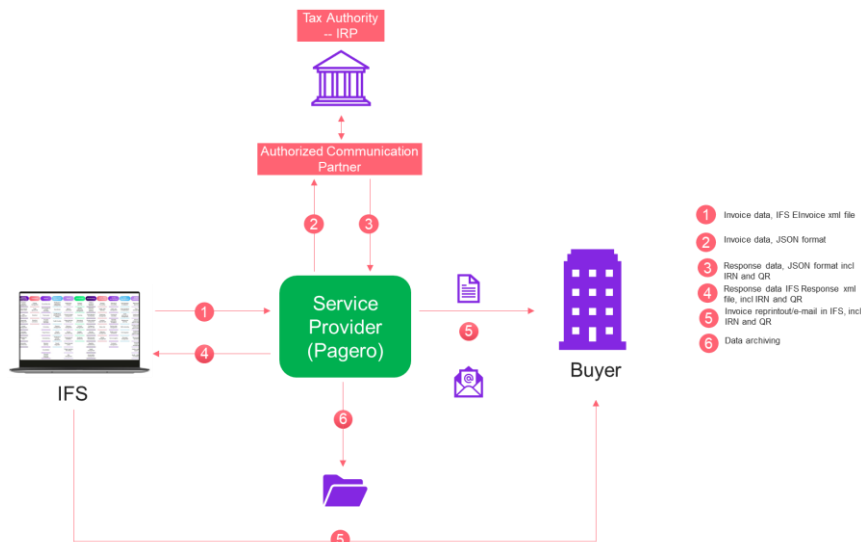
- All invoices must be sent to tax authorities (IRP: Invoice Registration Portal).
- The tax authority is sending a response with a clearance/approval, a QR code and an invoice reference number (IRN).
- Invoice including IRN and QR-code is printed and sent to customer.

14.2 Process Overview



14.3 Solution Overview

The solution is based on the e-invoice processing which uses a 3rd party service provider to handle the communication of invoice information. The solution has been developed in cooperation with the IFS partner Pagero but other local or global service providers can be utilized. The service provider is needed to transform the IFS style invoice file to required format and to transform the response file to an IFS style format.



1. Invoice is created in IFS Cloud and XML file in IFS style format is generated. Through IFS Connect, the file is placed in the out-folder to be picked up by the service provider.
2. The service provider validates the file, converts to required JSON format and transfers file to IRP.
3. The service provider receives a response file including status, IRN and QR-code.
4. The service provider converts the response file to IFS style format and transfer to IFS Cloud and IFS Connect in-folder.
5. Invoice is printed in IFS Cloud including the IRN and QR-code and sent to buyer.
6. The service providers offer archiving of all relevant documents as well as other services.

14.4 Prerequisites

The company requires to be set up for Indian localization, see Company Set Up chapter. In addition to this:

- The parameter “E-Invoice in India” must be enabled.
- Need to set up Company with INR as accounting currency.

⚡

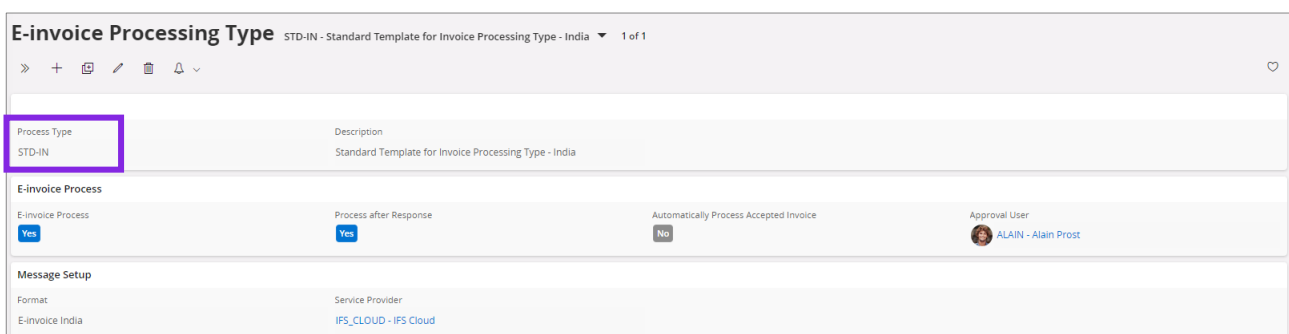
14.5 Basic Data Setup

Define following basic data:

- Connect Process Type to Company and/or Customer Page.
- Routing rule and address for sending and receiving.
- Supply Type codes to classify different types of business transactions.
- Supply Type Code for Customer to categorize type of business.
- HSN/SAC types to classify whether supply is service or goods.

new process type

New Process type STD-IN has been introduced to handle the compliance process facilitating the mandatory e-invoice process.



Process Type	Description
STD-IN	Standard Template for Invoice Processing Type - India

E-invoice Process

E-invoice Process	Process after Response	Automatically Process Accepted Invoice	Approval User
Yes	Yes	No	ALAIN - Alain Prost

Message Setup

Format	Service Provider
E-invoice India	IFS_CLOUD - IFS Cloud

A new process type could be defined by user with the parameters set as below:

- E-invoice Process = Yes
- Process after Response = Yes
- Format = E-invoice India
- Approval User needs to be added.

Format E-invoice India is added to distinguish the Indian XML schema used for generation of invoice file sent to the Tax Authority with mandatory E-invoice tags for India from the standard XML schema.

e-invoice setup

User needs to define the Process Type in Company and/ or in Customer page.

Basic data set up in Company Page/ Invoice /General tab/Miscellaneous Parameters

Company KD-IND	Name india- PP	Association No kd-ind	Created By KDESLK
GENERAL DEFAULT INVOICE TYPES PO MATCHING DOCUMENT MANAGEMENT SUPPLIER INVOICE WORKFLOW			
<input type="checkbox"/> Upgrade Invoices with Posting Proposals			
Posting Parameters			
Miscellaneous Parameters			
Planned Payment Date Calculation Base	Unique Supplier Invoice No Per	Incoming Invoice Currency Rate Base	Outgoing Invoice Currency Rate Base
Pay. Term Base Date	Supplier	Voucher Date	Invoice Date
Process Type	Supplier Invoice Authorization Only by Separate Function	Cash Discount Based on Gross Amount	Set Invoice Date to Current Date When Printing Outgoing Invoices
STD-IN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Print Advance Payments Information on Customer Invoice	Unique Payment Reference Validation		
<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Invoice Payment Reference No	Credit		

Basic data set up in Customer Page/ Invoice /General tab.

Customer KD-IN	Name For India	Association No kd-ind	
Company: KD-IND - india- PP			
<input type="text"/> + <input type="text"/> <input type="text"/> Notes IPD Tax Information			
GENERAL PROPERTIES MESSAGE SETUP			
Customer Type	Default Currency Rate Type	Currency	Customer Group
External		INR	0 - External
No of Invoice Copies	Numeration Group	Payment Terms	Tax Code
0		0 - Due Immediately	
National Bank Code	Inactive Date	Inactive Reason	
Supply Type Code	Process Type	Invoice Fee	Print Tax Code Text
GD - GD	KD-IN	<input type="checkbox"/>	<input type="checkbox"/>
			Notes
			No

To have the Send E-invoice option enabled in *Instant Invoice*, *Customer Invoice*, *Print Customer Invoices* and *Print Invoice* Pages it requires to connect the above defined process type in Company and/ or Customer page.

Instant Invoice PR - 216658 Preliminary

[More Information](#)
[Installment Plan and Discounts](#)
[Pre Posting](#)
[Send E-Invoice](#)
[Print Work Copy](#)
[Advance Invoices](#)
[Use Invoice Template](#)
[Create Invoice Template](#)
[Create Recurring Invoice](#)
[Notes](#)

Customer FI KD-IN - For India	Invoice Type INSTINV	Series ID PR	Invoice No 216658	Project ID	Invoice Date 8/21/2023
Delivery Date 8/21/2023	Invoice Address CH-DOC	Delivery Address DELHI-DL	Company Delivery Address DL	Use Customer Invoice Address for Tax Calculation <input type="checkbox"/>	Notes No
Invoice Fee No	Correction Invoice No	Correction Exists No	Preposting No	Currency INR	Currency Rate 1
Net Amount 500.00	Tax Amount 110.00	Gross Amount 610.00			

Payment and Tax Information

Pay Term Base Date 8/21/2023	Payment Terms 0 - Due Immediately	Due Date 8/21/2023	Payment Method	Payment Address ID
Supply Country INDIA	Tax Liability TAX	Customer Invoice Tax ID Number CUS:CH:GSTIN:9988	Customer Delivery Tax ID Number CUS-GST-DL-223	

E-Invoice Information

Status	E-Invoice Reference Number	E-Invoice Reference Date	Response Error Code
Error Description			

routing rule and routing adress setup

The Routing rules and routing addresses depicted below are only examples provided in the application and must be customized according to user's localization requirement (It should be noted they are not enabled by default. User required to enable if required).

Sending

Routing rule Setup

Example_Send_E-invoice has been introduced to send the invoice.

Solution Manager/ Integration/IFS Connect/Routing Rules/ Outbound

Routing Rules

INBOUND **OUTBOUND**

Rule Name	Route Type	Queue	Enabled	Customized
Example_Send_E-Invoice	APPLICATION_MESSAGE	OUT1	Yes	No

Routing Rule has been set up with following condition.

Routing Rule Example_Send_E-Invoice 1 of 1

Unset Customized

Rule Details

Route From	Enabled	Customized
APPLICATION_MESSAGE	<input checked="" type="checkbox"/>	No
Rule Name	Queue	Direction
Example_Send_E-Invoice	OUT1	Outbound

Content Based Conditions

Search Path	Operation	Match
MESSAGE_FUNCTION	=	SEND_EINVOICE_MESSAGE

Destination Addresses

Chain Link No	Main Address	Description	Connector	Address
1	Example_Send_E-Invoice		Ftp	/OUT

Routing address Set Up

Example_Send_E-Invoice is the routing address used.

Routing Addresses

Address Name	Transport Connector
Example_Send_E-Invoice	FTP

Receiving

Routing Rule Setup

Example_Receive_Einvoice_Response has been introduced to handle the response file.

Routing Rules

INBOUND | OUTBOUND

Rule Name	Route Type	Queue	Enabled	Customized
Example_Receive_Einvoice_Response	SOAP_IFS	IN1	Yes	No

Routing Rule Example_Receive_Einvoice_Response 1 of 1

Unset Customized Set Location Based Condition

Rule Details

Route From	Enabled	Customized
SOAP_IFS	<input checked="" type="checkbox"/>	No
Rule Name	Queue	Direction
Example_Receive_Einvoice_Response	IN1	Inbound

Content Based Conditions

Search Path	Operation	Match
fnfcn:Function	=	RECEIVE_EINVOICE_RESPONSE

Destination Addresses

Chain Link No	Main Address	Description	Connector	Address
1	<input checked="" type="checkbox"/> Yes	Example_Receive_Einvoice_Response	Projection	

Routing address Set Up

Example_Receive_Einvoice_Response is the routing address used.

Routing Addresses

Address Name: Example_Receive_Einv... Transport Connector Customized More Favorites Apply Clear Saved Filters

Address Name	Transport Connector	Customized
Example_Receive_Einvoice_Response	Projection	No

Routing Address Example_Receive_Invoice_Response 1 of 1

Advanced Set Customized

Transport Connector	Address Name	Customized
Projection	Example_Receive_Invoice_Response	No

Format

Envelope	Encoding	Compress	Envelope Response
		<input type="checkbox"/>	<input type="checkbox"/>

Transformers

Transformer

- : TO_MIXED_CASE
- : MODEL_BASED_XML_TO_JSON

Response Transformers

Response Transformer

(No data)

Projection Address Data

Projection Method	Projection Resource
Action	InvoiceResponseService.ReceiveInvoiceResponse

SUPPLY TYPE CODES

It is mandatory to specify the type of supply in the invoice XML-file, header level to classify the business transaction. The Supply Type require to be manually defined in the application in *Supply Type Codes Page* and there will be no predefined codes. The codes are required to be defined in accordance with definitions provided by the Tax Authority.

Supply Type Codes Page

Supply Type Codes

Supply Type Code	Description
<input type="checkbox"/> : EXWOP	Export without payment
<input type="checkbox"/> : EXPWP	Export with payment

Enumerated list of Supply Type Codes as at 2023 are B2B/B2C/ SEZWP/S EZWOP/E XP WP/EXP WOP/DE XP.

The Supply Type Code needs to be defined for the Customer.

Customer	Name	Association No
KD-IN	For India	krd-ind

Company: KD-IND - india- PP

Q + [Icons] Notes IPD Tax Information

GENERAL PROPERTIES MESSAGE SETUP

Customer Type	Default Currency Rate Type	Currency	Customer Group
External		INR	0 - External
No of Invoice Copies	Numeration Group	Payment Terms	Tax Code
0		0 - Due Immediately	
National Bank Code	Inactive Date	Inactive Reason	
Supply Type Code	Process Type	Invoice Fee	Print Tax Code Text
EXPWP - Export with Payment		<input type="checkbox"/>	<input type="checkbox"/>
			Notes
			No

14.5.1 HSN/SAC TYPES

The GST regime requires identifying all goods by an HSN code and services by a SAC code and is mandatory to include in the invoice XML sent to the authority. See [HSN/SAC Codes Basic Data Setting and Fetch Tax Structure via HSN/SAC Codes](#) chapter for detailed information on setting up.

14.6 Response File Handling

NEW E-INVOICE PROCESS MONITORING PAGE

E-invoice Process Monitoring page has been introduced to monitor the invoice sent to authorities for compliance. This page will depict the status of the response from Tax Authorities and other relevant information. Possible statuses of the response are Pending, Accepted and Rejected.

E-Invoice Process Monitoring									
Document Type	Identity	Series ID	More	Favorites	Apply	Saved Filters			
Document Type	Identity	Series ID	Document No	Document Status	Attachmen...	Sent Time	Status	Response Error Code	Error Description
Customer Invoice	KD-IN	II	9700002	Preliminary	No	5/23/23, 4:14 PM	Pending		
Customer Invoice	KD-IN	II	9700003	Preliminary	No	5/31/23, 4:34 PM	Pending		
Customer Invoice	KD-IN	II	9700004	Preliminary	No	6/5/23, 10:22 AM	Pending		
Customer Invoice	KD-IN	II	9700006	Posted Auth	No	6/6/23, 9:24 AM	Accepted		

RESPONSE HANDLING PROCESS

Once the process type is set up in Company or Customer basic data, the Send E-invoice command on *Instant Invoice* page will be enabled.

Enter the header and line level data in the Instant invoice page and upon saving the invoice it will be saved in Preliminary state with Send E-invoice option enabled.

A sub section E-invoice Information, in the Instant Invoice Page has been introduced to depict the information pertaining to the response of the file and errors pertaining to sending the e-invoice where file is not created and sent.

Instant Invoice PR - 205042 Preliminary

More Information | Installation Plan and Discounts | Pre Posting | **Send E-invoice** | Print Work Copy | Advance Invoices | Use Invoice Template | Create Invoice Template | Create Recurring Invoice | Notes

Customer: KD-IN - For India	Invoice Type: INSTINV	Series ID: PR	Invoice No: 205042	Project ID	Invoice Date: 5/13/2023
Delivery Date: 5/13/2023	Invoice Address: CH-DOC	Delivery Address: DELHI-DL	Company Delivery Address: CH	Use Customer Invoice Address for Tax Calculation: <input type="checkbox"/>	Notes: No
Advance Invoice: <input type="checkbox"/>	Invoice Fee: No	Correction Invoice: No	Correction Exists: No	Preposting: No	Currency: INR
Currency Rate: 1	Gross Amount: 1250.00	Net Amount: 1000.00	Tax Amount: 250.00		

Payment and Tax Information

Pay Term Base Date: 5/13/2023	Payment Terms: 0 - Due Immediately	Due Date: 5/13/2023	Payment Method	Payment Address ID
Supply Country: INDIA	Tax Liability: TAX	Customer Invoice Tax ID Number	Customer Delivery Tax ID Number	

E-invoice Information

Status	E-invoice Reference Number	E-invoice Reference Date	Response Error Code
Response Error	Error		

To send invoice XML to authority, user requires to select Send E-invoice option.

An XML file in IFS style format is created and placed in IFS Connect out-folder which can be verified in the out-folder.

3rd party service provider validates the file, converts to required JSON format and transfers file to IRP.

Once the invoice XML is sent to the authorities, based on the status of response the E-invoice Information sub section will be updated.

Instant Invoice II - 9700019 Posted Auth

More Information | Installation Plan and Discounts | Pre Posting | Reprint Original | Reprint Modified | View Connected Invoices | Correction Invoices | **Create Credit Invoice** | Use Invoice Template | Notes

Customer: KD-IN - For India	Invoice Type: CORRINV	Series ID: II	Invoice No: 9700019	Project ID	Invoice Date: 8/16/2023
Delivery Date: 8/16/2023	Invoice Address: CH-DOC	Delivery Address: DELHI-DL	Company Delivery Address: DL	Use Customer Invoice Address for Tax Calculation: <input type="checkbox"/>	Notes: No
Advance Invoice: <input type="checkbox"/>	Invoice Fee: No	Correction Invoice: Yes	Correction Exists: No	Preposting: No	Currency: INR
Currency Rate: 1	Gross Amount: -107.06	Net Amount: -100.00	Tax Amount: -7.06		

Payment and Tax Information

Pay Term Base Date: 8/16/2023	Payment Terms: 0 - Due Immediately	Due Date: 8/16/2023	Payment Method	Payment Address ID
Supply Country: INDIA	Tax Liability: TAX	Customer Invoice Tax ID Number: CUS:CH:GSTIN:9988	Customer Delivery Tax ID Number: CUS-GST-DL-223	

E-invoice Information

Status	E-invoice Reference Number	E-invoice Reference Date	Response Error Code
Accepted	e2948668b7126f1e27240fcec2e28d891347120b4445f39156a...	7/19/2023	
Response Error	Error		

Status: Response status after invoice XML sent to authority. Possible statuses are Pending, Accepted, Rejected and Failed.

E-invoice Reference Number: The unique number (IRN) generated by the Tax Authority and sent with response file.

E-invoice Reference Date: Date on which the response with IRN is received by the Tax Authority

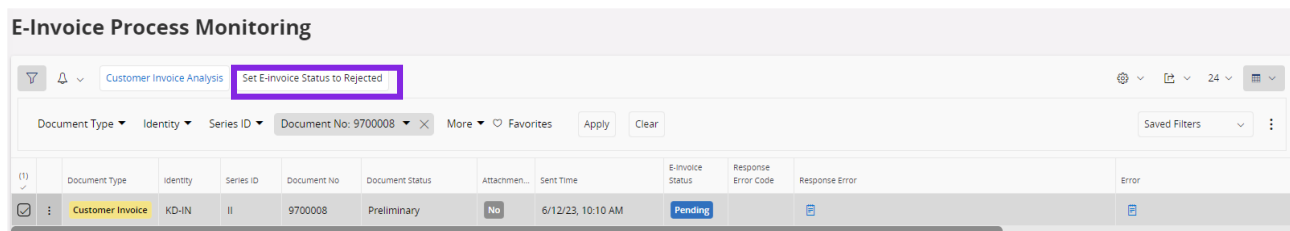
Response Error Code: Error code pertaining to the invoice rejected reason.

Response Error: Description of the error pertaining to the invoice rejected reason.

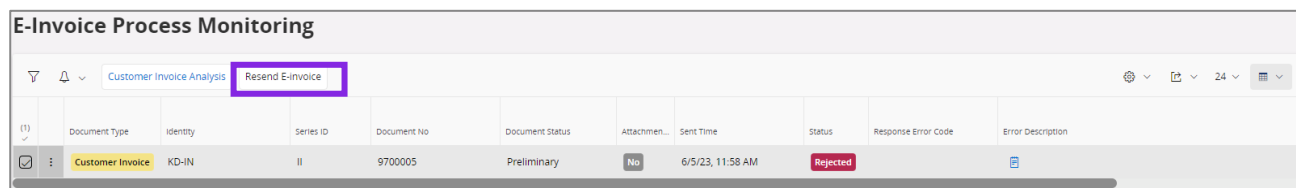
Error: Errors that occur prior to sending the E-invoice

E-invoice Process Monitoring Page will depict and be updated on the response information. Rejected invoices could be modified and resent.

Set E-invoice Status to Rejected Option is enabled for invoices in response status 'Pending' to enable any modification required and to resend invoice to Tax Authority.



Rejected response from the tax Authority or invoices set to rejected could be modified and resent using Resend E-invoice option.



Status changes in the *E-invoice Process Monitoring* page will be updated in the Instant Invoice, sub section E-invoice Information. If the Invoice is rejected, the user also has the possibility to cancel the invoice and send a new invoice to the Tax Authority.

Regarding negative amounts in Credit and Correction invoices, Pagero handles the negative values in the invoices prior to sending invoices for Government approval.

PRINT INVOICE INCLUDING IRN AND QR CODE

Invoices with state Accepted can be printed and sent to the customer which includes the IRN and QR-code. Upon printing the invoice, the status will be updated to PostedAuth.

If the option Automatically Process Accepted Invoice in the connected Process Type is enabled, after receiving an accepted response the invoice will continue the ordinary flow and be printed and posted automatically.

Refer core documentation for more information on E-invoice Process.

UPLOADING RESPONSE FILE

Response File received from the 3rd party service provider should be uploaded to the IN Folder.



ReceiveInvoiceResp
onseSampleACCEPTED

14.7 Supplier Invoice

To facilitate tax reporting for incoming invoices, in *New Manual Supplier Invoice* assistant and Manual Supplier Invoice page the IRN field is available under More Information section. IRN could be manually entered and modified in invoice status Preliminary and PreIPosted statuses.

New Manual Supplier Invoice

Header Information | Line Information | Posting Information

Company: KD-IND | Voucher Date: 8/22/2023 | Accounting Year: 2023 | Accounting Period: 8 | User Group: AC | Voucher Type: I | Voucher No:

PO Reference: | Receipt Reference: | Sub Contract Reference: | Invoice Advice Reference: | Project ID: | Supplier: KD-IND - IND SUP

Invoice Type: SUPPINV | Series ID: SI | Invoice No: SH-IND-100 | Currency: INR | Currency Rate: 1 | Invoice Date: 8/22/2023 | Arrival Date: 8/22/2023 | Pay Term Base Date: 8/22/2023

Payment Terms: 0 | Due Date: 8/22/2023 | Plan Pay Date: 8/22/2023 | Payment Reference: | Automatic Payment Authorization: No | Authorizer ID: *

Advance Invoice: | Gross Amount: | Net Amount: | Tax Amount:

More Information

Reference Series: | Reference Invoice No: | Invoice Recipient: KDESJK | Supplier Invoice Address: SUP-DOC CH | Supplier Delivery Address: DL | Company Invoice Address: CH

Delivery Address: DL | Use Company Invoice Address for Tax Calculation: | Use Project Address for Tax: No | Reference Supplier: | Preliminary Code: | National Bank Code:

Nature of Business: | Creator Reference: | Tax Currency Rate: 1 | Parallel Currency Rate: | Delivery Date: 8/22/2023 | Tax Invoice Series ID:

Tax Invoice No: | Tax Invoice Date: | Customs Declaration Date: | Correction Reason ID: | Correction Reason: | Branch:

Supplier Branch:

Manual Supplier Invoice SI - SI-IND-100 1 of 1

PO Reference: | Receipt Reference: | Sub Contract Reference:

Invoice Type: SUPPINV | Series ID: SI | Invoice No: SH-IND-100

Pay Term Base Date: 8/22/2023 | Payment Terms: 0 - Due Immediately

Authorizer ID: * | Notes: No | Advance Invoice: No

Gross Amount: 1000.00 | Net Amount: 1000.00 | Tax Amount: 0.00

Line Information

Gross Amount: 1000.00 | Net Amount: 1000.00 | Tax Amount: 0.00

Lines

HSN/SAC Code	Line ID	Delivery Type	Income Type

More Information

Reference Series: | Reference Invoice No: | Invoice Recipient: KDESJK - Kaushalya Dias Desinghe

Supplier Invoice Address: SUP-DOC CH | Supplier Delivery Address: DL | Company Invoice Address: CH

Delivery Address: DL | Use Company Invoice Address for Tax Calculation: | Use Project Address for Tax: No

Reference Supplier: | Preliminary Code: | National Bank Code:

Nature of Business: | Creator Reference:

Tax Currency Rate: 1 | Parallel Currency Rate: | Delivery Date: 8/22/2023 | Tax Invoice Series ID: | Tax Invoice No: | Tax Invoice Date:

Transfer Status: | Customs Declaration Date:

Correction Reason ID: | Correction Reason:

Branch: | Supplier Branch:

OK Cancel

14.8 Update General Ledger

Follow the IFS Cloud core process to update vouchers to General Ledger (Update GL Vouchers Assistant).

14.9 Fetch Tax Ledger Information

Follow the IFS Cloud core process to fetch tax ledger information (*Fetch Tax Ledger Information Assistant*).

The IRN will be displayed in the *Tax Transactions* page.

Tax Transactions									
Calculate Income Amount									
Tax Trans ID: 208113 Identity Identity Name More Favorites Apply Clear Saved Filters									
✓	Tax Trans ID	Identity	Party Type	Tax ID Number	Tax ID Validated Date	Original Tax ID Number	Company Tax ID Number	IRN	Goods Recipient
<input type="checkbox"/>	208113	KD-IN - For India	Customer	CUS-PAN-2244		CUS-PAN-2244	PAN 22233	e2948668b7128f1e27240fcc2e28d891347120b4445f39156a28b9fdc8be4b8	

14.10 Delimitations

- Only invoices in local currency INR are supported.
- The solution does not support following invoice types:
 - Manual Customer Invoice
 - Interest Invoice
 - External invoice
- No support for B2C (Business to Consumer) invoices.
- Except for basic data, Project Invoice does not consist of Indian tags in XML file for compliance.

14.11 Upgrade Handling

Following points to be considered in an upgrade.

- User responsibility to process all pending invoices prior to upgrade.
- If any customer was connected to GETXML_IN message set up prior to upgrade, after upgrade the company will have the process type STD-IN added to Company/ Invoice/ Process Type field.
- If customer defined for Indian e-invoice message set up prior to upgrade, Customer/ invoice tab/ Message Set Up will have the message set up as E-invoice IN. User requires to delete this when company defined with process type as compliance process will be based on Process Type.
- E-invoices sent to Tax Authority and depicted in Sent Invoices window/page prior to upgrade will be depicted in E-invoice Process Monitoring page after upgrade.

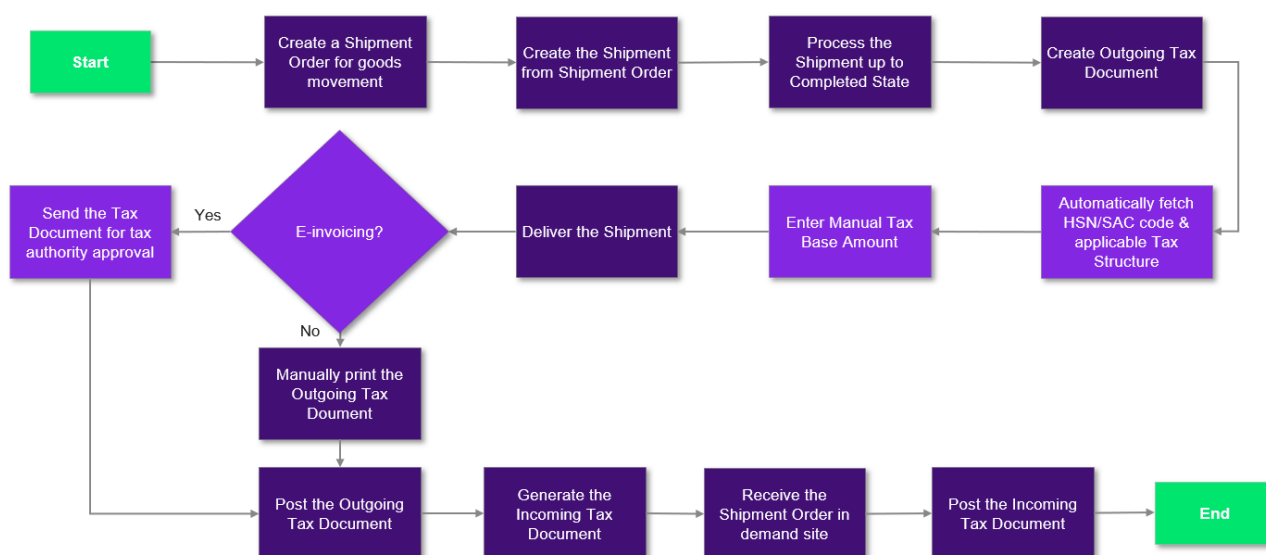
15 Taxes in intracompany goods movement

15.1 Overview Legal Requirement

According to the Goods and Services Tax (GST) law in India when goods are moved from one site of the company to another site of the same company;

- GST should be calculated and paid by the sending site.
- The receiving site can take the GST input tax credit if goods are not used for own purpose.
- If goods are used for their own purpose in the receiving site, the inventory cost at demand site should be increased by the tax amount.
- Movement can be within the same state or between two different states.

15.2 Process Overview



**Note; E-invoicing is not supported in IFS Cloud 23R2 release*

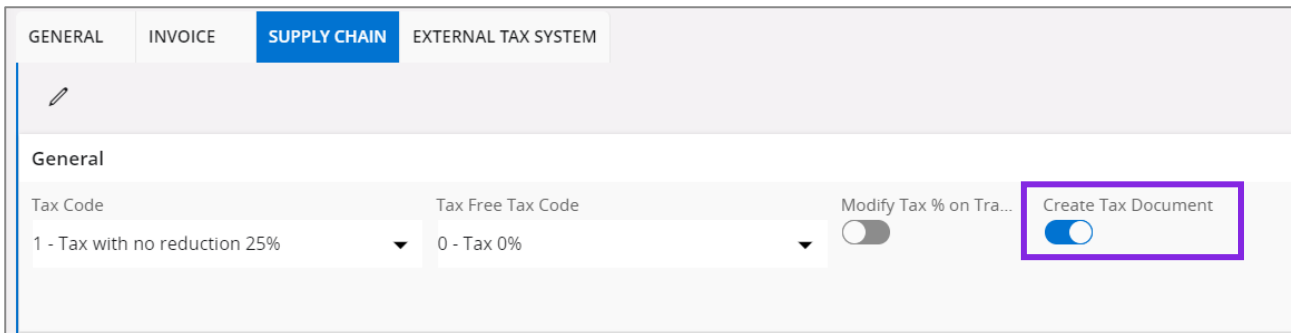
15.3 Solution Overview

For the logistics handling the shipment order functionality is used. For tax calculations and tax reporting, the outgoing and incoming tax documents are used and amended to fit Indian purposes. The following intracompany goods movement scenarios are supported:

- Site to Site
- Site to Remote Warehouse
- Remote Warehouse to Site
- Remote Warehouse to Remote Warehouse

15.4 Prerequisites

Go to **Company/Tax Control/Supply Chain** page and enable “Create Tax Document” parameter.



The screenshot shows the 'EXTERNAL TAX SYSTEM' configuration page with the 'SUPPLY CHAIN' tab selected. Under the 'General' section, the 'Tax Code' is set to '1 - Tax with no reduction 25%' and the 'Tax Free Tax Code' is '0 - Tax 0%'. The 'Modify Tax % on Tra...' toggle is turned off. The 'Create Tax Document' toggle is turned on and is highlighted with a red box.

To enable the automatic India tax fetching logic based on HSN/SAC codes in the outgoing tax document, the Localization Control Center parameter “HSN/SAC Codes and Intra/Inter State Tax Rates Fetching” must be enabled. If the manual tax base amount should be used in the outgoing tax document, the Localization Control Center parameter “Tax Structure-Manual Tax Base Amount” should be enabled.

Localization Control Center HP-IN - HP India Company 2 of 3

Company: HP-IN, Name: HP India Company, Association No: , Created By: HPETSE, Localization: India

✓	Functionality	Description	Mandatory	Enabled
<input type="checkbox"/>	Address Specific Tax Registration Numbers	Enables the definition of multiple, address specific tax registration numbers on Company, Customer and Supplier for legal reporting purposes.	Yes	Yes
<input type="checkbox"/>	Indian Specific Additional Tax ID Numbers	Enabling and fetching values to Indian Specific Tax ID Columns/Fields in Customer Order, Customer Invoices and Tax Transaction Page.	Yes	Yes
<input type="checkbox"/>	E-invoice in India	Enables the generation of the e-invoice XML file, including Indian legal required data, used for sending invoices to tax authorities.	No	Yes
<input type="checkbox"/>	HSN/SAC Codes and Intra/Inter State Tax Rates Fetching	Enables fetching of tax rates on customer and purchase orders as well as on invoices and tax documents, based on HSN/SAC codes on materials or ser	Yes	Yes
<input type="checkbox"/>	Tax Structure-Manual Tax Base Amount	Enables the possibility to manually enter a different tax base amount than the system calculated net amount in selected pages in the procurement anc	No	Yes
<input type="checkbox"/>	Indian Reverse Charge	Enables using tax codes of type "Calculated Tax" in tax structures in the procurement and sales flows, to cover the scenario where the recipient of the j	Yes	Yes
<input type="checkbox"/>	Tax Collected at Source	Enabling to validate TCS applicability on Customer and Tax determination on Transaction Lines.	No	No
<input type="checkbox"/>	Number of Decimals in Withheld Tax Amount	Enables to define number of decimals in Withheld Tax Amount, in Supplier Invoice.	No	No
<input type="checkbox"/>	Specific Currency Rate type for Withholding tax	Enables the calculation and posting of withholding taxes with a currency rate different than the invoice currency rate and the tax currency rate used fo	No	No

15.5 Define Basic Data

HSN/SAC Codes and HSN/SAC Group basic data must be setup according to [chapter 6](#). A default HSN/SAC can be added to an inventory part, see [chapter 7](#).

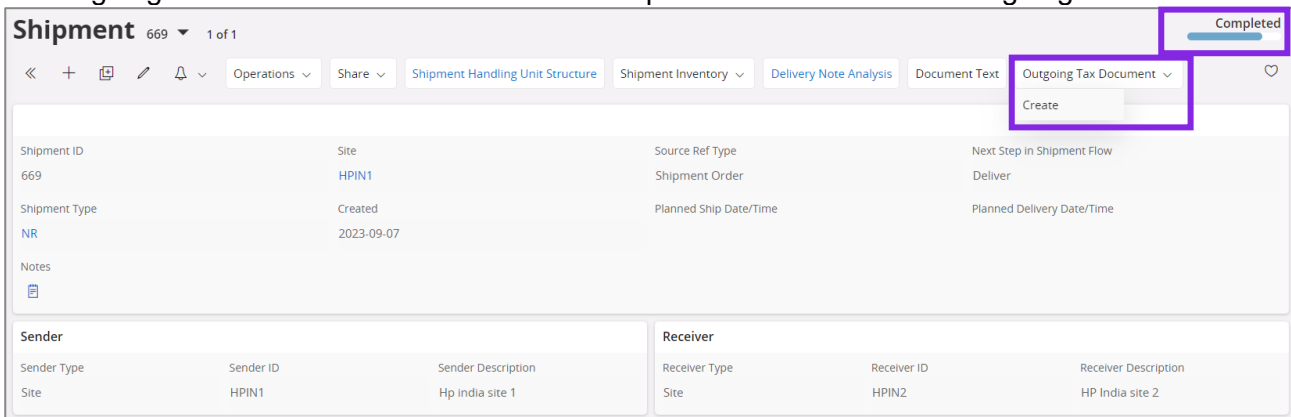
15.6 Create and process Shipment Order

Create a shipment order for any of below goods movement scenarios within the same company, using IFS Cloud standard functionality.

- Site to Site
- Site to Remote Warehouse
- Remote Warehouse to Site
- Remote Warehouse to Remote Warehouse

Use a shipment type that creates a shipment when releasing the shipment order or connect the shipment order lines to an existing shipment.

Process the connected shipment until completed state using IFS Cloud standard functionality. Create the outgoing tax document via the command in shipment header - "Create Outgoing Tax Document".



Shipment 669 1 of 1 Completed

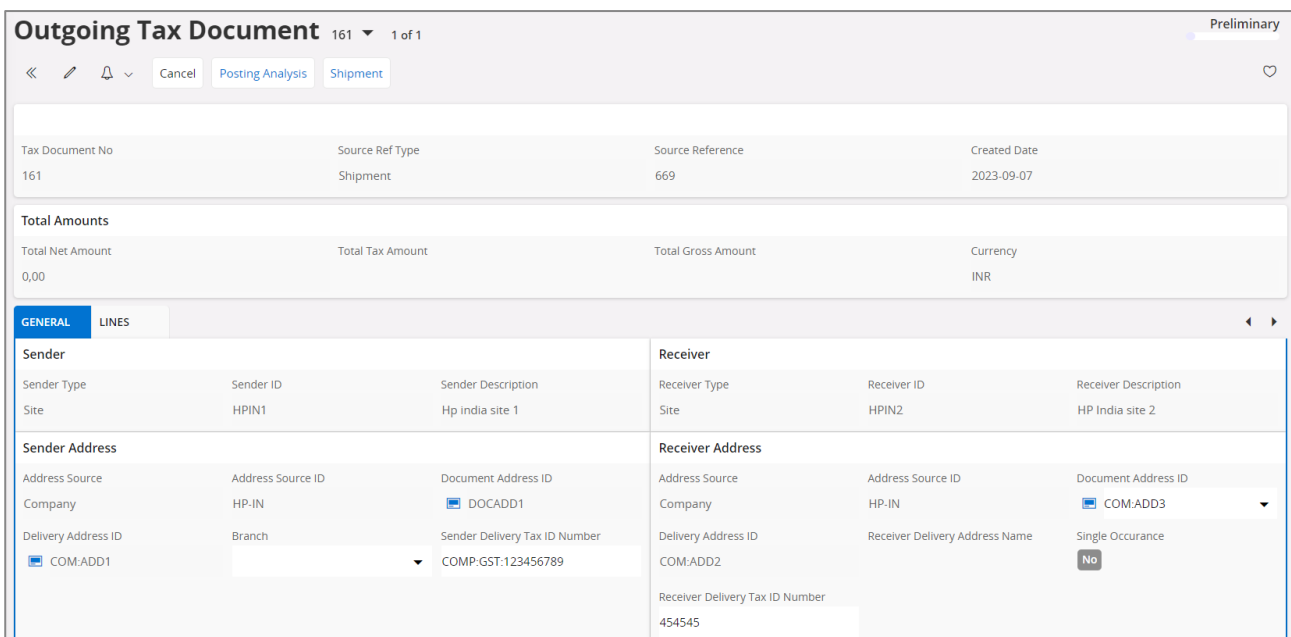
Operations | Share | Shipment Handling Unit Structure | Shipment Inventory | Delivery Note Analysis | Document Text | **Outgoing Tax Document** | Create

Shipment ID	Site	Source Ref Type	Next Step in Shipment Flow
669	HPIN1	Shipment Order	Deliver
Shipment Type	Created	Planned Ship Date/Time	Planned Delivery Date/Time
NR	2023-09-07		

Sender			Receiver		
Sender Type	Sender ID	Sender Description	Receiver Type	Receiver ID	Receiver Description
Site	HPIN1	Hp india site 1	Site	HPIN2	HP India site 2

An outgoing tax document will be created in preliminary state.

The address specific GST Tax ID numbers on the sender and receiver delivery addresses will be passed to the **Sender Delivery Tax ID Number** and **Receiver Delivery Tax ID Number** fields in the outgoing tax document. Note that this is only if the address source is Company, Supplier or Customer. If the address source is Person, Geo Location or Project, then the tax ID number fields will be blank and enabled for manually enter a value.



Outgoing Tax Document 161 1 of 1 Preliminary

Cancel | Posting Analysis | Shipment

Tax Document No	Source Ref Type	Source Reference	Created Date
161	Shipment	669	2023-09-07

Total Amounts			
Total Net Amount	Total Tax Amount	Total Gross Amount	Currency
0,00			INR

Sender			Receiver		
Sender Type	Sender ID	Sender Description	Receiver Type	Receiver ID	Receiver Description
Site	HPIN1	Hp india site 1	Site	HPIN2	HP India site 2

Sender Address			Receiver Address		
Address Source	Address Source ID	Document Address ID	Address Source	Address Source ID	Document Address ID
Company	HP-IN	DOCADD1	Company	HP-IN	COM-ADD3
Delivery Address ID	Branch	Sender Delivery Tax ID Number	Delivery Address ID	Receiver Delivery Address Name	Single Occurance
COM-ADD1		COMP-GST:123456789	COM-ADD2		No
			Receiver Delivery Tax ID Number		
			454545		

15.7 Process Outgoing Tax Document

Once the outgoing tax document is created the default HSN/SAC code from the used inventory part will be populated on the outgoing tax document line. Based on the HSN/SAC code and if the transaction is intra or inter state (the sender and receiver delivery addresses are within the same state or in two different states), the correct tax calculation structure will be fetched to the line from the HSN/SAC Group setup. If any tax code in the tax calculation structure is allowed for manual tax base, then it's possible to add a value in **Manual Tax Base Amount** column. Editing on the outgoing tax document line is only allowed as long as the shipment is not yet delivered.

Outgoing Tax Document 161 1 of 1								Preliminary		
Tax Document No		Source Ref Type		Source Reference		Created Date				
161		Shipment		669		2023-09-07				
Total Amounts										
Total Net Amount		Total Tax Amount		Total Gross Amount			Currency			
0,00							INR			
GENERAL LINES										
Line No	Source Ref 1	Source Ref 2	Source Part No	Source Part Description	Quantity	Price	Manual Tax Base Amount	HSN/SAC Code	Tax Calculation Structure	
1	669	1	HP-IN-PART	India part	0	0,00		899889898 - Plastics	INTER8%MANTAX - Inter state 8% Manual ta...	

When correct tax structures/tax codes, HSN/SAC codes, and manual tax base amounts are assured on the outgoing tax document, the shipment can be delivered and closed. The delivered quantity and the average cost from the inventory transaction SHIPODSIT- or SHIPODWHS- will then be transferred to the outgoing tax document. Taxes are then calculated. If a manual tax base amount exists, then that will be the base for tax calculations, if not, the inventory cost (Price) is considered as the tax base for the tax document tax line.

15.8 Print and Post Outgoing Tax Document

When the shipment is delivered and taxes have been calculated on the outgoing tax document, the tax document can be printed from the header command "Print". An IFS Cloud standard layout of the report is available. The following additional India specific information is added to the XML:

- HSN/SAC Code
- Sender State
- Receiver State
- Tax ID numbers:
 - Sender Delivery Tax ID Number – Takes GST value from the header field
 - Receiver Delivery Tax ID Number – Takes GST value from the header field
 - Sender Document Tax ID Number – Takes GST value from the sender document address id.
 - Receiver Document Tax ID Number – Takes GST value from the receiver document address id.
 - Company Tax ID Number – Takes PAN number from **Company/Tax Control/Invoice**

When printing the outgoing tax document, postings are triggered automatically. Postings can be viewed via the "Posting Analysis" command.

15.9 Create and Post Incoming Tax Document

Once the outgoing tax document is successfully posted, an incoming tax document is created automatically for the receiver site. The incoming tax document is a mirror image of the outgoing tax document. Post the incoming tax document from the header command “Post Tax Document”.

Incoming Tax Document 162 ▾ 1 of 1 Preliminary

⏪ 🔔 ▾ Post Tax Document Posting Analysis ⏩

Tax Document No	Source Ref Type	Source Reference	Created Date
162	Shipment	669	2023-09-07
Originating Outgoing Tax Document No			
161			

Total Amounts

Total Net Amount	Total Tax Amount	Total Gross Amount	Currency
1500,00	78,00	1578,00	INR

GENERAL LINES

Sender			Receiver		
Sender Type	Sender ID	Sender Description	Receiver Type	Receiver ID	Receiver Description
Site	HPIN1	Hp india site 1	Site	HPIN2	HP India site 2
Sender Address			Receiver Address		
Address Source	Address Source ID	Document Address ID	Address Source	Address Source ID	Document Address ID
Company	HP-IN	DOCADD1	Company	HP-IN	COM.ADD3
Delivery Address ID	Branch	Sender Delivery Tax ID Number	Delivery Address ID	Receiver Delivery Address Name	Single Occurance
COM-ADD1		COMP:GST:123456789	COM-ADD2		<input type="checkbox"/> No
			Receiver Delivery Tax ID Number		
			454545		

15.10 Postings

Outgoing Tax Document

Following basic data are used when posting the outgoing tax document:

- Voucher Type: MPT
- Function Group: LT
- Business Events: ICBS-TAX - Intracompany Tax – Sender

Posting Type	Posting Type Description	Debit/Credit	Control type
M297	Tax Disbursed, Intracompany Part Movements	Credit	AC7 – Tax Code
M298	Counter Posting, Tax Disbursed, Intracompany Part Movements	Debit	AC1 – Fixed Value

Incoming Tax Document

Following basic data are used when posting the incoming tax document:

- Voucher Type: MPT
- Function Group: LT
- Business Events: ICBS-TAX - Intracompany Tax – Receiver

Posting Type	Posting Type Description	Debit/Credit	Control type
M300	Counter Posting, Tax Received, Intracompany Part Movements	Credit	AC1 – Fixed Value
M299	Tax Received, Intracompany Part Movements	Debit	AC1 – Fixed Value

In tax document posting analysis page both successful and erroneous postings can be viewed. In case of erroneous postings, when rectified the error, the posting can be rerun through command “Post Tax Document” in both outgoing and incoming tax document.

Tax Document Posting Analysis 118 ▾ 1 of 1										
Tax Document No		Sender			Receiver					
118		HPIN1-RWH1			HPIN1			Outgoing		
Currency		Error								
INR		No								
Amounts										
Net Amount		Tax Amount			Gross Amount					
100,00		25,00			125,00					
Posting Information										
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>										
✓		Voucher No	Voucher Type	Voucher Date	Posting Type	Posting Event	Account	Amount	Error Description	Cost Center
<input type="checkbox"/>	:	2023000041	MPT	2023-08-17	M297	ICBS-TAX	2611	-25,00		
<input type="checkbox"/>	:	2023000041	MPT	2023-08-17	M298	ICBS-TAX	2611	25,00		

15.11 Tax Transactions

Use IFS Cloud standard functionality for updating the general ledger (**Financials/General Ledger/Update GL Vouchers**) and fetch tax transactions (**Financials/Tax Ledger/Fetch Tax Ledger Information**). In tax transactions page the following India specific information is updated from the outgoing and incoming tax document postings;

- HSN/SAC Code
- To State
- From State
- Manual Tax Base Amount
- Tax Category 1
- Tax ID numbers:

Tax Transactions Column	Mapping
Company Tax ID Number	Takes PAN number from Company/Tax Control/Invoice
Delivery Tax ID Number	Takes the GST value from Receiver Delivery Tax ID Number
Invoice Tax ID Number	Takes GST value from the Receiver document address ID
Company Delivery Tax ID Number	Takes the GST value from Sender Delivery Tax ID Number

15.12 Handling of Non-deductible Taxes

When moving goods between sites of the same company, if the goods received in the demand site are used for their own purpose (meaning demand site cannot take the input tax credit), then inventory cost applicable for the demand site should be increased by the non-deductible tax amount. In India, the most common scenario is either the taxes will be 100% deductible or 0% deductible.

Handling non-deductible taxes for standard cost parts

When handling the standard cost parts in the purchasing flow, the non-deductible tax amount is treated as a price difference in invoice matching. New posting types are introduced to handle this difference in supplier invoice matching. Therefore, when handling non-deductible taxes for standard cost parts in intracompany goods movements, a similar approach is followed. The non-deductible tax amount is posted separately when generating tax postings for incoming tax documents, using a new posting type.

A new posting type is introduced to handle it along with tax document postings. Following new posting type is created. This will not be connected to a default account and the user needs to manually define the required account in the posting control page.

Posting Type	Description	Component
M303	Non Deductible Tax, Intracompany Part Movements	INVENT

Following control types will be enabled.

- AC1 – Fixed Value
- AC7 – Tax Code

Calculation of non-deductible taxes

In India, when moving goods between sites/remote warehouses of the same company, the same tax code will be applicable for both sites. Therefore, when creating the tax postings on the demand site, the system should check if the applicable tax code has any non-deductible tax percentage. If so, the non-deductible tax should be posted using the above new posting type.

The inventory postings created for the logistics movements will not have any impact. They will be created as it is, and the non-deductible tax amount will be posted through the tax postings of the incoming tax document. Please see below example for more information.

- Assume parts are moved between two sites of the same company.
- Standard cost of the part in both sites is 100
- Quantity moved between sites 10

100% Deductible Scenario

- Applicable tax code in both sites 10% and 100% deductible
- Calculated total tax %: $100 \times 10 \times 10\% = 100$
- Deductible%: $100 \times 100\% = 100$
- Nondeductible%: $100 \times 0\% = 0$

Tax document postings

Supply Site	Outgoing Tax Document		Dr	Cr
		M297		100
		M298	100	

Demand Site	Incoming Tax Document		Dr	Cr
		M299	100	
		M300		100

2610	M297	100	2699	M298	100	M300	100

2641	M299	100

Since there are no non-deductible taxes involved, nothing to be posted under non-deductible posting type (M303).

0% Deductible Scenario

- Applicable tax code in both sites 10% and 0% deductible
- Calculated total tax %: $100 \times 10 \times 10\% = 100$
- Deductible%: $100 \times 0\% = 0$
- Non-deductible%: $100 \times 100\% = 100$

Tax Document Postings

Supply Site	Outgoing Tax Document		Dr	Cr
		M297		100
		M298	100	

Demand Site	Incoming Tax Document		Dr	Cr
		M303	100	
		M300		100

2610	M297	100	2699	M298	100	M300	100

Acc XXXX	M303	100

Since the taxes are 100% non-deductible, the full non-deductible tax amount is posted against M303 under the incoming tax document in the demand site.

Handling of Multiple Taxes

The above examples are mainly for the basic scenario where you have one single tax code. But the most practical scenario would be to have multiple tax codes (defined in tax structures) with different deductible tax percentages in each of them. Below example explains how the postings should be created for multiple tax scenarios.

- Assume parts are moved between two sites of the same company.
- Standard cost of the part in both sites is 100
- Quantity moved between sites 10

Tax Structure used in the goods movement has the following tax codes:

- Tax code1 - 10% and 40% deductible
- Tax code2 – 20% and 100% deductible
- Tax code3 – 15% and 0% deductible

Taxes will be calculated as follows for the above tax codes

Tax Code	Tax Base Amount	Total Tax Amount	Deductible Amount	Nondeductible Amount
Tax code1 - 10% & 40% deductible	$100 \times 10 = 1000$	$1000 \times 10\% = 100$	$100 \times 40\% = 40$	$100 \times 60\% = 60$
Tax code2 – 20% & 100% deductible	$100 \times 10 = 1000$	$1000 \times 20\% = 200$	$200 \times 100\% = 200$	$200 \times 0\% = 0$
Tax code3 – 15% & 0% deductible	$100 \times 10 = 1000$	$1000 \times 15\% = 150$	$150 \times 0\% = 0$	$150 \times 100\% = 150$

Tax Document Postings

Supply Site	Outgoing TD		Dr	Cr
		M297		100
		M298	100	
		M297		200
		M298	200	
		M297		150
		M298	150	

Demand Site	Incoming TD		Dr	Cr
		M299	40	
		M303	60	
		M300		100
		M299	200	
		M300		200

		M303	150	
		M300		150

2610			2699			
	M297	100	M298	100	M300	100
	M297	200	M298	200	M300	200
	M297	150	M298	150	M300	150

Acc XXXX			2641		
M303	60		M299	40	
M303	150		M299	200	

***Even though two sites have different standard costs, still the taxes and non-deductible taxes should be calculated based on the cost in the supply site. This is because when goods are sent from the supply site, it's the supply site cost that should be considered as the applicable price/cost for the demand site.

Handling of non-deductible taxes for weighted average/FIFO/LIFO parts

For the weighted average/FIFO/LIFO parts, the non-deductible tax amount should be absorbed as a part of the inventory cost for the demand site. Therefore, it was decided to add the non-deductible tax amount to the INTORDTR transaction created against the demand site at the point of delivering the goods from the supply site. When calculating the new WA cost applicable for the demand site it will automatically consider the non-deductible tax portion which is already absorbed into the INTORDTR transaction.

A new posting type needs to be introduced to handle it along with tax document postings. Following new posting type is created. This will not be connected to a default account and the user needs to manually define the required account in the posting control page.

Posting Type	Description	Component
M304	Non-Deductible Tax, Order Transit	INVENT

The following control types will be enabled.

- AC1 – Fixed Value
- AC7 – Tax Code

This is how the posting should be created in WA scenario.

Example:

- Assume parts are moved between two sites of the same company.
- WA cost of the part in Supply sites is 100
- Quantity moved between sites is 10
- WA cost of the part in-demand site is 200 and the existing qty in-demand site is 10.

- Applicable tax code in both sites 10% and 40% deductible
 - Calculated total tax %: $100 \times 10 \times 10\% = 100$
 - Deductible%: $100 \times 40\% = 40$
 - Non-deductible%: $100 \times 60\% = 60$

Created inventory transactions:

T Accounting

Supply Site	SHIPODSIT- - Deliver Shipment Order to a site in the same company		Dr	Cr
		M4	1000	
		M1		1000

Demand Site	INTORDTR - Move to Internal Order Transit due to Issue *** This is how it will work after handling the ND tax		Dr	Cr
		M3	1060	
		M4		1060
		M4	60	
		M156		60

New weighted average applicable to the demand site = $(1060 + (200 \times 10))/20 = 153$
 Total amount to be posted = $153 \times 10 = 1530$

Demand Site	SHIPODSIT+ - Receive Shipment Order from a site in the same company		Dr	Cr
		M1	1530	
		M3		1530

1400			
	M1	1000	
M3	1060		
M1	1530	M3	1530
2590		2530	

1405			
M4	1000		
		M4	1060
M4	60		
1060		1060	

*** Inventory value increased by 60
(2590 – 2530)

	M156	60
--	------	----

Apart from the above scenarios, all the other scenarios are similar to goods movement between two locations of the same site, and non-deductible taxes need not be calculated for such scenarios.

15.13 Delimitations

- India E-invoicing (clearance model) is not supported for tax handling in the intracompany goods movement scenario in this release (IFS Cloud 23R2). This is planned for the coming release.
- Shipment order is not considered in planning engines.
- Tax document is not supported for non-inventory parts or no-parts.
- Manual entering of multiple tax codes in outgoing tax document tax dialog is not supported, only single tax code or tax calculation structure.

16 Customs Import Declaration Number on Receipt (moved to generic functionality)

The functionality for Customs Import Declaration Number on Receipt is removed as a country-specific functionality. It is now available as a generic functionality. Information and more details can be found in the Procurement News Presentation for the IFS Cloud 23R2.

17 Print Invoice Copy In Base Currency (moved to generic functionality)

The functionality for Print Invoice Copy In Base Currency is removed as a country-specific functionality. It is now available as a generic functionality. Information and more details can be found in the Supply Chain News Presentation for the IFS Cloud 23R1.

18 Business Reporting Infrastructure for Tax Reporting

18.1 Overview Legal Requirement

According to the Central Goods and Services Tax Act, 2017 issued by the Ministry of Law and Justice of India, several tax reports in different templates should be submitted by the Indian juridical Persons.

The reports are to be created in Excel format and then uploaded manually to the tax authority's portal or automatically with the support of a 3rd party service provider.

The following table summarizes the required reports.

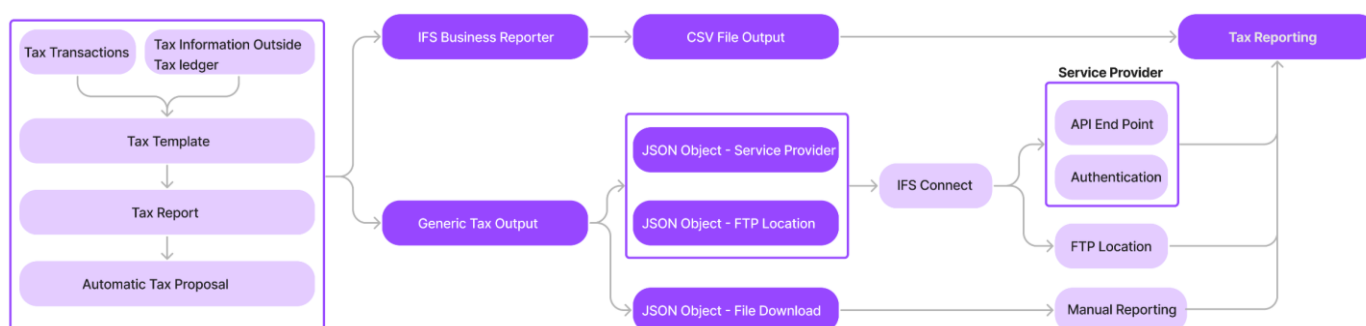
Return Form	Particulars	Frequency	Due Date
GSTR-1	Details of outward supplies of taxable goods and/or services effected	Monthly	10th of the next month
GSTR-2	Details of inward supplies of taxable goods and/or services effected claiming input tax credit.	Monthly	15th of the next month
GSTR-3	Monthly return on the basis of finalization of details of outward supplies and inward supplies along with the payment of the amount of tax.	Monthly	20th of the next month
GSTR-3B	Simple return for Jul 2017- Mar 2018	Monthly	20th of the next month
GSTR-4	Return for compounding taxable person	Quarterly	18th of the month succeeding quarter
GSTR-5	Return for Non-Resident foreign taxable person	Monthly	20th of the next month
GSTR-6	Return for Input Service Distributor	Monthly	13th of the next month
GSTR-7	Return for authorities deducting tax at source.	Monthly	10th of the next month
GSTR-8	Details of supplies effected through e-commerce operator and the amount of tax collected	Monthly	10th of the next month

GSTR-9	Annual Return	Annually	31st December of the next financial year
GSTR-9A	Annual Return	Monthly	31st December of the next financial year
GSTR-10	Final Return	Once. When registration is cancelled or surrendered	Within three months of the date of cancellation or date of cancellation order, whichever is later.
GSTR-11	Details of inward supplies to be furnished by a person having UIN and claiming refund	Monthly	28th of the month following the month for which statement is filed

18.2 Process Overview



18.3 Solution Overview



Indian tax reporting should be done using the Excel file format. There are several files required to be reported and each file should consist of several sheets. In order to provide a flexible solution that can be sustainable to the changing requirements and the large number of reporting formats, IFS Business Reporter is used to support the Tax Reporting Solution in IFS India Solution.

The existing core Information Source, **Tax Ledger Proposal Transaction** is enriched with Indian information fields in order to support the above tax reporting requirements. Accordingly, the below Indian-specific information fields are added to the said Information Source.

- HSN/SAC Code and Description
- Manual Tax Base Amount
- From State and To State Details
- Invoice Tax ID Number
- Delivery Tax ID Number
- Company Delivery Tax ID Number
- Tax Category 1
- IRN
- Price QTY
- Price UOM

As a Performance Improvement, incremental fetching is enabled for **Tax Ledger Item** and **Tax Ledger Proposal Transaction** Information Sources. Accordingly, the user is now given the ability to update new information in a designed tax report at their own discretion, via using the Data Mart option in Access Types. Via designing Tax Reports using the Data Mart option, the user can prevent unnecessary refreshing of data, every time a report is run and thereby, ensure that information is fetched faster.

Moreover, to support external third-party reporting, the above Indian information fields are also added to the **Generic Tax Template (S103)**. Once an Automatic Tax Proposal is created using a Tax Report that is based on Generic Tax Template (S103), a JSON object will be created by clicking, the **Create Generic Output** Command. The Generic Tax Output is available in different output options as follows,

- **Service Provider** - To create and Integrate JSON objects with third-party service providers REST Endpoints.
- **Server Directory** - To create JSON object in FTP Server Location.
- **Download** - To create JSON objects in the end-user's client machine.

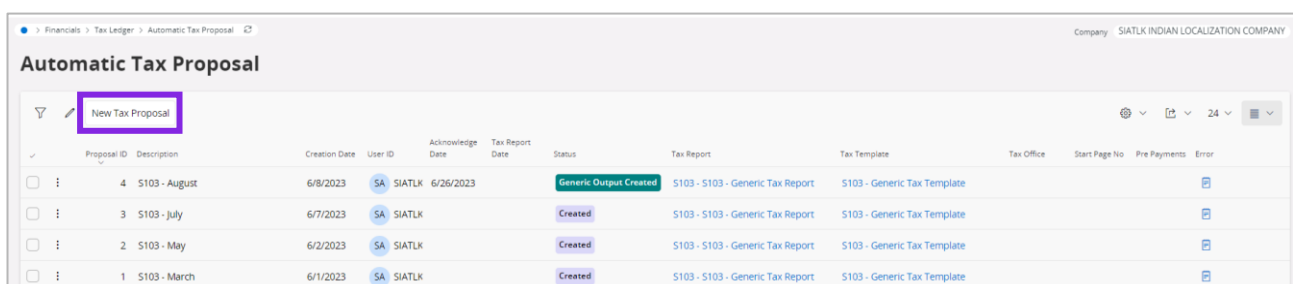
18.4 Prerequisites

- The company must be set up to use Indian localization, see the [Company Setup](#) chapter.
- IFS Business Reporter must have been installed.

18.5 Create Tax Proposals

The reports are created based on tax proposals making it possible to regenerate the same report again avoiding mistakenly duplicating the records in the reports.

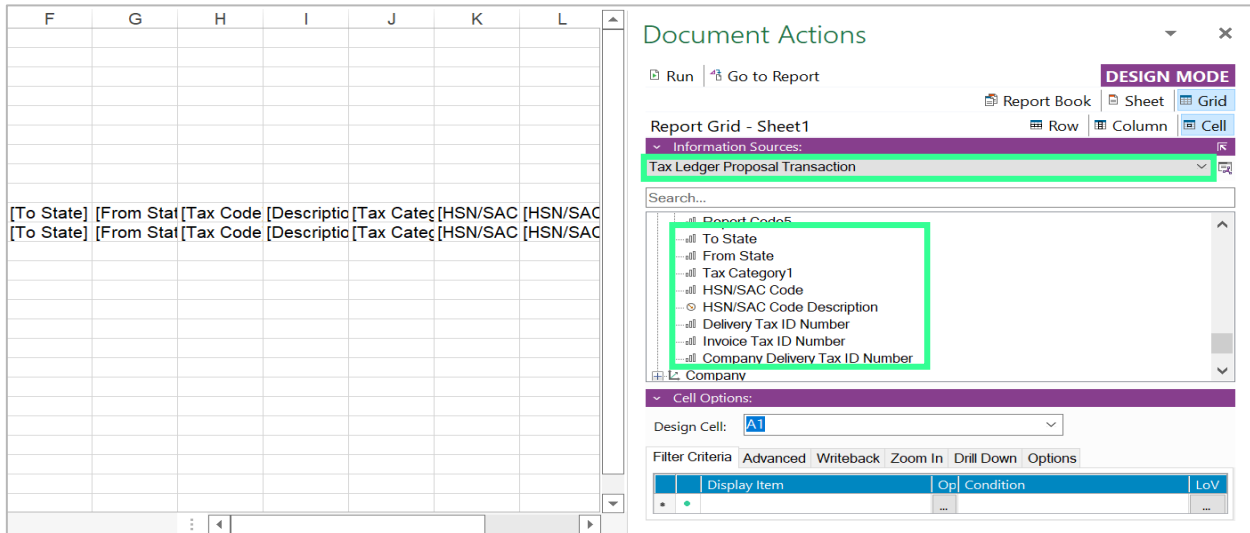
Open the **Automatic Tax Proposal** Page via **Financials/Tax Ledger/ Automatic Tax Proposals**. Using IFS Cloud core functionality create tax proposals for the intended reports.



Proposal ID	Description	Creation Date	User ID	Acknowledge Date	Tax Report Date	Status	Tax Report	Tax Template	Tax Office	Start Page No	Pre Payments	Error
4	S103 - August	6/8/2023	SA SIATLK	6/26/2023		Generic Output Created	S103 - S103 - Generic Tax Report	S103 - Generic Tax Template				
3	S103 - July	6/7/2023	SA SIATLK			Created	S103 - S103 - Generic Tax Report	S103 - Generic Tax Template				
2	S103 - May	6/2/2023	SA SIATLK			Created	S103 - S103 - Generic Tax Report	S103 - Generic Tax Template				
1	S103 - March	6/1/2023	SA SIATLK			Created	S103 - S103 - Generic Tax Report	S103 - Generic Tax Template				

18.6 Design Reports

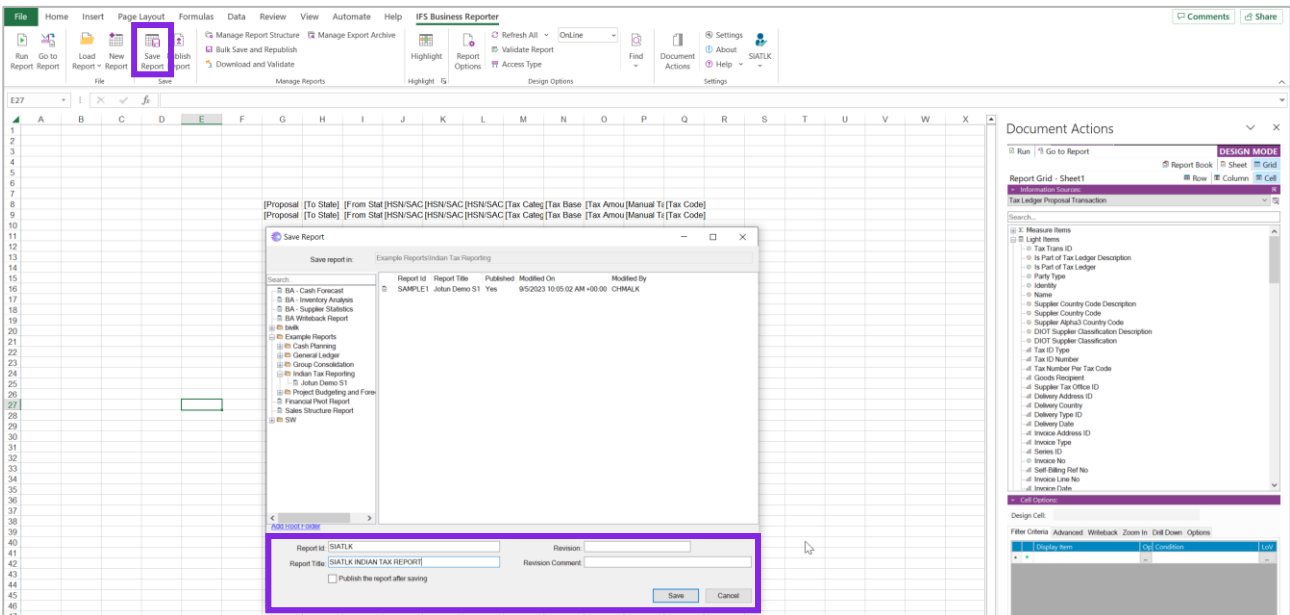
Tax Reports shall be created using IFS Business Reporter, utilizing the Information Source, **Tax Ledger Proposal Transaction**. The data in this information source are retrieved from the **Automatic Tax Proposals** page.



The screenshot displays the IFS Business Reporter interface in Design Mode. The main window shows a grid with columns labeled F through L. The 'Document Actions' panel on the right is active, showing the 'Information Sources' dropdown menu with 'Tax Ledger Proposal Transaction' selected. Below this, a search box is visible, and a list of fields is shown, including 'To State', 'From State', 'Tax Category 1', 'HSN/SAC Code', 'HSN/SAC Code Description', 'Delivery Tax ID Number', 'Invoice Tax ID Number', and 'Company Delivery Tax ID Number'. The 'Cell Options' dropdown is set to 'A1'. The 'Filter Criteria' section shows a table with columns for 'Display Item', 'Op', 'Condition', and 'LoV'.

18.7 Save Reports

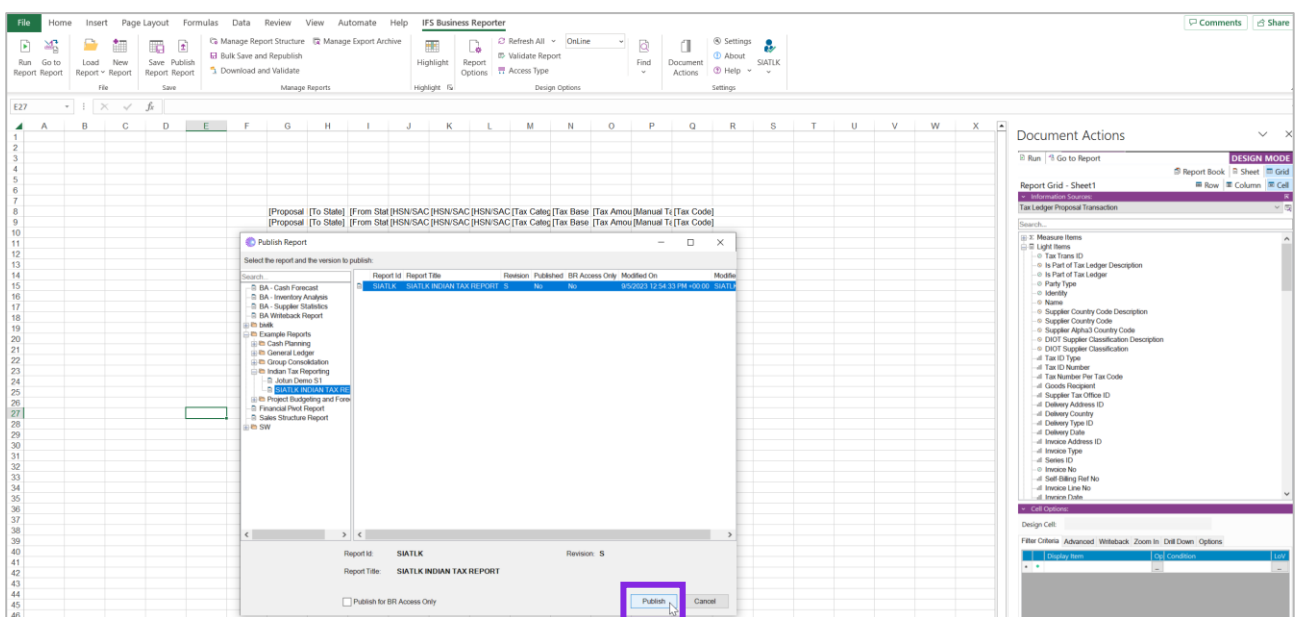
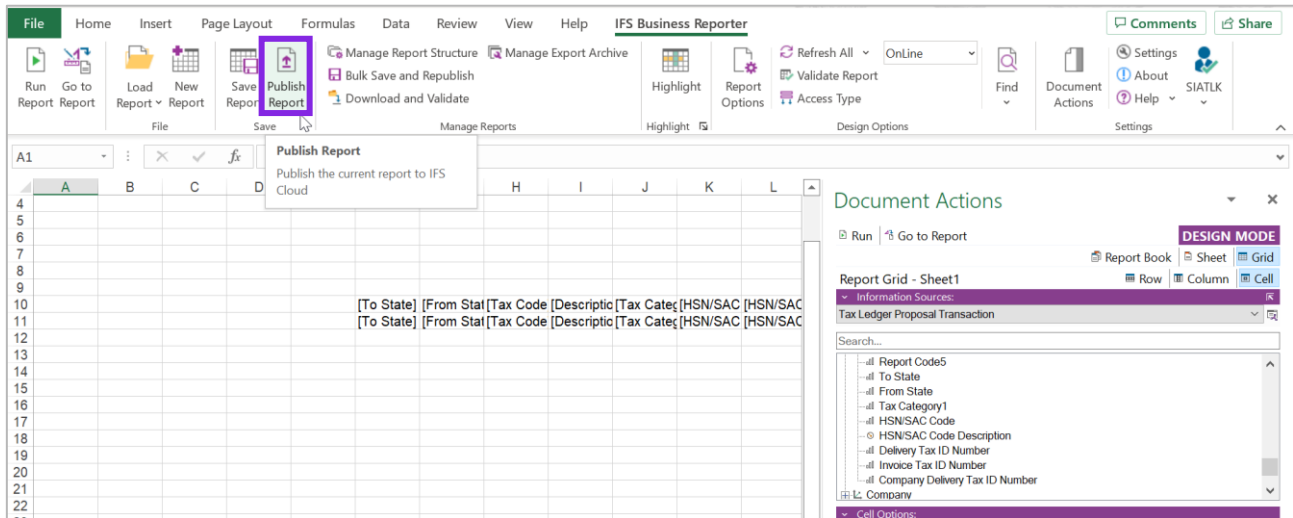
The user can save the designed reports for future reference in IFS Business Reporter.



The screenshot shows the IFS Business Reporter interface with the 'Save Report' dialog box open. The dialog box has a 'Save report in:' section with a tree view of report categories. The 'Report ID' field is set to 'SATSUK', the 'Report Title' is 'SATSUK INDIAN TAX REPORT', and the 'Revision' field is empty. There is a checkbox for 'Publish the report after saving'. The background shows the 'Document Actions' panel with the 'Information Sources' dropdown set to 'Tax Ledger Proposal Transaction'.

18.8 Publish Reports

It is possible to publish the designed reports in IFS Business Reporter. The published reports will be available in the Order Reports functionality in IFS applications. Provide a suitable name when publishing the report.

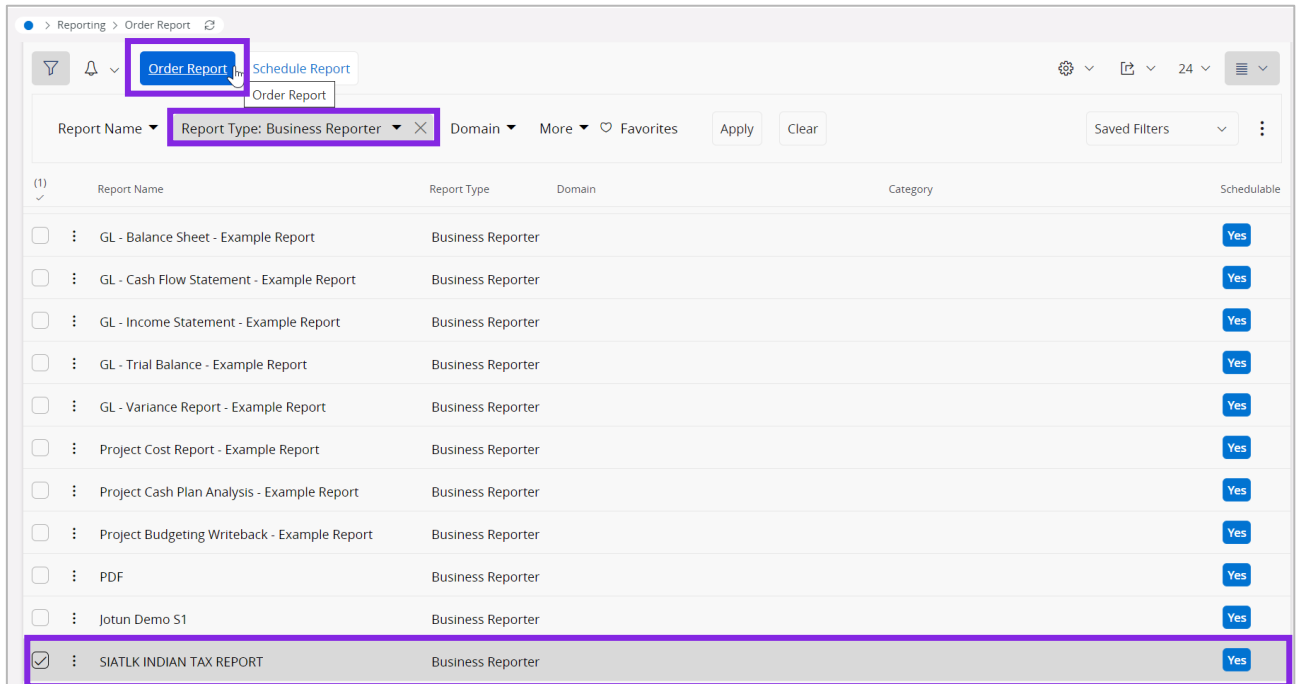


18.9 Order Report

Once the Report is Published, the user can order the report in IFS Cloud.


Below are the steps that must be followed to Order the report:

1. Open the **Order Report** page.
2. Query for the value **Business Reporter** for the **Report Type** column.
3. Find the name of the report that was given when publishing the report.
4. Click Order Report to open the Order Report dialog box.



The screenshot shows the 'Order Report' interface. At the top, there are buttons for 'Order Report' and 'Schedule Report'. Below these, a filter for 'Report Type: Business Reporter' is applied. A table lists several reports, including 'GL - Balance Sheet - Example Report', 'GL - Cash Flow Statement - Example Report', 'GL - Income Statement - Example Report', 'GL - Trial Balance - Example Report', 'GL - Variance Report - Example Report', 'Project Cost Report - Example Report', 'Project Cash Plan Analysis - Example Report', 'Project Budgeting Writeback - Example Report', 'PDF', 'Jotun Demo S1', and 'SIATLK INDIAN TAX REPORT'. The 'SIATLK INDIAN TAX REPORT' row is highlighted in red.

5. The required parameters, as included when designing the report, will appear in the *Report Parameters* tab of the dialog. Enter those parameter values for the intended report.
6. Click the Finish button to execute the report.



The screenshot shows the 'Order Report - SIATLK INDIAN TAX REPORT' dialog box. The 'Parameters' tab is selected, and the 'Report Parameters' section is visible. The 'Finish' button is highlighted with a red box.



The screenshot shows the 'Order Report - SIATLK INDIAN TAX REPORT' dialog box displaying the execution status. The message states: "Report SIATLK INDIAN TAX REPORT will be executed shortly through Business Reporter Execution Server. A background job assigned with ID 20689119 successfully created." Below the message, there are buttons for 'Run Again' and 'Show in Background Jobs'.

18.10 Delimitations

N/A

19 Support Handling of HSN/SAC Codes in External Invoice for Customer and Supplier

19.1 Overview Legal Requirement

Enabling the use of HSN/SAC code in External Supplier Invoices and External Customer Invoices.

19.2 Process Overview



19.3 Solution Overview

HSN/SAC codes are added to standard IFS External File Templates. This is a generic development and not controlled by a LCC parameter.

On the supplier side, it is added to STDSIN1 and STDSIN2. On the Customer side, it is added to STDCIN1 and STDCIN2.

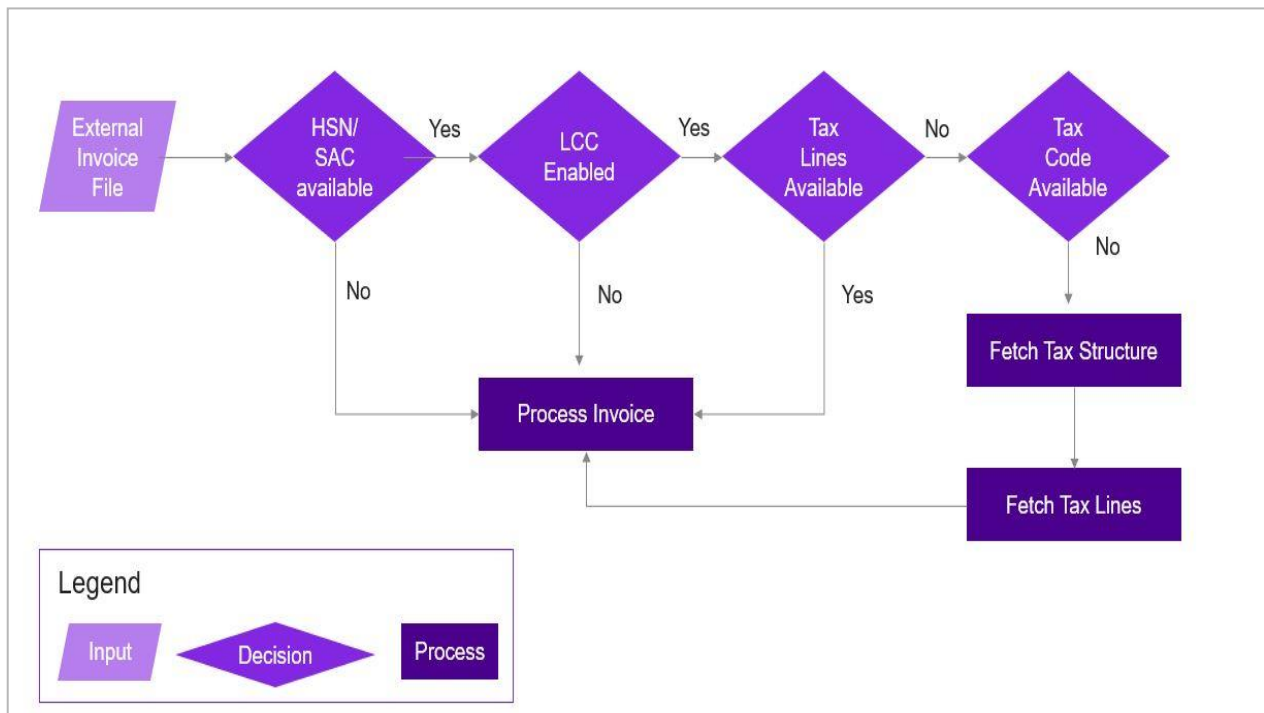
In Standard Template 1 (STDSIN1, STDCIN1) it is added at the line level which is record type I.

Record Type ID	Column ID	Description	Data Type	Column No	Start Position
I	MAN_TAX_LIABILITY_DATE	Manual Tax Liability Date	DATE	13	
I	INVOICE_TYPE	Invoice Type	STRIN	14	
I	VAT_PARALLEL_AMOUNT	Tax Parallel Amount	NUMF	15	
I	NET_PARALLEL_AMOUNT	Net Parallel Amount	NUMF	16	
I	INCOME_TYPE_ID	Income Type Identity	STRIN	17	
I	CORRECTION_REASON_ID	Correction Reason ID	STRIN	18	
I	CORRECTION_REASON	Correction Reason	STRIN	19	
I	HSN_SAC_CODE	HSN/SAC Code	STRIN	20	
O	LINE_TYPE	Line Type	STRIN	1	
O	INVOICE_NO	Invoice No	STRIN	2	
O	NAME	Name	STRIN	3	

In Standard Template 2 (STDSIN2, STDCIN2) all the items are taken as 'Record Type' A. HSN/SAC code is added as the last item.

	Record Type ID	Column ID	Description	Data Type	Column No	Start Position
:	A	ADDITIONAL_REFERENCE	Additional Reference	STRIN	129	
:	A	PARALLEL_CURR_RATE	Parallel Currency Rate	NUMF	130	
:	A	PARALLEL_DIV_FACTOR	Parallel Div Factor	NUMF	131	
:	A	VAT_PARALLEL_AMOUNT	Tax Parallel Amount	NUMF	132	
:	A	NET_PARALLEL_AMOUNT	Net Parallel Amount	NUMF	133	
:	A	PARALLEL_AMOUNT	Parallel Amount	NUMF	134	
:	A	INCOME_TYPE_ID	Income Type Identity	STRIN	135	
:	A	INVOICE_ADDRESS_ID	Invoice Address ID	STRIN	135	
:	A	CORRECTION_REASON_ID	Correction Reason ID	STRIN	136	
:	A	CORRECTION_REASON	Correction Reason	STRIN	137	
:	A	HSN_SAC_CODE	HSN/SAC Code	STRIN	138	

Tax Structure is fetched depending on certain conditions as explained below diagram. This part is Indian-specific and controlled by mandatory LCC parameter 'HSN/SAC Codes and Intra/Inter State Tax Rates Fetching'.



If 'Tax Structure' fetching is not needed the user can always use multiple tax lines in external files. This is a core application feature and can be used to load multiple taxes without the tax structure.

The solution works identically in External Customer Invoice and External Supplier Invoice.

19.4 Prerequisites

- The company must be set up to use Indian localization, see the [Company Setup](#) chapter.
- Mandatory parameter 'HSN/SAC Codes and Intra/Inter State Tax Rates Fetching' should be enabled.

19.5 Load External Invoice with HSN/SAC Codes

To fetch 'Tax Structure' in External Invoices, the HSN/SAC code must be added to the External Invoice file.

```

    $STDSN1_1recHSN.txt - Notepad
    File Edit Format View Help
    H;NIWA:IND:SUP;NW-H2;2023-06-20;SUPPEXT;2023-06-20;2023-06-20;2023-06-
    20;0;INR;;*;I;;;2023-06-20;,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,2023-06-20;,,,,,;
    I;NIWA:IND:SUP;NW-
    H2;1;;1000;1000;310;310;,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,89011010.VESSEL
    T;NIWA:IND:SUP;NW-H2;1;1;25;250;250;D6;SUPPEXT
    T;NIWA:IND:SUP;NW-H2;1;2;6;60;60;D8;SUPPEXT
  
```

19.6 Check if there are Tax Lines in the External Invoice File

If there are any tax lines in the External Invoice File, it should be removed.

```

$STDSN1withoutTwithHSN.txt - Notepad
File Edit Format View Help
H;NIWA:IND: SUP;NIWA-P101;2023-06-20;SUPPEXT;2023-06-20;2023-06-20;2023-06-
20;0;INR;;*;I;;;2023-06-20;;;;;;;;;;;;;2023-06-
20;;;;;;;;;
I;NIWA:IND: SUP;NIWA-
P101;1;;1000;1000;110;110;;;;;;;;;;;;;89011010.VESSEL
  
```

19.7 Check if there is Tax Code in Invoice Lines

There should not be any Tax Code in Invoice Lines in the External Invoice File to fetch the Tax Structure.

```

$STDSN1withoutTwithHSN.txt - Notepad
File Edit Format View Help
H;NIWA:IND: SUP;NIWA-P101;2023-06-20;SUPPEXT;2023-06-20;2023-06-20;2023-06-
20;0;INR;;*;I;;;2023-06-20;;;;;;;;;;;;;2023-06-
20;;;;;;;;;
I;NIWA:IND: SUP;NIWA-
P101;1;;1000;1000;110;110;;;;;;;;;;;;;89011010.VESSEL
  
```

19.8 Fetch Tax Structure

If LCC is Enabled and HSN/SAC code is available and Tax Lines not present and Tax code not present in Invoice lines, the corresponding Tax Structure will be fetched according to the default states of the company and Supplier/Customer. (How tax structure works with HSN/SAC codes and states, refer to [HSN/SAC Codes Basic Data Setting and Fetch Tax Structure via HSN/SAC Codes](#))

External Supplier Invoice Line Information						
Load ID	Invoice No	Invoice Type	Supplier	Invoice Load Status		
394	Z1	SUPPEXT	NI NIWA:IND:SUP - NIWADK India Sup...	Loaded		
External Supplier Invoice Lines						
✓	HSN/SAC Code	Tax Calculation Structure	Line ID	Income Type Identity	Delivery Type	Tax Code
<input type="checkbox"/>	89011010.VESSEL - vessel	INTRA_STATE	1			

19.9 Fetch Tax Lines

When the Tax Structure is fetched according to HSN/SAC codes and states, the tax lines corresponding to the Tax Structure will be fetched.

External Supplier Invoice Tax Information							
Load ID	Invoice No	Invoice Type	Supplier				
394	Z1	SUPPEXT	NI NIWA:IND:SUP				
Tax Information							
✓	Tax ID	Currency	Tax Code	Tax (%)	Tax Amount	Tax Amount in Parallel Currency	Tax Amount in Accounting Currency
<input type="checkbox"/>	1	INR	GST5	5	50.00		50.00
<input type="checkbox"/>	2	INR	D6	6	60.00		60.00

What is explained above works for both External Supplier Invoice and External Customer Invoices.

19.10 Delimitations

- Works for text files
- Not handled for IFS message handling such as EDI/MHS
- Not handled for e-Invoice flow

20 Appendix

20.1 E-invoice Format

The below attached excel file describes the mapping of Indian GST e-invoice format and IFS eInvoice format. Note that only mandatory tags are mapped.



E-invoice India
Mapping Document.x