



Country Solution India

IFSCLOUD24R2

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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

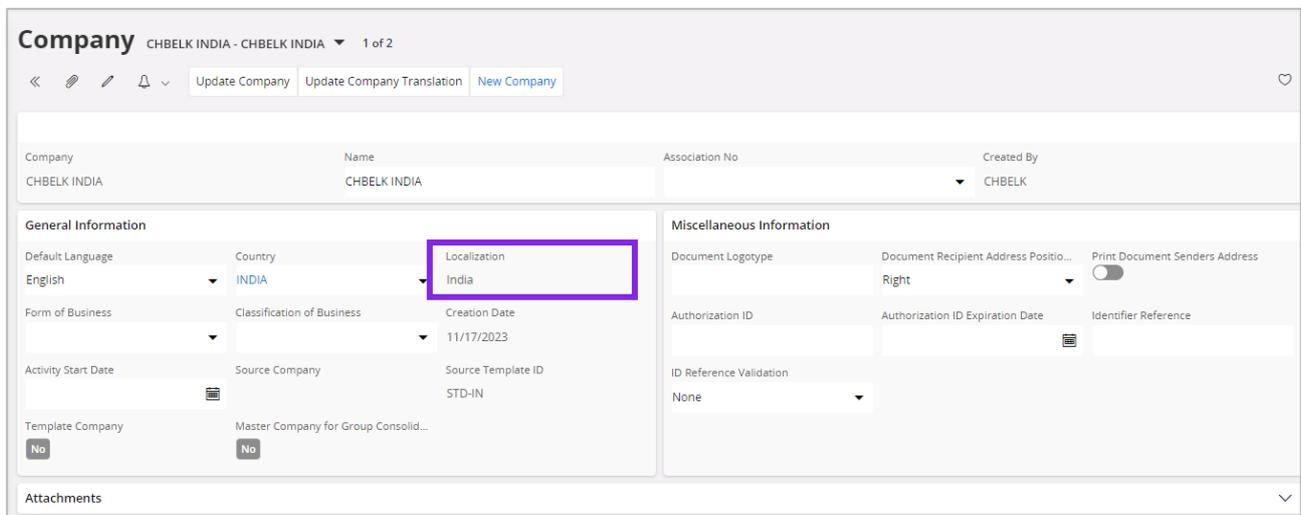
1 Company Set-up

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 'CHBELK INDIA'. The 'Localization' field in the 'General Information' section is highlighted with a red box, indicating that 'India' has been selected. Other fields include 'Default Language' (English), 'Country' (INDIA), 'Form of Business', 'Classification of Business', 'Creation Date' (11/17/2023), 'Activity Start Date', 'Source Company', 'Source Template ID' (STD-IN), 'Template Company' (No), and 'Master Company for Group Consolidation' (No). The 'Miscellaneous Information' section includes 'Document Logotype', 'Document Recipient Address Position' (Right), 'Print Document Senders Address' (toggle), 'Authorization ID', 'Authorization ID Expiration Date', 'Identifier Reference', and 'ID Reference Validation' (None).

1.3 Select Localization functionality.

Specify which functionality to use.

- Open the **Localization Control Center** sub-menu under **Company**.
- The localization selected in the 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 of the company by selecting the toggle buttons **Enable**. Note that some functionalities are mandatory and cannot be disabled.

Application Base Setup > Enterprise > Company > Company > Localization Control Center

Localization Control Center 0101011 - INDIA 6 of 7

Company: 0101011, Name: INDIA, Association No: , Created By: 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

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.

1.5.1 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 the 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 System Define Indian States

2.1 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 Section 8, 10, and 12 of the Integrated Goods and Services Tax Act, 2017.

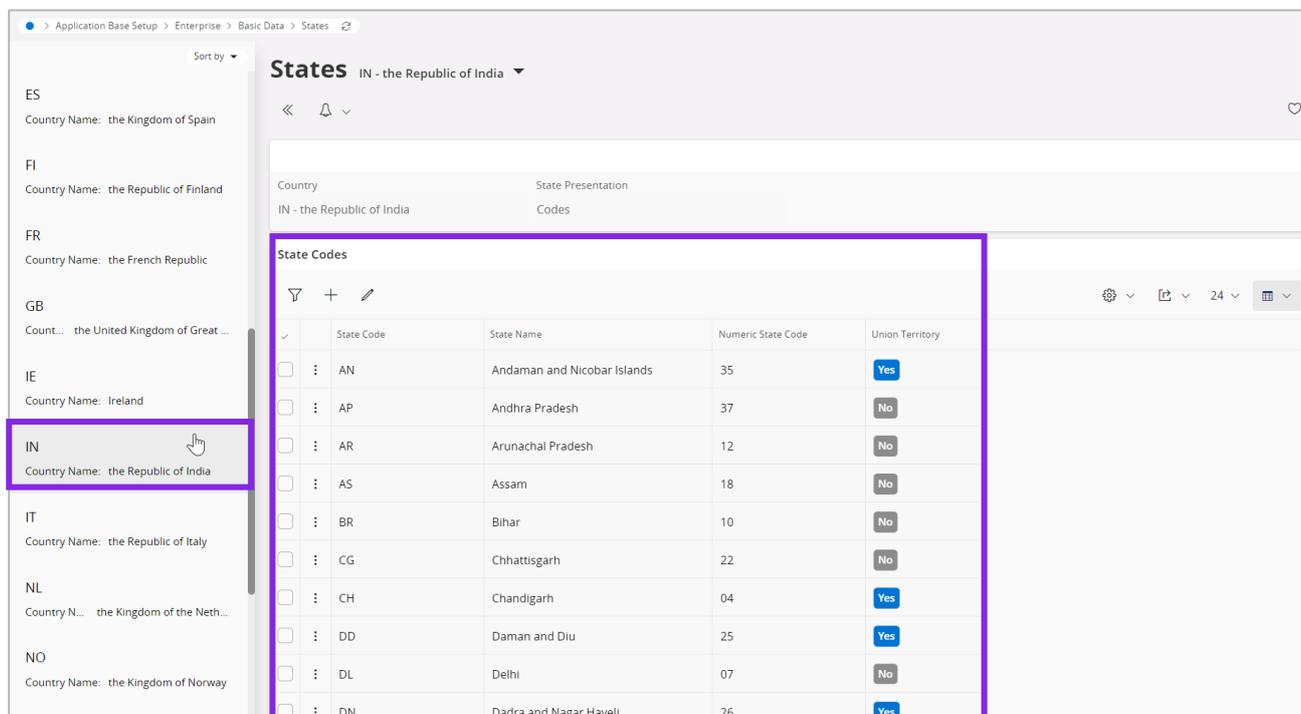
Accordingly, if the two delivery ends of a transaction (buyer's state and seller's state) is within one state, the transaction is categorized as 'Intrastate' and if the same is across two states, then the transaction is categorized as 'Interstate'.

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

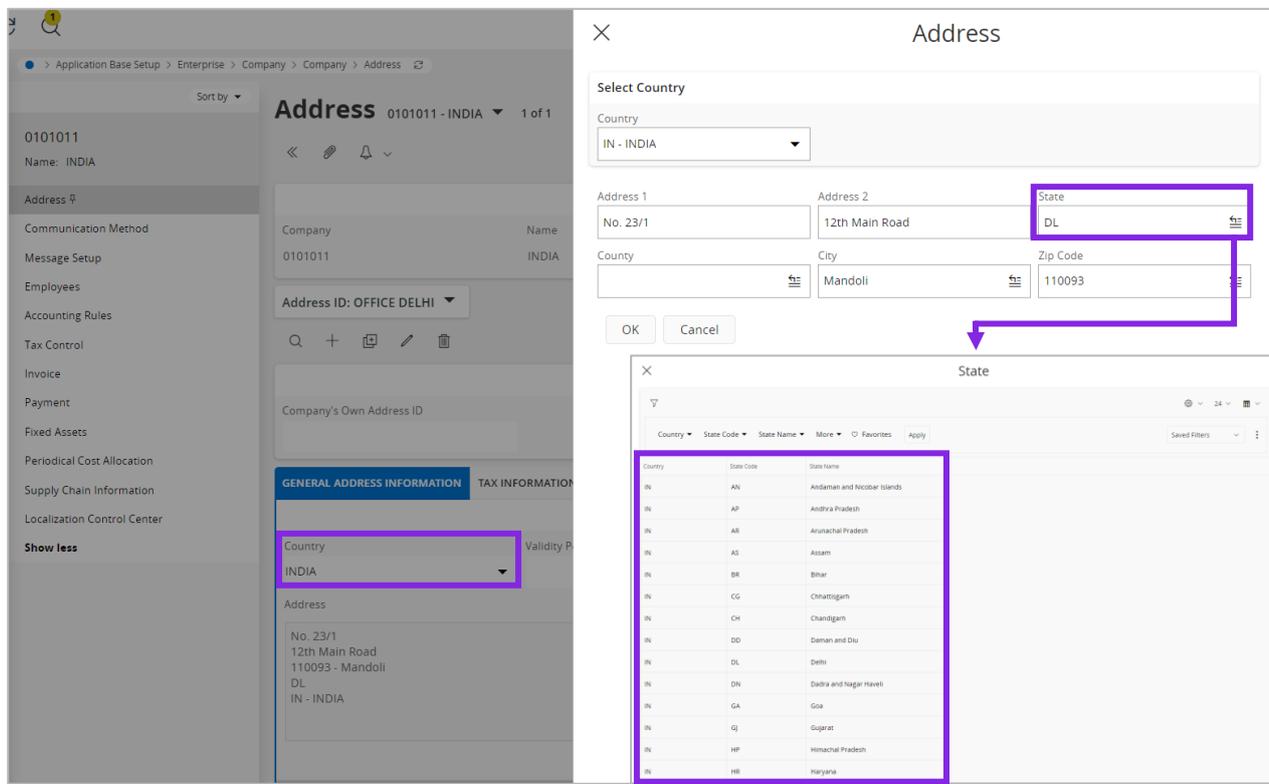
The new **State Code No** column is only visible when there is an IN value in the **Country Code** field.



The screenshot displays the 'States' configuration page for India (IN). The left sidebar shows a list of countries, with 'IN - the Republic of India' selected. The main content area shows a table of Indian states with the following columns: State Code, State Name, Numeric State Code, and Union Territory. The table is highlighted with a purple border.

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 the 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 the Invoice RDF level to facilitate customer invoice layouts (RDL).

3 Overview – Indian Taxes

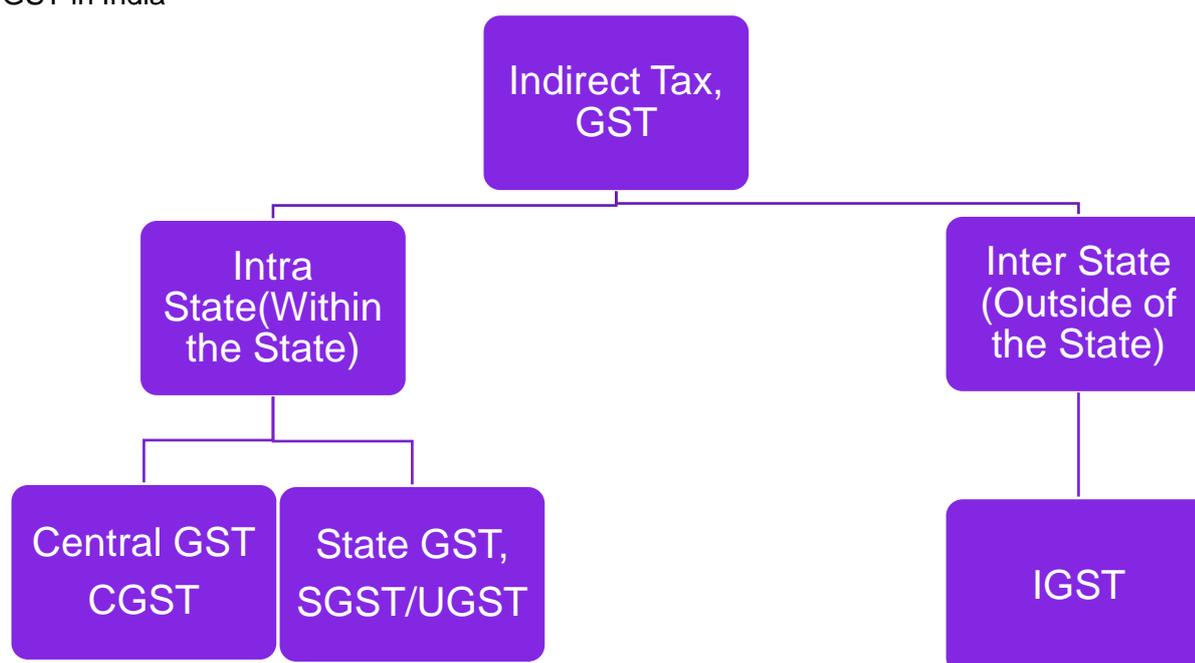
3.1 Overview Legal Requirement

Goods and Services Tax (GST) is an indirect tax that was introduced in India on 1st of 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 the 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 a 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)

3.2 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 the Centre and States will simultaneously levy GST across the value chain. Tax will be levied on every supply of goods and services. The 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 a seamless flow of input tax credits from one State to another.

3.3 Define Indian GST in Tax Calculation Structures

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

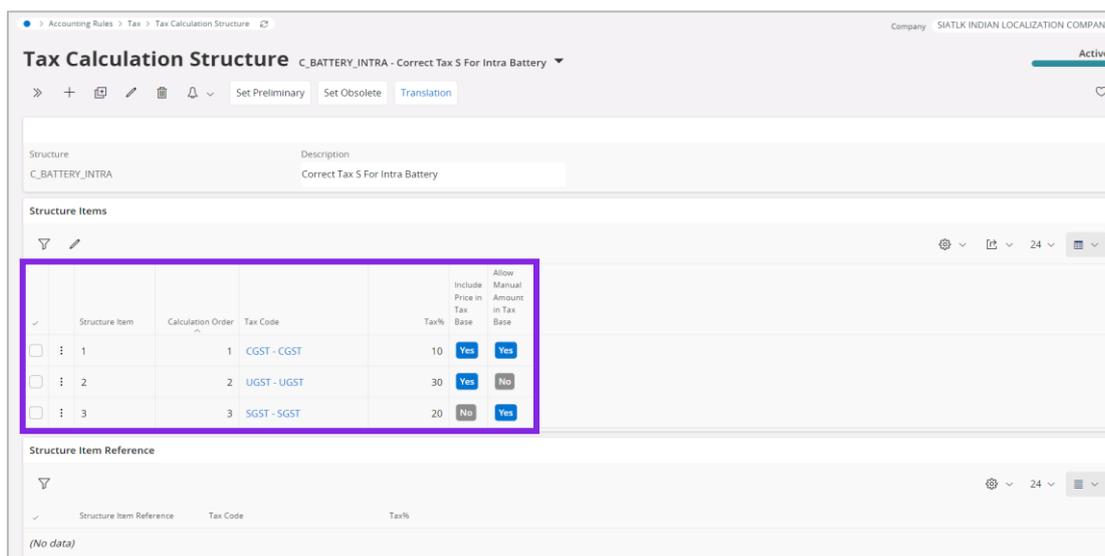
3.4 Define different Tax Structures for Inter State and Intra State transactions

3.4.1 FOR INTRA-STATE TRANSACTIONS:

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

In the case of intra-state transactions within Union Territories, the Seller collects both CGST & UGST from the buyer and CGST needs to be deposited with the Central Govt and UGST with the 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).



Tax Calculation Structure C_BATTERY_INTRA - Correct Tax S For Intra Battery

Structure: C_BATTERY_INTRA, Description: Correct Tax S For Intra Battery

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

Structure Item Reference: (No data)

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 on the **States** page. (Refer to [System Define Indian States](#))

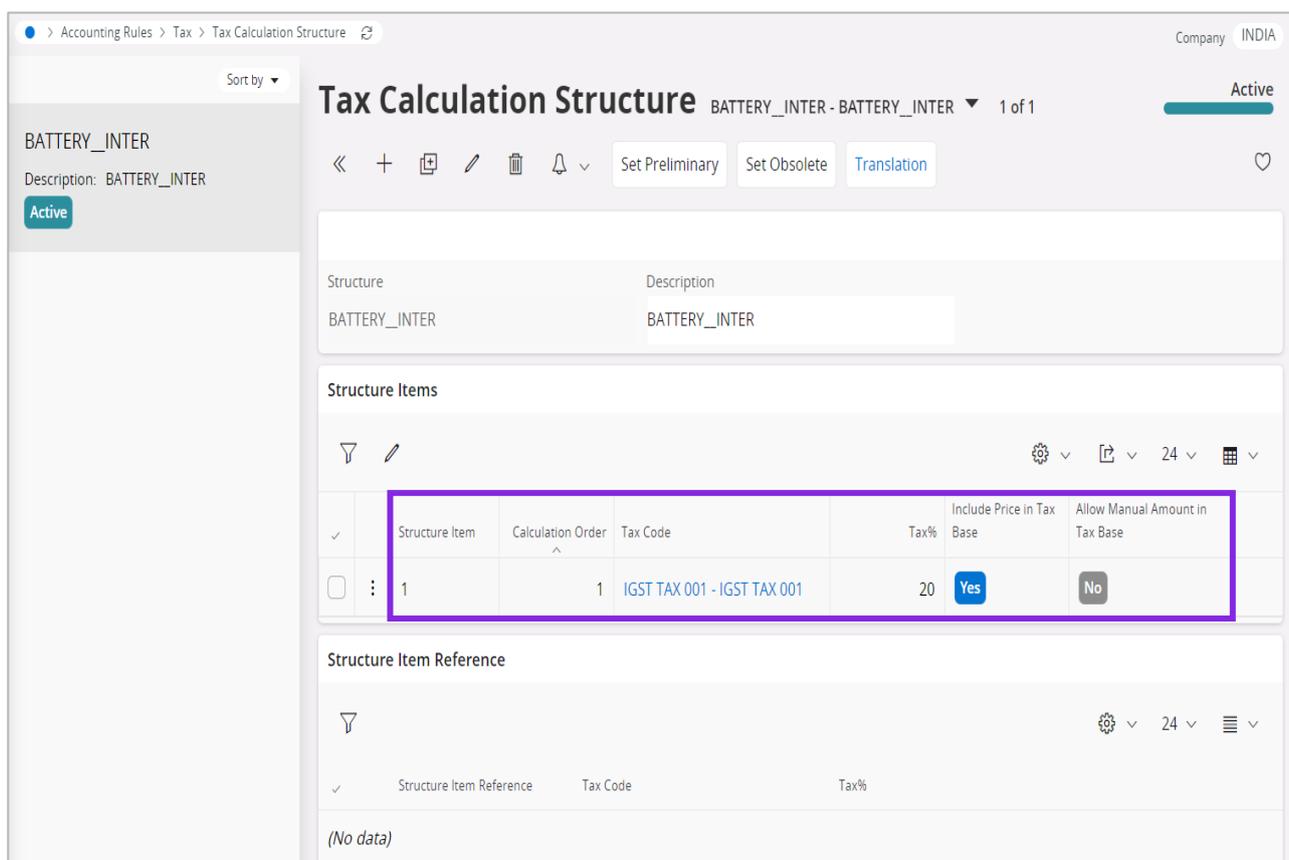
Accordingly,

- 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.

3.4.2 FOR INTER-STATE TRANSACTIONS:

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

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



The screenshot displays the 'Tax Calculation Structure' configuration page for 'BATTERY_INTER'. The main table, 'Structure Items', is highlighted with a purple border and contains the following data:

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)'.

4 Tax Code Structures – Manual Tax Base Amount

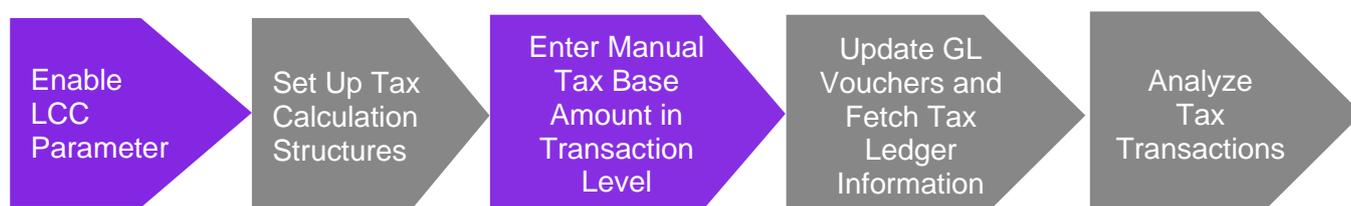
4.1 Overview Legal Requirement

As per 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/services - Goods/services rendered free of cost come under the purview of GST and the law has provision to arrive at taxable value.
- Promotional sales on only a GST basis - Sometimes a promotional sale is being done where only GST is recovered from the customer.

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

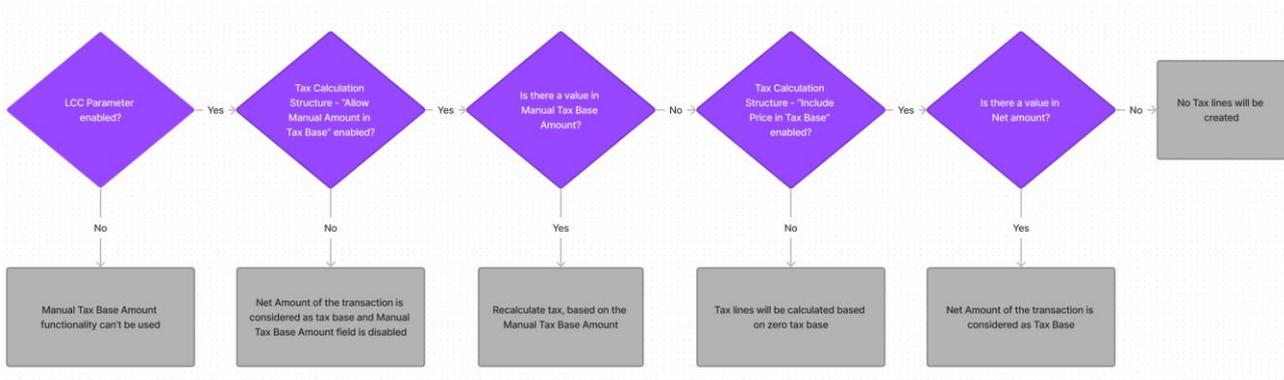
4.2 Process Overview



4.3 Solution Overview

Complying with the above requirement, upon enablement of an LCC parameter, the user is given ability to determine the use of the 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 the **Manual Tax Base Amount** field which is made available on line level in a number of transaction pages.



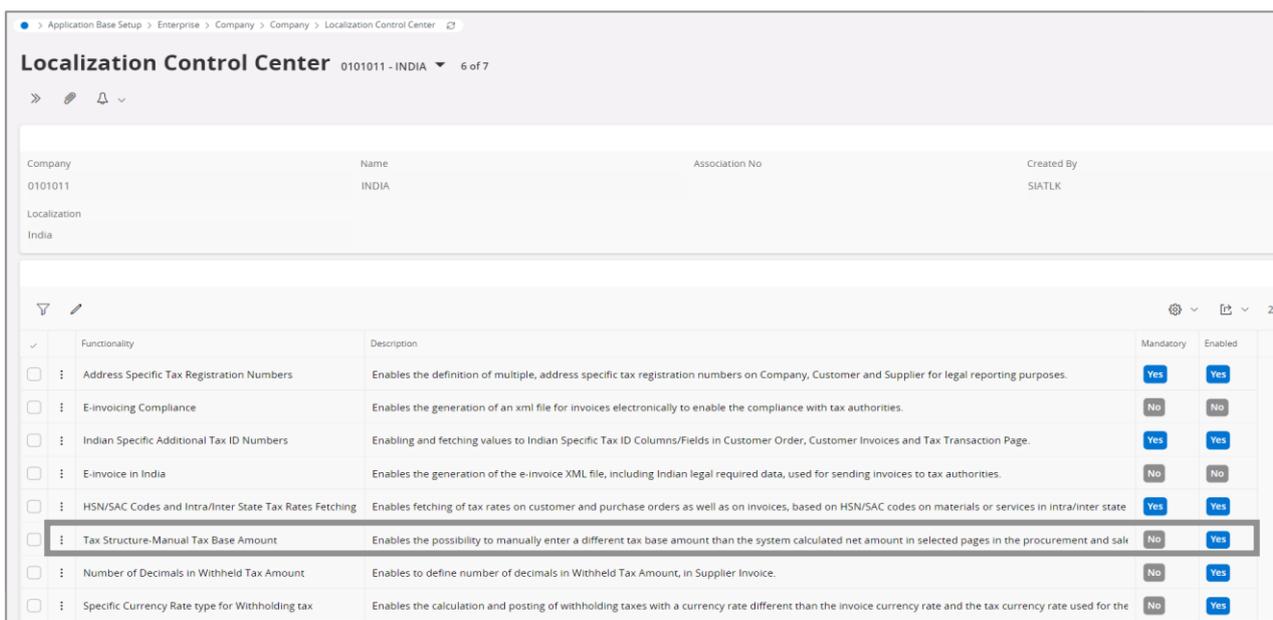
4.4 Prerequisites

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

4.5 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 the user needs 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

4.6 Set up Tax Calculation Structures

Upon enablement of the LCC parameter "Tax Structure-Manual Tax Base Amount", a new column is made visible on the **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 on the **Tax Calculation Structure** page and at the 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.

4.7 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 at the transaction level can be edited only if, *the* **“Allow Manual Amount in Tax Base”** option is selected for the connected **tax calculation structure**. This means the user needs to first connect a **Tax calculation structure** with the **Allow Manual Amount in the Tax base** toggle enabled in the 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

+ [Done] [Cancel New] 24

(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**.

4.8 SCENARIOS EXPLAINING THE MANUAL TAX BASE AMOUNT

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

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

Enter a Tax Calculation Structure with the “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

Set Preliminary Set Obsolete Translation

Structure	Description
TAX_STRUCTURE_SC01	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** at a Transaction line level, eg: **Manual Supplier Invoice** Line level, and enter a value in the **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	MANUAL TAX BASE 01	INR			

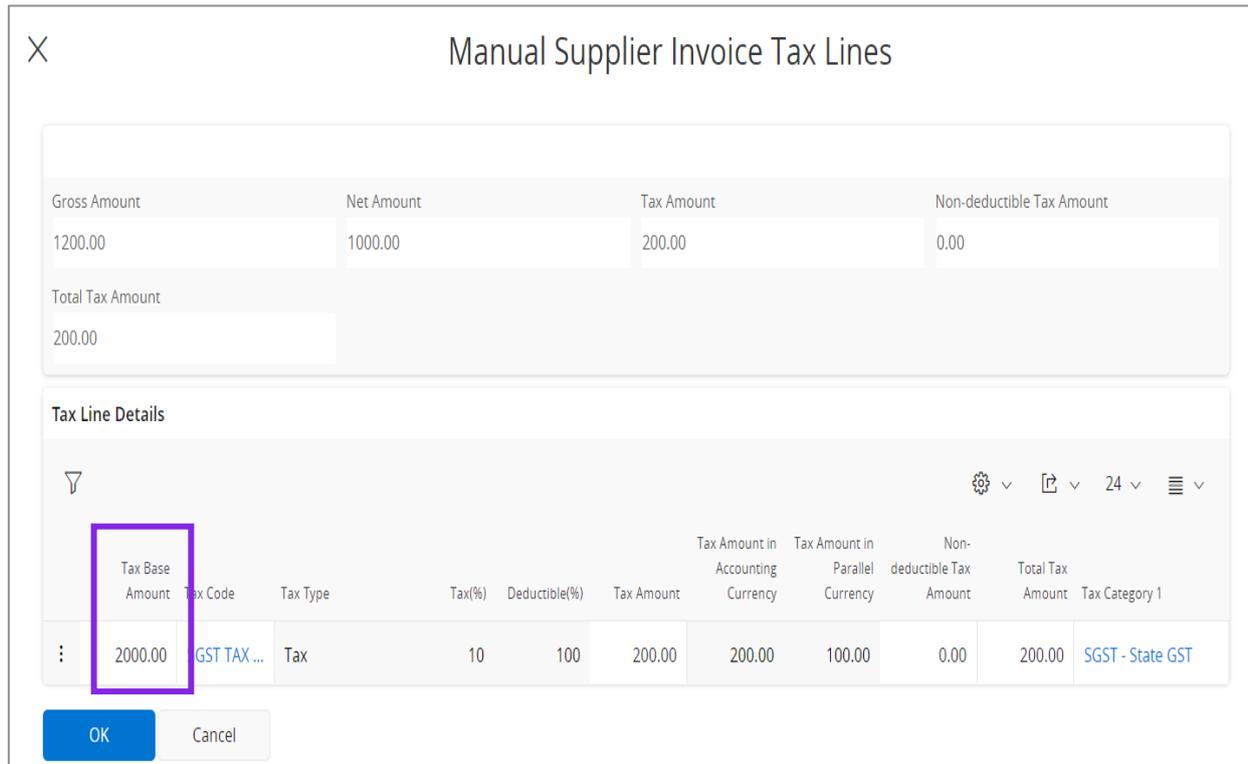
Line Information				
Gross Amount	Net Amount	Tax Amount	Non-deductible Tax ...	Cost Amount
1200.00	1000.00	200.00	0.00	1000.00

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	

Previous Next Finish Cancel

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)



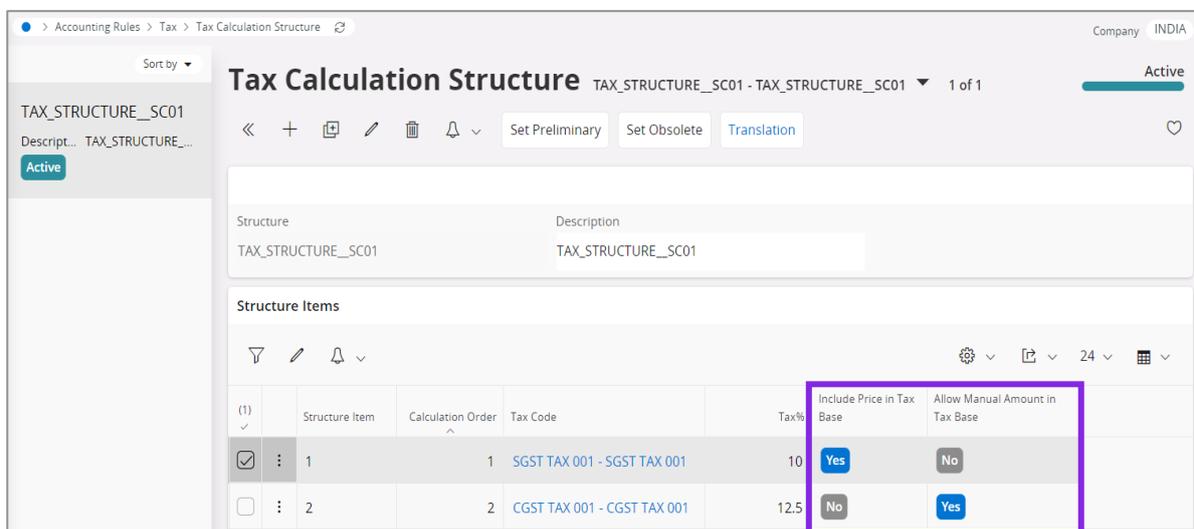
Gross Amount	Net Amount	Tax Amount	Non-deductible Tax Amount
1200.00	1000.00	200.00	0.00
Total Tax Amount			
200.00			

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	GST TAX ...	Tax	10	100	200.00	200.00	100.00	0.00	200.00	SGST - State GST

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.

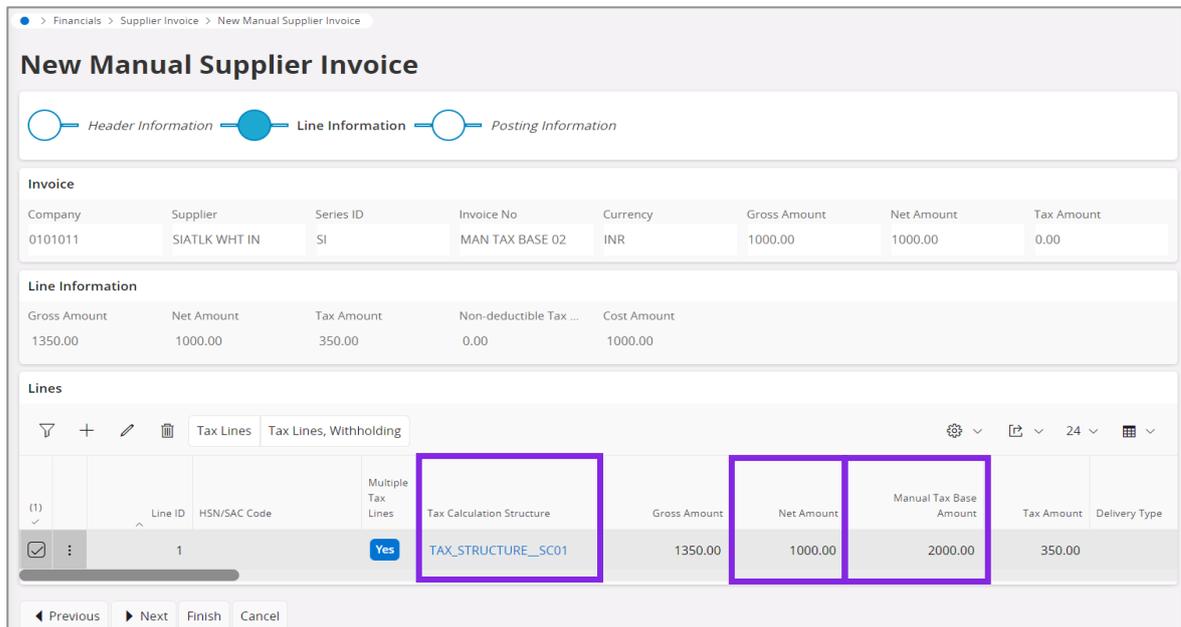
4.8.2 SCENARIO 2 - TAX CALCULATION STRUCTURE WITH DIFFERENT STRUCTURE ITEMS SELECTED FOR BOTH, **INCLUDE PRICE IN TAX BASE AND ALLOW MANUAL AMOUNT IN TAX BASE** OPTIONS.

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



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

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



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

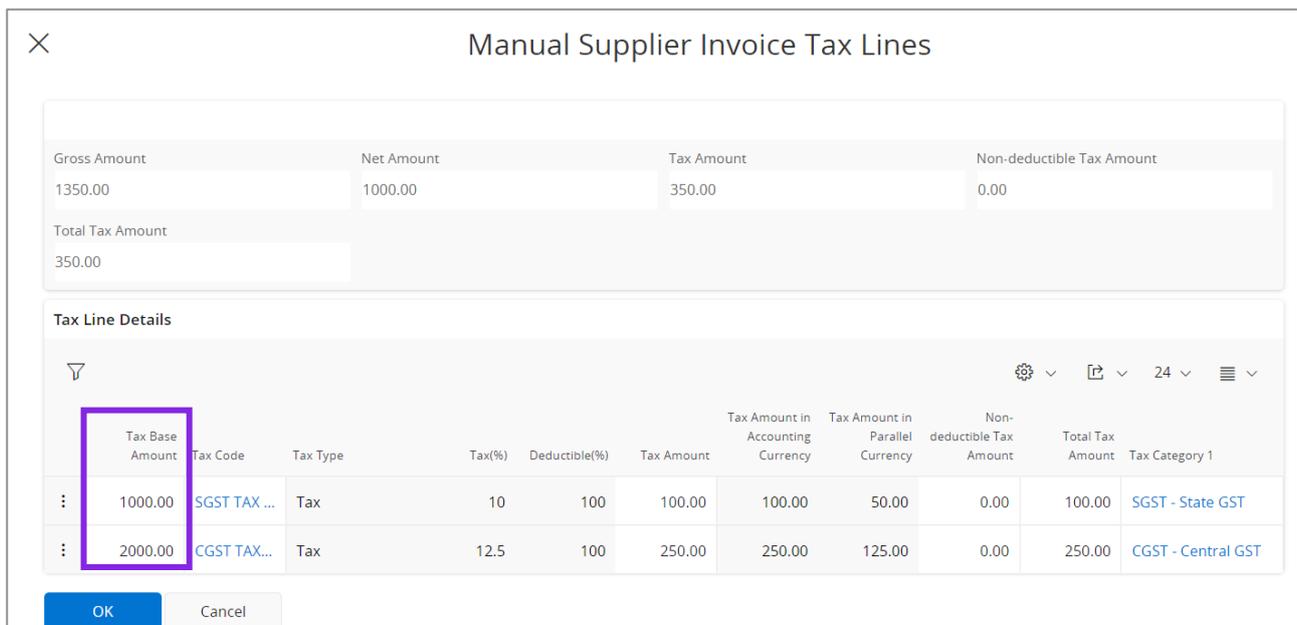
Gross Amount	Net Amount	Tax Amount	Non-deductible Tax ...	Cost Amount
1350.00	1000.00	350.00	0.00	1000.00

Lines

Line ID	HSN/SAC Code	Multiple Tax Lines	Tax Calculation Structure	Gross Amount	Net Amount	Manual Tax Base Amount	Tax Amount	Delivery Type
1		Yes	TAX_STRUCTURE_SCO1	1350.00	1000.00	2000.00	350.00	

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			

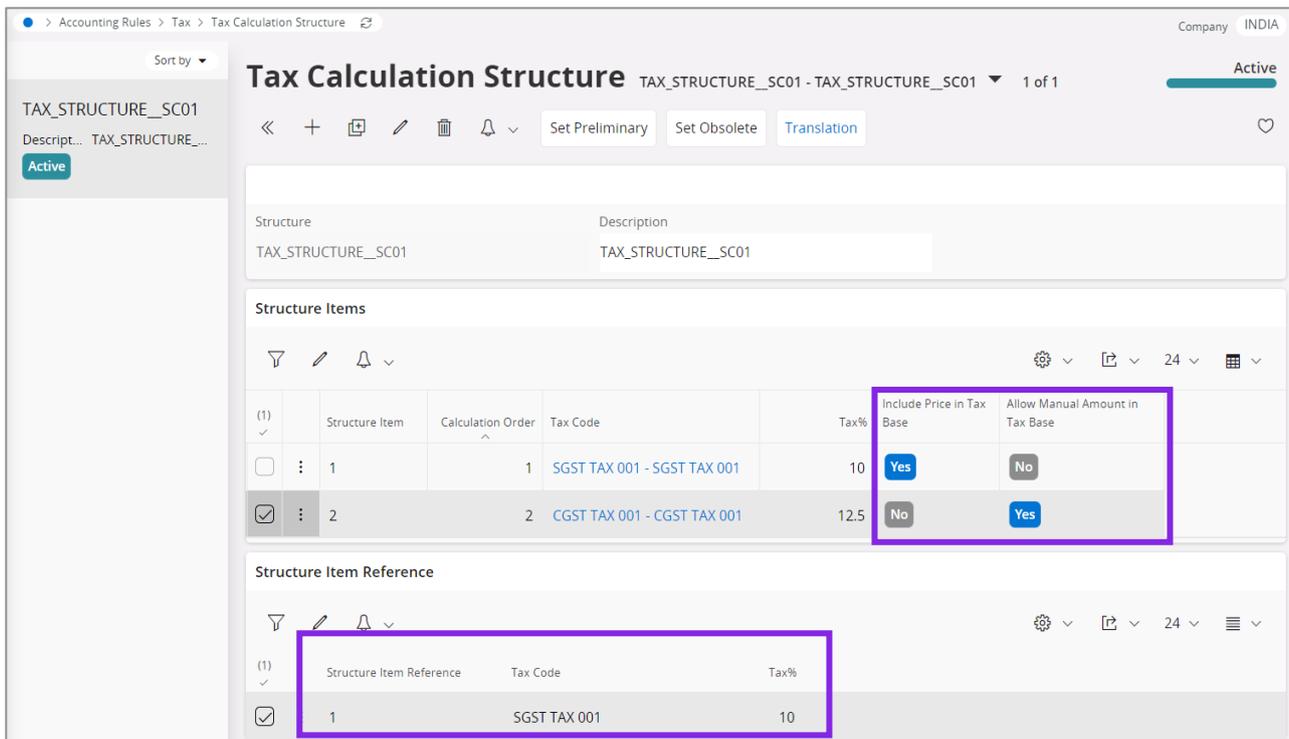
Tax Line Details

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

OK Cancel

4.8.3 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 the “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 line 2.



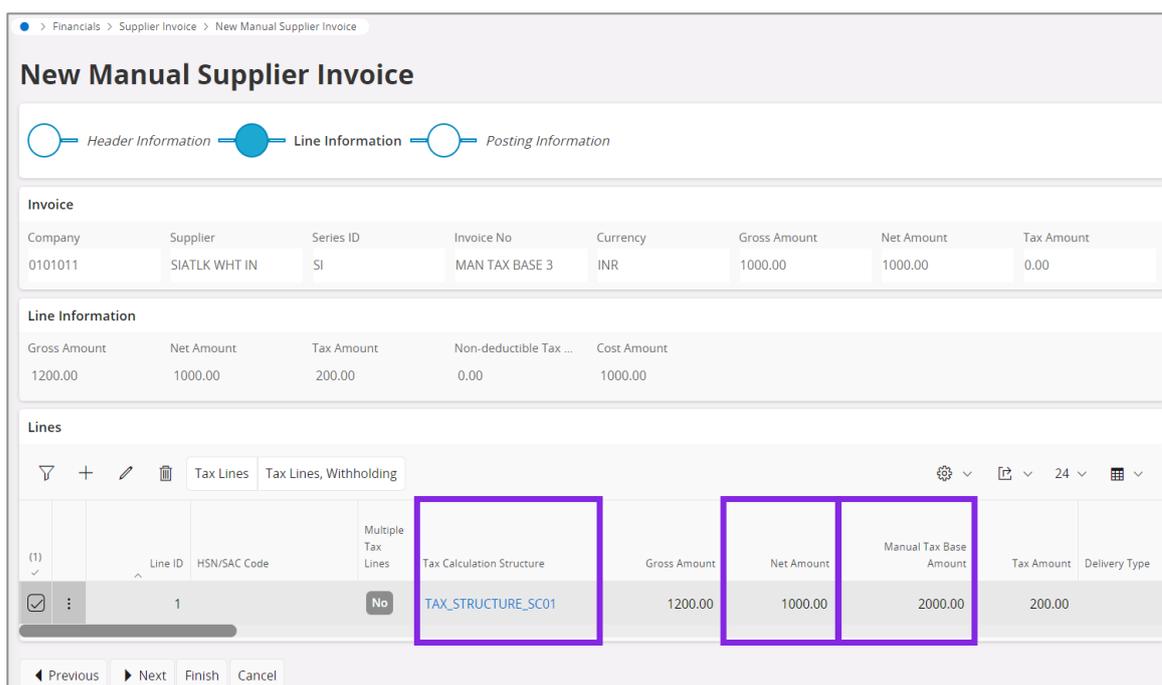
Tax Calculation Structure TAX_STRUCTURE__SC01 - TAX_STRUCTURE__SC01 1 of 1

Structure: TAX_STRUCTURE__SC01, Description: TAX_STRUCTURE__SC01

(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

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

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



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	MAN TAX BASE 3	INR	1000.00	1000.00	0.00

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

(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	

◀ 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 x 10% = 100)
- 2) Tax calculation of the 2nd line done based on the “Manual Base Amount” and “Tax in 1st Line” (2100 x 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

4.8.4 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 the “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	Description
TAX_STRUCTURE_SC01	TAX_STRUCTURE_SC01

Structure Items

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

Use the above **Tax Calculation Structure** at a Transaction level, e.g.: **Manual Supplier Invoice** Line level and leave the **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

Filter: 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	

Navigation: 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 the **Include Price in Tax Base** toggle is disabled in the **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			

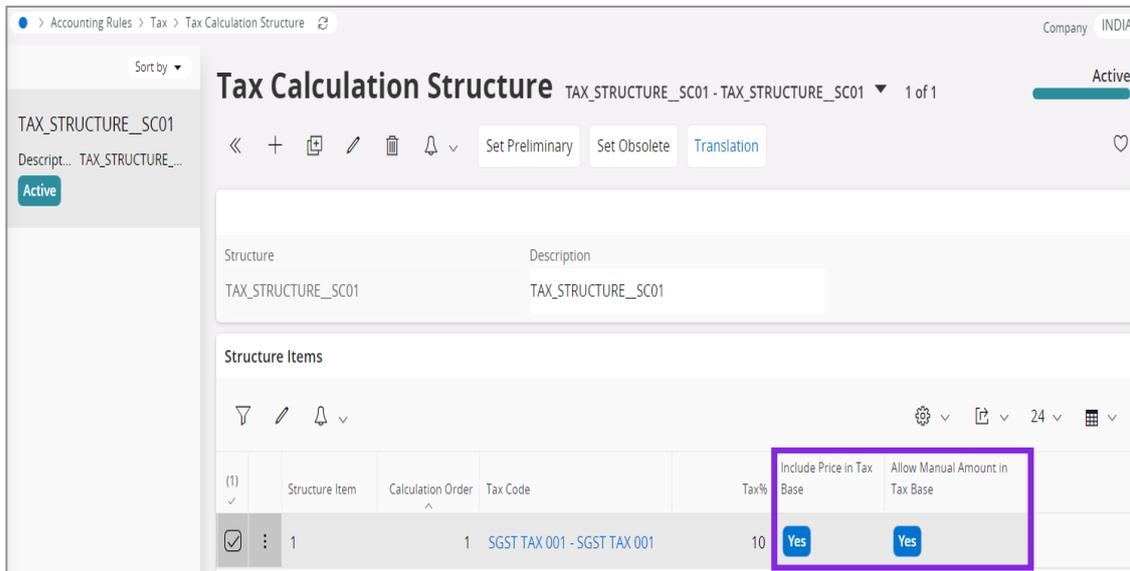
Tax Line Details

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

Buttons: OK, Cancel

4.8.5 SCENARIO 5 – TAX CALCULATION STRUCTURE WITH BOTH ALLOW MANUAL TAX BASE AMOUNT AND INCLUDE PRICE IN TAX BASE ENABLED.

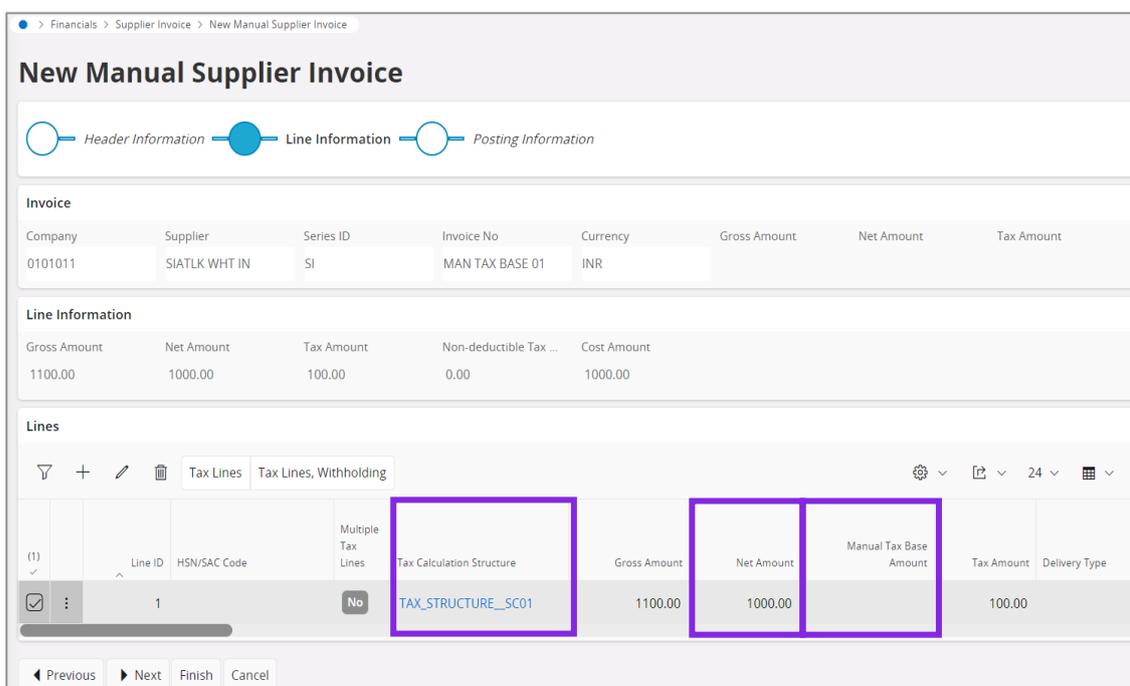
Enter a Tax Calculation Structure with both “Allow Manual Amount in Tax Base” and “Include Price in Tax Base” options selected.



The screenshot shows the 'Tax Calculation Structure' configuration page for 'TAX_STRUCTURE__SC01'. The structure is active. The 'Structure Items' table below shows a single item with the following configuration:

(1)	Structure Item	Calculation Order	Tax Code	Tax%	Include Price in Tax Base	Allow Manual Amount in Tax Base
<input checked="" type="checkbox"/>	1	1	SGST TAX 001 - SGST TAX 001	10	Yes	Yes

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



The screenshot shows the 'New Manual Supplier Invoice' screen. The 'Line Information' tab is active. The 'Invoice' summary shows:

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

The 'Line Information' summary shows:

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

The 'Lines' table shows the tax line configuration:

(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	1100.00	1000.00		100.00	

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

Order No: P11542, Customer: IPINC1 - IP India Customer 1, Site: IPIS1, Order Type: IP2, Wanted Delivery Date/Time: 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

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

4.9 Tax Transactions

Once the core process to bring Tax Information to the **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 to on the **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 the **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 on the **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	

4.10 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.

4.11 Delimitations

Manual Tax Base Amount functionality is only available on the 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.

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

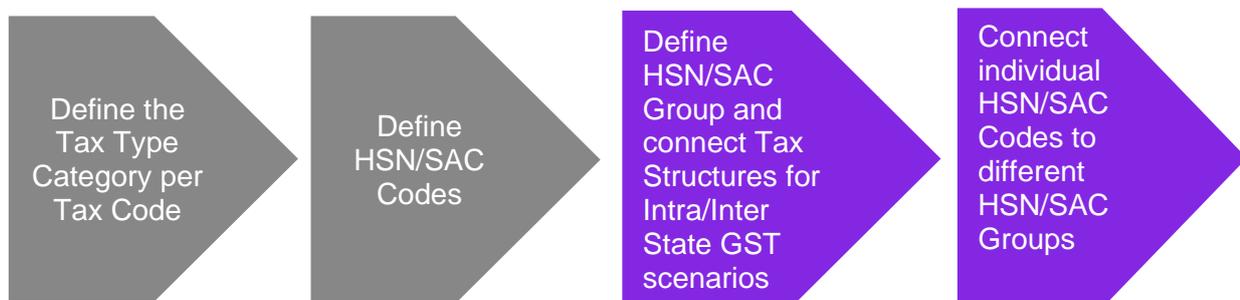
5.1 Overview Legal Requirement

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 must be done against the HSN code.

All services must 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.

5.2 Process Overview



5.3 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.

5.4 Prerequisites

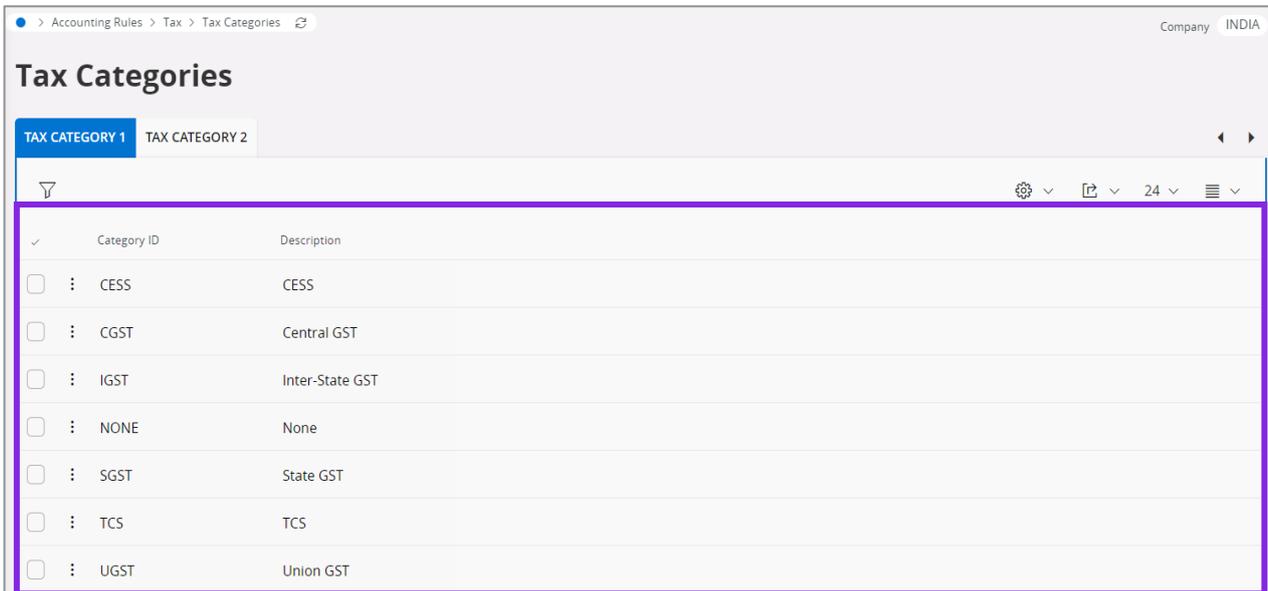
The company must be set-up to use the Indian localization. See the [Company Setup](#) chapter. The “HSN/SAC Codes and Intra/Inter State Tax Rate Fetching” localization parameter must be enabled.

5.5 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.

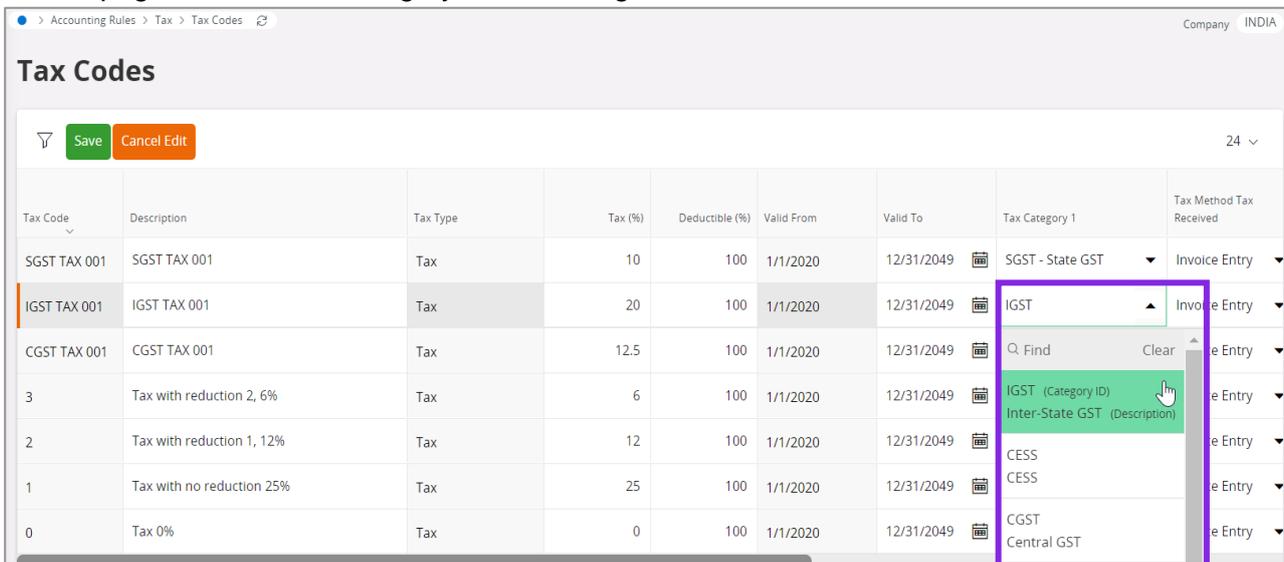
- CGST – Central Goods and Services Tax
- SGST – State Goods and Services Tax
- UGST – Union Goods and Services Tax
- IGST – Integrated Goods and Services Tax
- CESS – Cess
- TCS – TCS

Catering to the requirement, the above-mentioned tax categories are included in the **Tax Categories** page as uneditable 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 the **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	Invoice Entry
3	Tax with reduction 2, 6%	Tax	6	100	1/1/2020	12/31/2049	CGST	Invoice Entry
2	Tax with reduction 1, 12%	Tax	12	100	1/1/2020	12/31/2049	CGST	Invoice Entry
1	Tax with no reduction 25%	Tax	25	100	1/1/2020	12/31/2049	CGST	Invoice Entry
0	Tax 0%	Tax	0	100	1/1/2020	12/31/2049	CGST	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.

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	To State
<input type="checkbox"/>	II	2022000023	IP4	SGST TAX 001	-4.00	4.00	-0.40	12/18/2022	SGST - State GST	4987598257 - Bulbs	DL
<input type="checkbox"/>	II	2022000024	IP4	SGST TAX 001	100.00	-100.00	10.00	12/18/2022	SGST - State GST	102039 - Battery	DL
<input type="checkbox"/>	II	2022000027	IP4	SGST TAX 001	-100.00	100.00	-10.00	12/18/2022	SGST - State GST	102039 - Battery	DL
<input type="checkbox"/>	II	2022000028	IP4	SGST TAX 001	-1000.00		-100.00	12/18/2022	SGST - State GST		DL

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	TAX CATEGORIES	INR			

Line Information

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

Lines

Tax Lines | Tax Lines, Withholding

(1)	✓	Tax Code	Tax Category 1	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
<input type="checkbox"/>		CGST TAX 001	CGST - Central GST	12.5	Invoice		125.00	62.50	0.00	1000.00	125.00
<input checked="" type="checkbox"/>		SGST TAX 001	SGST - State GST	10	Invoice		100.00	50.00	0.00	1000.00	100.00

Previous | Next | Finish | Cancel

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.

5.6 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 business transaction need to be identified with an 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
<input type="checkbox"/>	: 123456789	Plastics	Goods
<input type="checkbox"/>	: 123HC	Haircut	Service
<input type="checkbox"/>	: 22223333LT	Laptop	Goods
<input type="checkbox"/>	: 33333	Repair	Service

5.7 HSN/SAC Groups and Intra/Inter-state Tax Structures

The government categorizes 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 inter-state tax Calculation Structures to each group accordingly.

HSN and SAC Groups 12% - Tax rate 12%			
HSN/SAC Group	HSN/SAC Group Description	Intra State Tax Calculation Structure	Inter State Tax Calculation Structure
12%	Tax rate 12%	INTRA12%	INTER12%

HSN and SAC Codes Per Group			
✓	HSN/SAC Codes	Valid From	
<input type="checkbox"/>	: 89898989 - Wood	2022-11-10	
<input type="checkbox"/>	: 123456789 - Plastics	2022-08-02	
<input type="checkbox"/>	: 33333 - Repair	2022-11-08	
<input type="checkbox"/>	: 123HC - Haircut	2022-11-08	
<input type="checkbox"/>	: 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.

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

6.1 Overview Legal Requirement

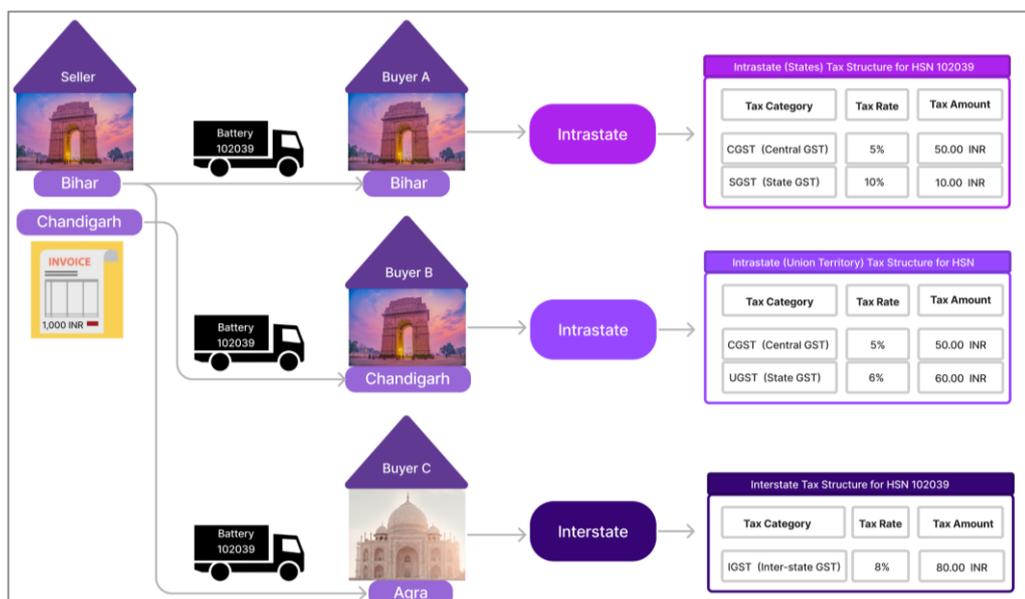
As per Sections 8, 10 and 12 of the Integrated Goods and Services Tax Act, 2017, the legislation that describes the Supply of Goods or Services, the tax rate relevant to a GST liable transaction, depends on two major attributes.

- The Product/ Service** - In the GST regime all goods and services must be identified by an HSN or SAC code respectively. The tax rate applicable for GST is 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 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.



6.2 Process Overview



6.3 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 into invoice lines, the system compares the buyer's state with the 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,

The 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 the transaction header level.

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

Accordingly,

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

For Sales Transactions,

The 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 the transaction header level.

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

Accordingly,

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

6.4 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/Interstate Tax Rates Fetching**” automatically enabled in the **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/Interstate 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/Interstate 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.

6.5 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 the HSN/SAC code for the part or charge type. The list of Values shows HSN/SAC codes defined on the **HSN/SAC Codes** page.

6.5.1 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	Created
				0	2022-11-23
			Notes	HSN/SAC Code 89898989 - Wood	
Indicators					Replacement Part

6.5.2 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
		Notes	Created: 2022-10-10 HSN/SAC Code 33333 - Repair
Indicators			Replacement Part

6.5.3 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: [v] | Grouping: [v]
 Components: [v] | Unit of Measure: [v]
 Indicators: [v] | Tax: [v]
 GTIN: [v] | Replacement Part: [v]

Misc Information

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

Notes:

HSN/SAC Code: 44445555 - Engine

6.5.4 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 [v] | **Cost Control** [v]
Classification [v] | **Identification** [v]
 Commodity Group 1: [v] | Commodity Group 2: [v] | Asset Class: S [v]
 ABC Class: C [v] | ABC Class Locked Until: [v] | Frequency Class: Very Slow Mover [v]
 Frequency Class Locked Until: [v] | Lifecycle Stage: Development [v] | Lifecycle Stage Locked Until: [v]
 Safety Code: [v] | Accounting Group: [v] | Product Code: [v]
 Product Family: [v] | Supply Chain Part Group: [v] | Type Designation: [v]
 Dimension/Quality: [v] | HSN/SAC Code: 899889898 - Plastics

6.5.5 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			Tax		
Charge Price	Charge Price incl Tax	Charge Cost	Tax Code	Tax Class	Delivery Type
70,00	87,50	0,00	1 - TAX WITH NO RED...		
Charge (%)	Charge Cost (%)	HSN/SAC Code	Taxable	Use Price Including Tax	
		109900 - Internal transport ▾	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

6.5.6 SALES QUOTATION

HSN/SAC Codes and tax fetching logic have 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 the 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, 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 (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 the 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

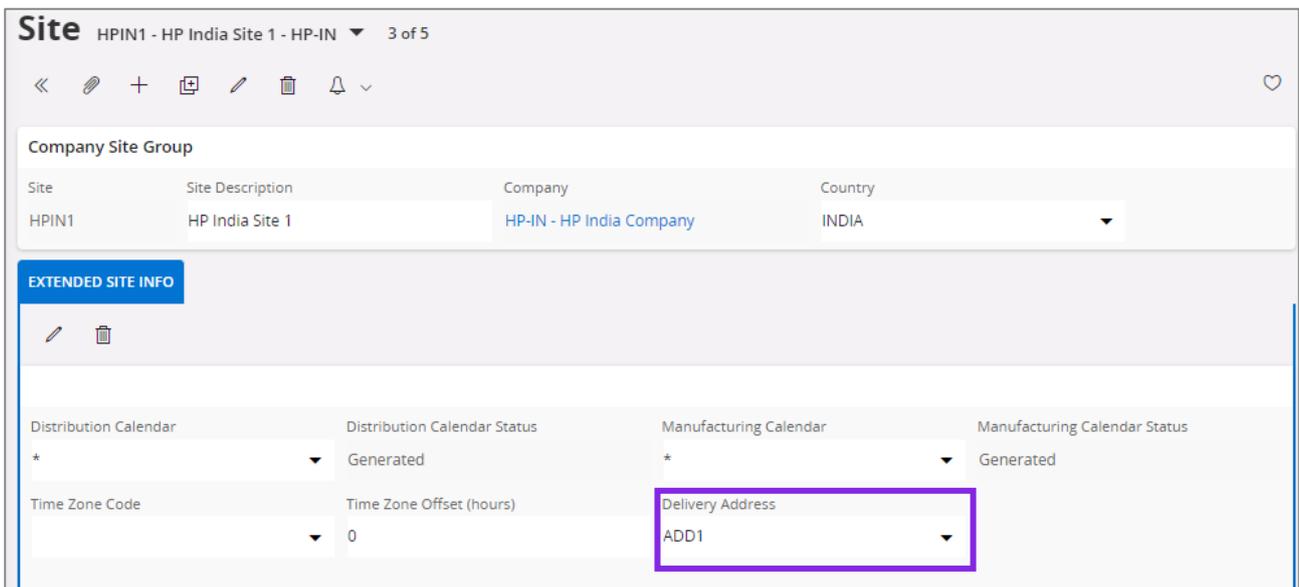
1) A new column is added to the **Sales Quotation/Rental Lines** tab:

HSN/SAC Code: Use this field to enter the 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, 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 (Seller) Delivery Address

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



The screenshot shows the 'Site' configuration page for 'HPIN1 - HP India Site 1 - HP-IN'. The 'Company Site Group' section displays the site details. Below it, the 'EXTENDED SITE INFO' section contains various fields. The 'Delivery Address' field is highlighted with a purple box and contains the value 'ADD1'.

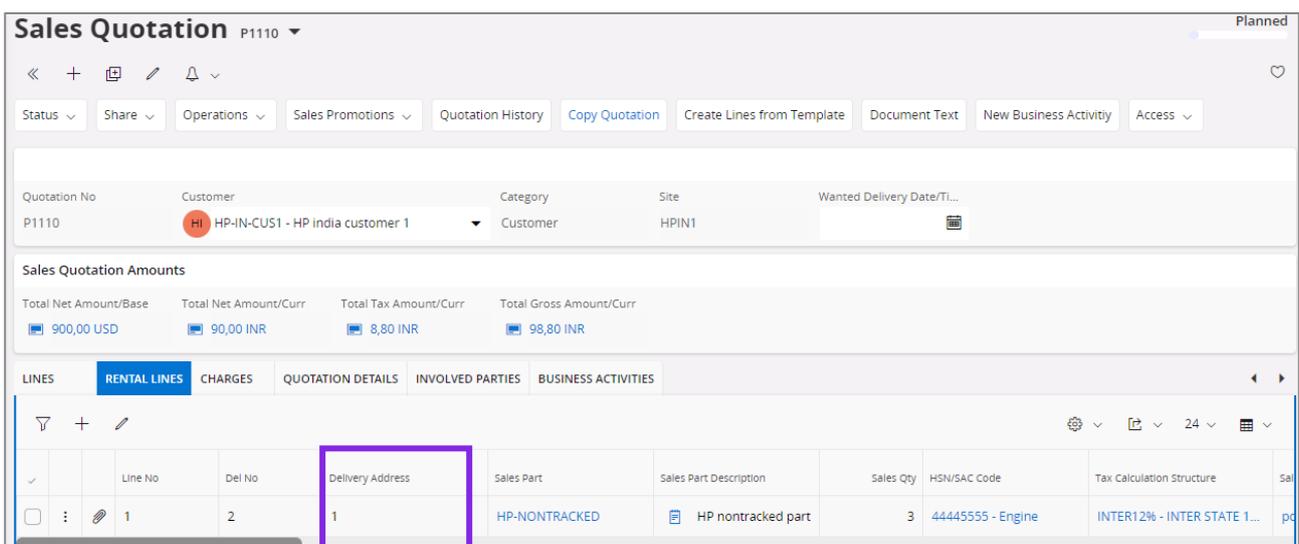
Site	Site Description	Company	Country
HPIN1	HP India Site 1	HP-IN - HP India Company	INDIA

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

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



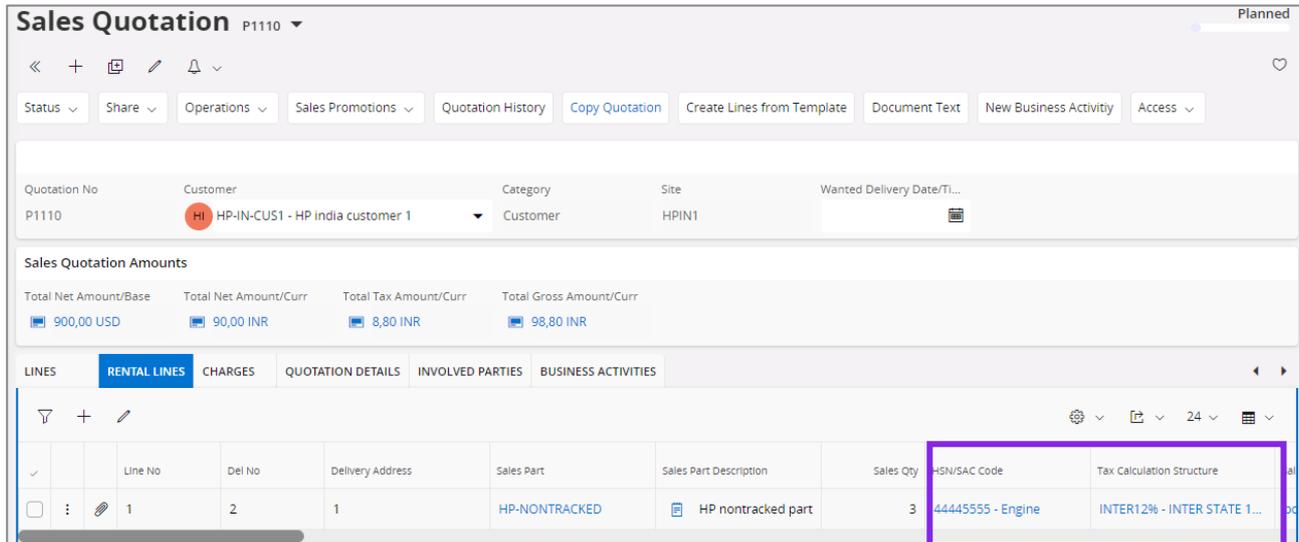
The screenshot shows the 'Sales Quotation' page for 'P1110'. The 'Sales Quotation Amounts' section displays financial data. Below it, the 'LINES' section is active, showing a table of rental lines. The 'Delivery Address' column in the table is highlighted with a purple box.

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

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

LINE	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...

- 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 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 the 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 the 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 the 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**, the 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 described in two scenarios.

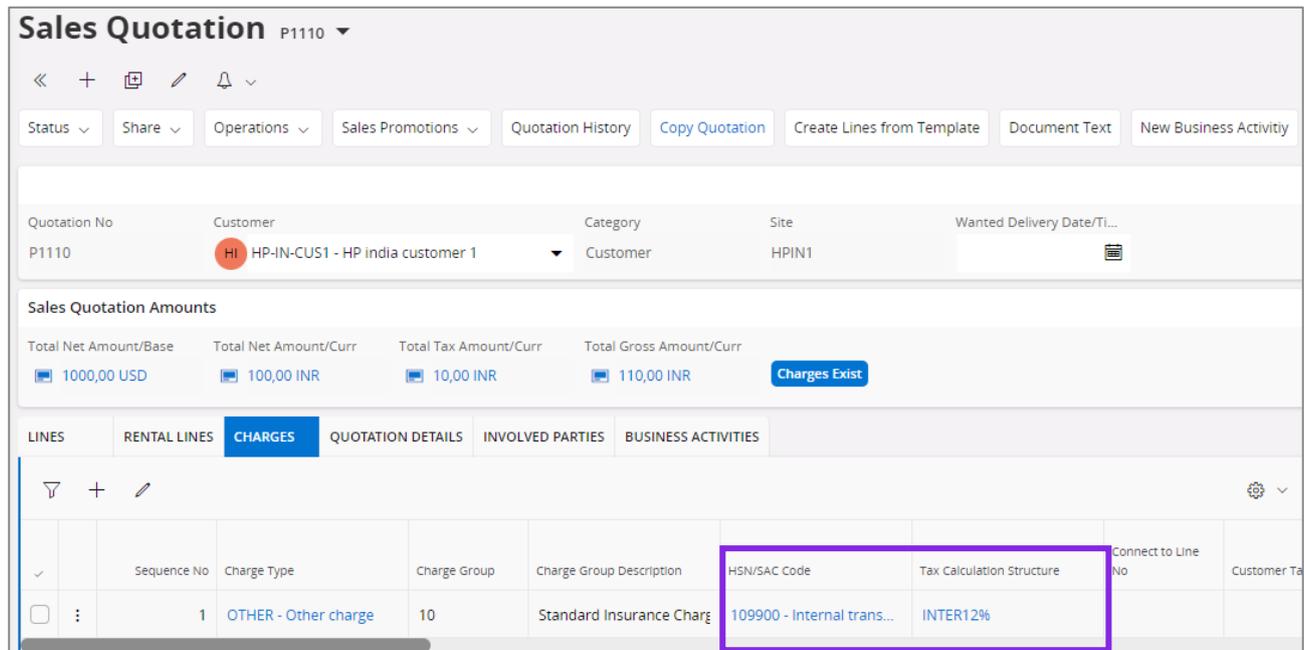
Scenario-01: Charge line is not connected to a Sales Quotation line:

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

Scenario-02: The 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.	The customer (buyer) Delivery Address presented on the connected Sales Quotation Line is validated.

- 3) Select the **Use Customer Document Address for Tax Calculation** toggle to fetch Indian GST Taxes based on the customer document address and company delivery address. The Sales Quotation header document address is considered for a charge line both connected and not connected to a Sales Quotation 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 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 displays the 'Sales Quotation' interface for quotation P1110. It shows various tabs like 'Status', 'Share', 'Operations', 'Sales Promotions', 'Quotation History', 'Copy Quotation', 'Create Lines from Template', 'Document Text', and 'New Business Activity'. The main section shows 'Sales Quotation Amounts' with values for Net Amount, Tax Amount, and Gross Amount. Below this, the 'LINES' section is active, showing a table of charges. One charge line is highlighted with a purple box, showing 'Sequence No' 1, 'Charge Type' 'OTHER - Other charge', 'Charge Group' 10, 'Charge Group Description' 'Standard Insurance Charge', 'HSN/SAC Code' '109900 - Internal trans...', and 'Tax Calculation Structure' 'INTER12%'. The 'Connect to Line' column is set to 'No'.

- 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 the below changes:
 - Delivery Address of Sales Quotation header
 - Sales Charge Type
 - HSN/SAC Code
 - Planned Due Date

6.5.7 CUSTOMER ORDER

HSN/SAC Codes and tax fetching logic have 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 the 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**, the application will first validate the Country (India), and then the states of the 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	Customer	Site	Order Type	Wanted Delivery Date/Ti...
P10922	HP-IN-CUS1 - HP india customer 1	HPIN1	NO	2022-11-10 00:00

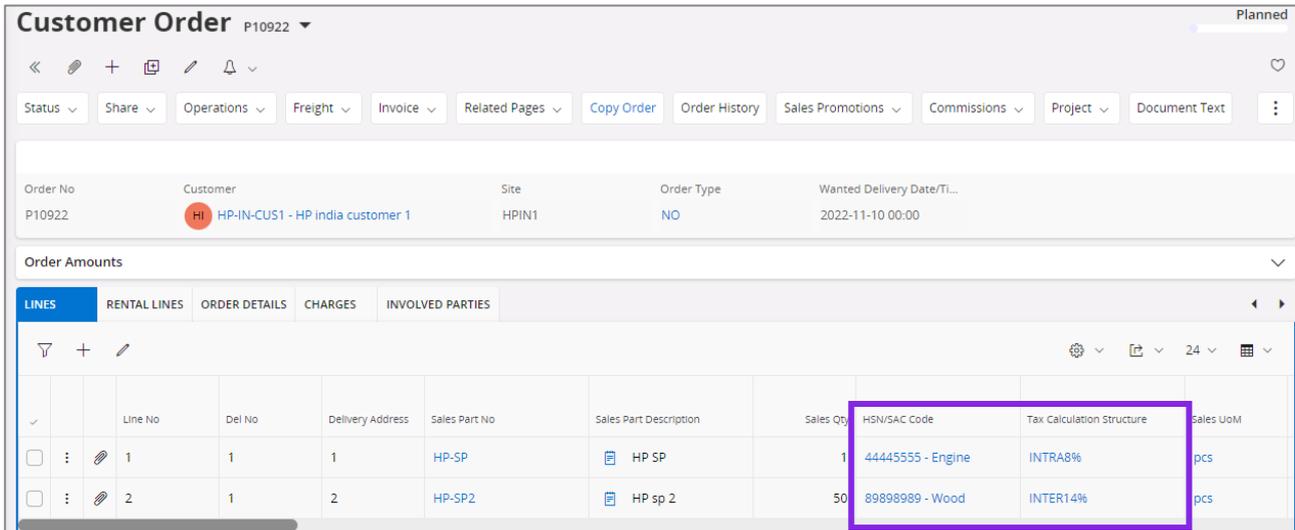
Order Amounts

Total Net Amount/Base	Total Contribution Margi...	Contribution Margin(%)	Total Net Amount/Curr	Total Tax Amount/Curr	Total Gross Amount/Curr
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

- 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 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.



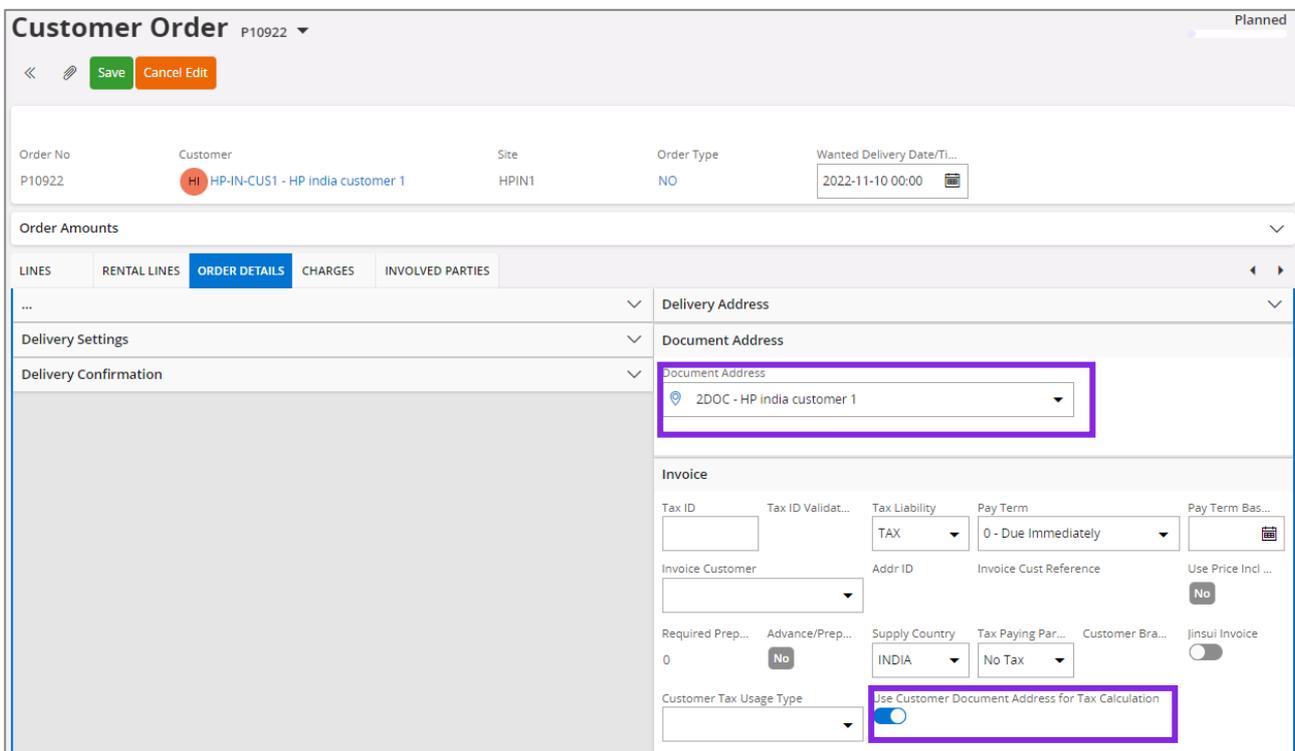
Customer Order P10922 Planned

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

Order Amounts

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

- Select the **Use Customer Document Address for Tax Calculation** toggle to fetch Indian GST Taxes based on the 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/TI...: 2022-11-10 00:00

Order Amounts

ORDER DETAILS

Delivery Address: ...

Delivery Settings: ...

Delivery Confirmation: ...

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...: [] | Jinsui Invoice: []

Customer Tax Usage Type: [] | **Use Customer Document Address for Tax Calculation: [ON]**

- 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

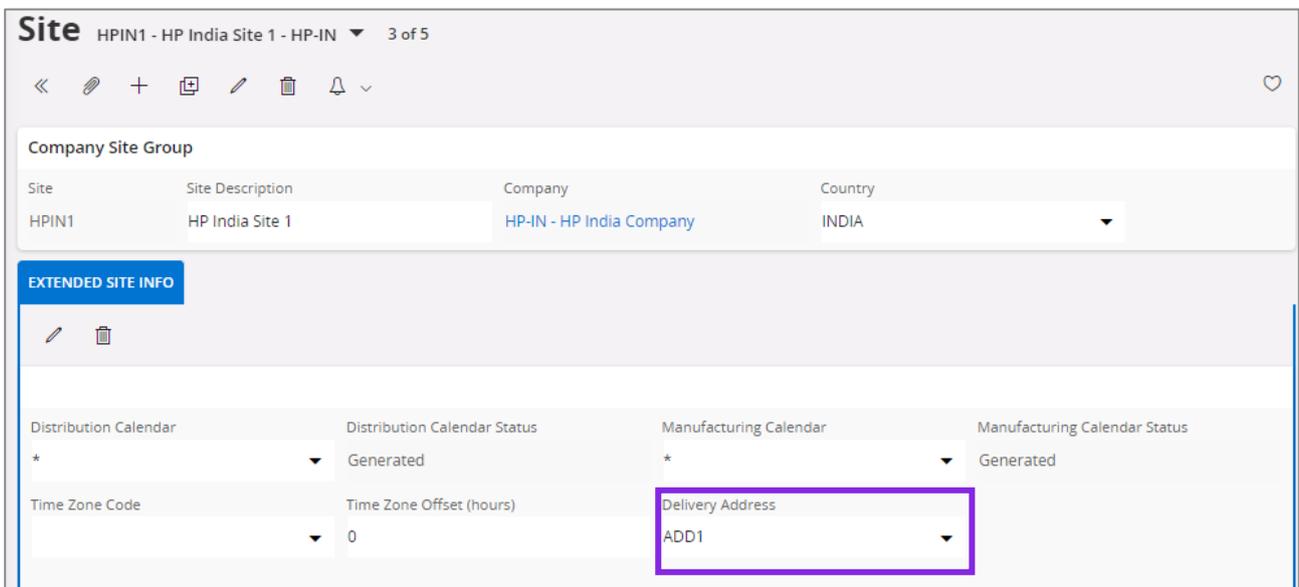
1) A new column is added to the **Customer Order/Rental Lines** tab:

HSN/SAC Code: Use this field to enter the 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**, 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 (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

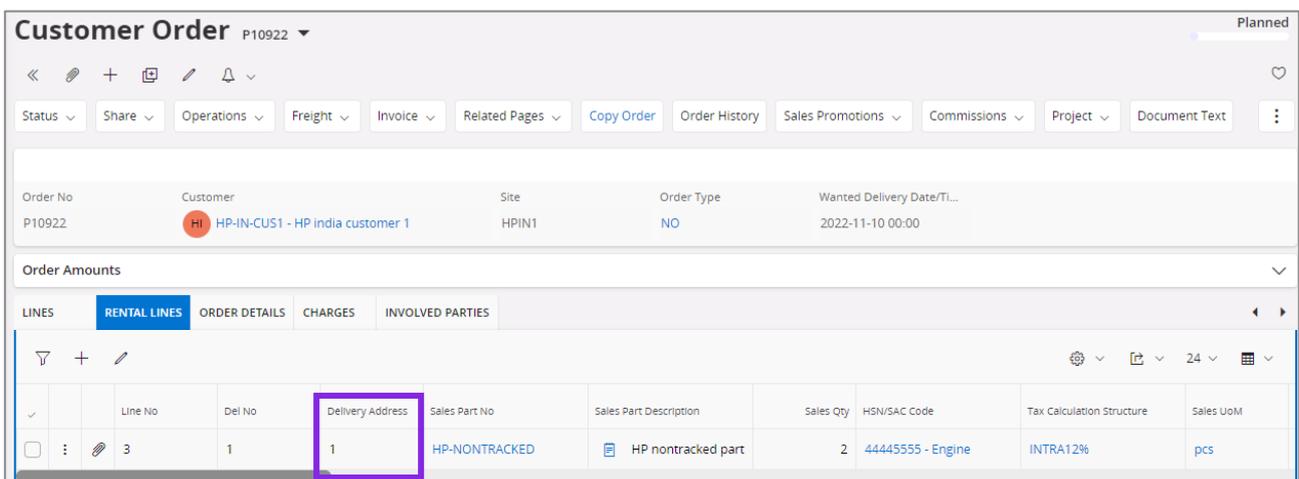
Site	Site Description	Company	Country
HPIN1	HP India Site 1	HP-IN - HP India Company	INDIA

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 the 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

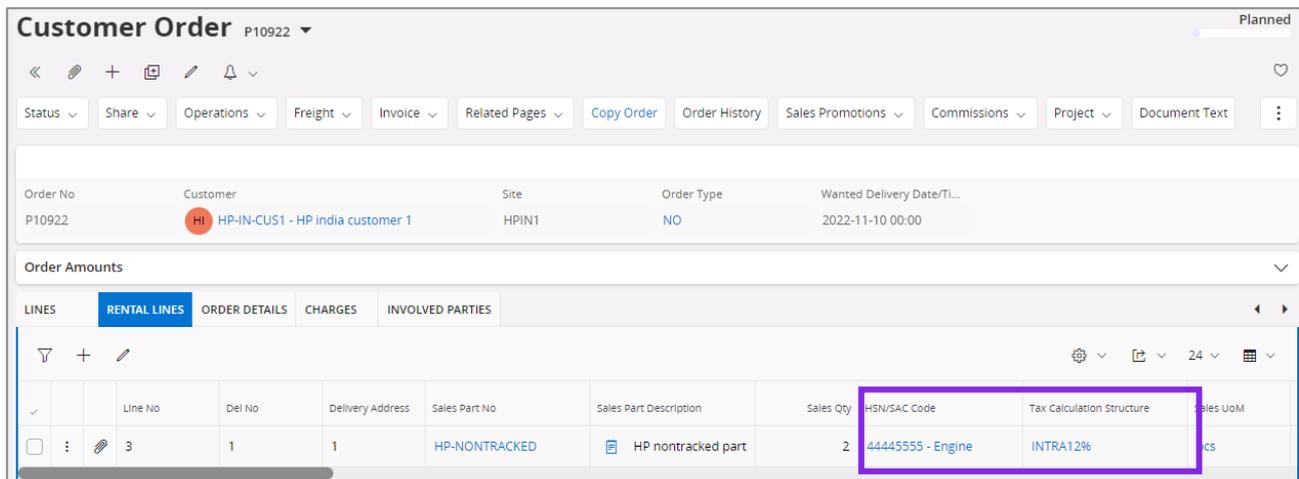
Order No	Customer	Site	Order Type	Wanted Delivery Date/TL...
P10922	HP-IN-CUS1 - HP india customer 1	HPIN1	NO	2022-11-10 00:00

Order Amounts

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
3	1	1	HP-NONTRACKED	HP nontracked part	2	44445555 - Engine	INTRA12%	pcs

- 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 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.



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%	ecs

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

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

HSN/SAC Code: Use this field to enter the 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 Customer Order Charge line, the application will first validate the Country (India) and state of buyer and seller delivery address to determine whether the transaction is Intra/interstate.

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

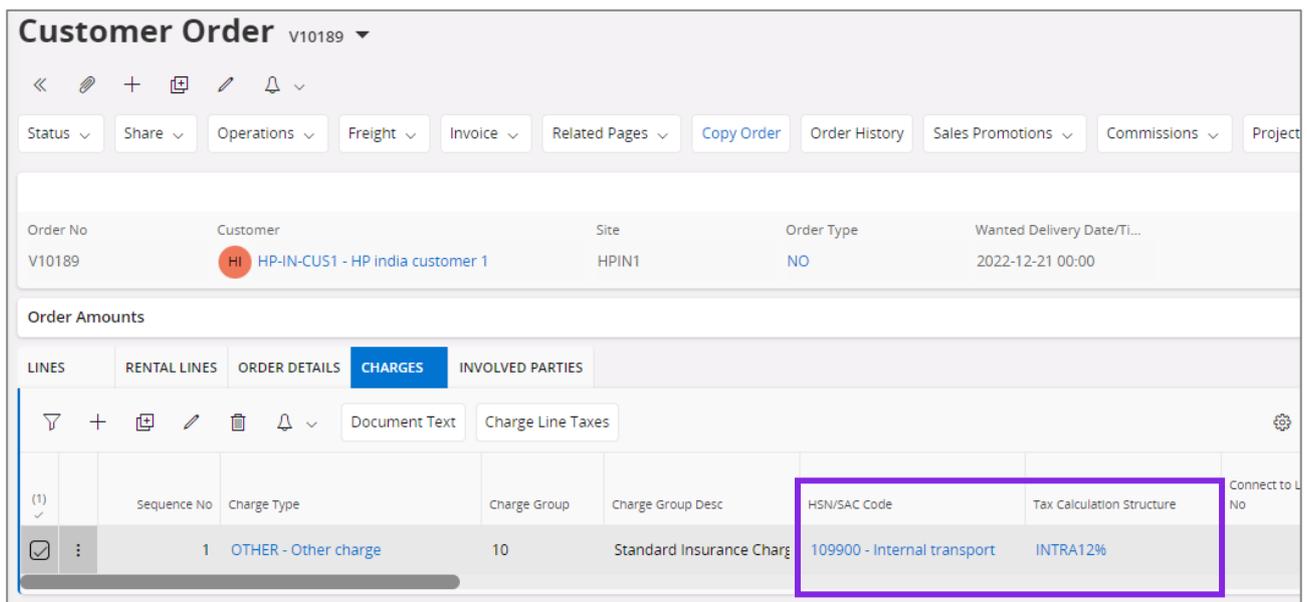
Scenario-01: The charge line is not connected to a Customer Order line.

Company (Seller) Delivery Address	Customer (Buyer) Delivery Address
Company (Seller) Delivery Address available on site is validated.	The customer (buyer) Delivery Address available on the 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 the customer document address and company delivery address. The Customer Order header document address is considered for a 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
1	OTHER - Other charge	10	Standard Insurance Charge	109900 - Internal transport	INTRA12%	No

- 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 the below changes;
 - Delivery Address of Customer Order header
 - Delivery Address of Customer Order Charge lines
 - Sales Charge Type
 - HSN/SAC Code
 - Planned Ship Date

6.5.8 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 the 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, the default value is fetched from the **Customer Invoice** page.

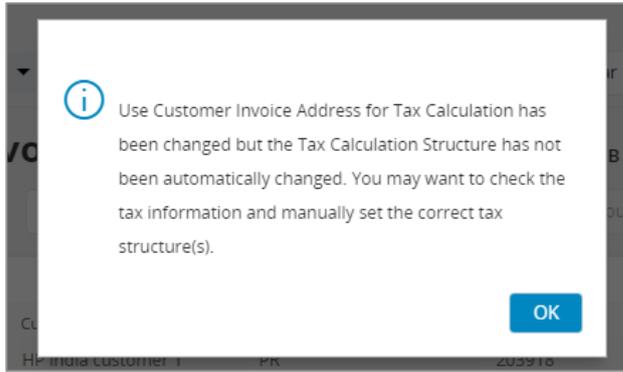
Customer Invoice						
HP-IN-CUS1 - HP india customer 1 - 970000002 - CUSTORDDEB - P11520 1 of 1						
Customer No	Customer Address Name	Series ID	Invoice No	Company	Site	Invoice Created
HP-IN-CUS1	HP india customer 1	CD	970000002	HP-IN	HPIN1	2023-01-03
Amounts						
Currency	Gross Amt	Net Amt	Tax Amt	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 the HSN/SAC code is manually changed, the following information is used in order to determine whether the transaction is inter or intra-state:

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

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



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

- HSN/SAC Code

6.5.9 PRINT CUSTOMER INVOICE

Print and preview the customer invoice using IFS Could standard functionality. In the **Report Archive** page use the 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 - Dehli</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/>

```

The solution is available for the following reports:

CUSTOMER_ORDER_IVC_REP	Invoice
CUSTOMER_ORDER_COLL_IVC_REP	Collective Invoice

6.5.10 RETURN MATERIAL AUTHORIZATION

HSN/SAC Codes and tax fetching logic have been introduced;

- *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 the HSN/SAC code.

- If the line has a reference to a debit invoice, the 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 the Package part is returned from a *Customer Order*, the respective component sales part(s) are listed in the RMA and the 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 the site, that is the 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.
 - The 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:

- When manually entering 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 the 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: <input type="text"/></p> <p>Cancellation Reason: <input type="text"/></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 the 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 orders, the following information is used to determine whether the transaction is inter or intra-state:

- State from company (seller) address:
 - State from the company delivery address connected to the site, that is the 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 the same solution as for the **Return Material Authorization/Return Material Lines** tab.
 - The 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	Customer	Site	Printed
200735	HI HP-IN-CUS1 - HP india customer 1	HPIN1	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
✓	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 the customer document address and company delivery address.

5)

5) For not connected Credit Charge lines, re-fetch of tax structure is done for the below changes.

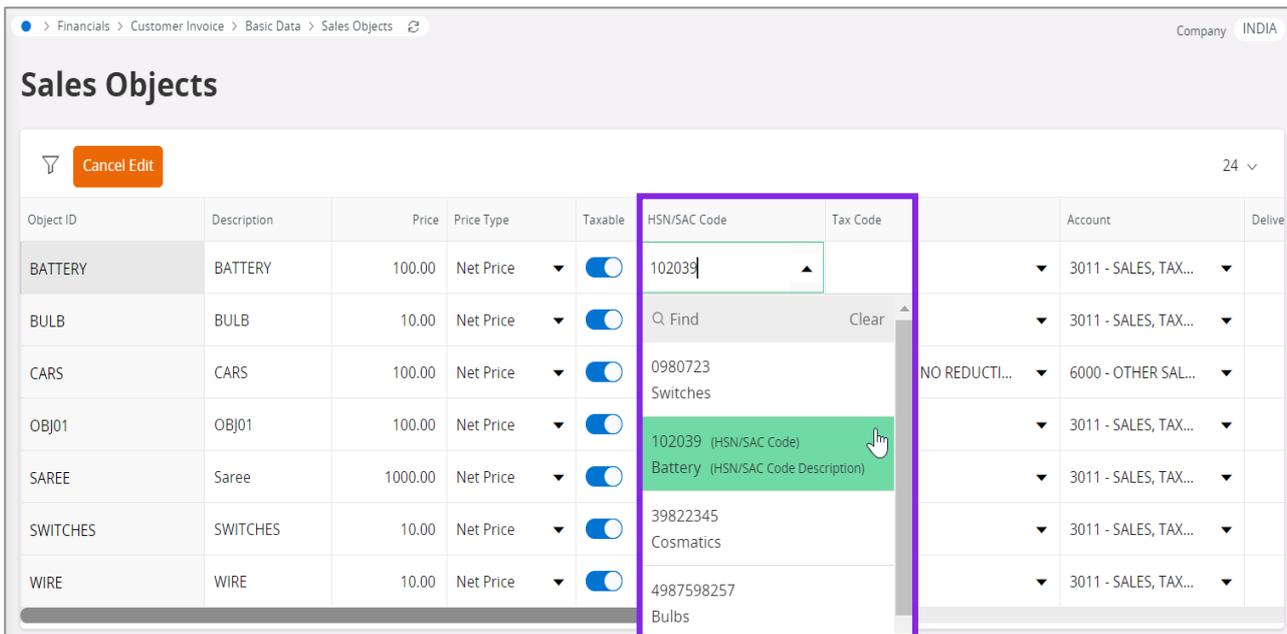
- Return From Delivery Address of RMA header
- Part No

- HSN/SAC Code
- Return Completed Date

6.5.11 INSTANT INVOICE

6.5.11.1 Sales Object

The HSN/SAC Code column is introduced to the **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 the company, customer, supplier, or objects that are defined in the 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.

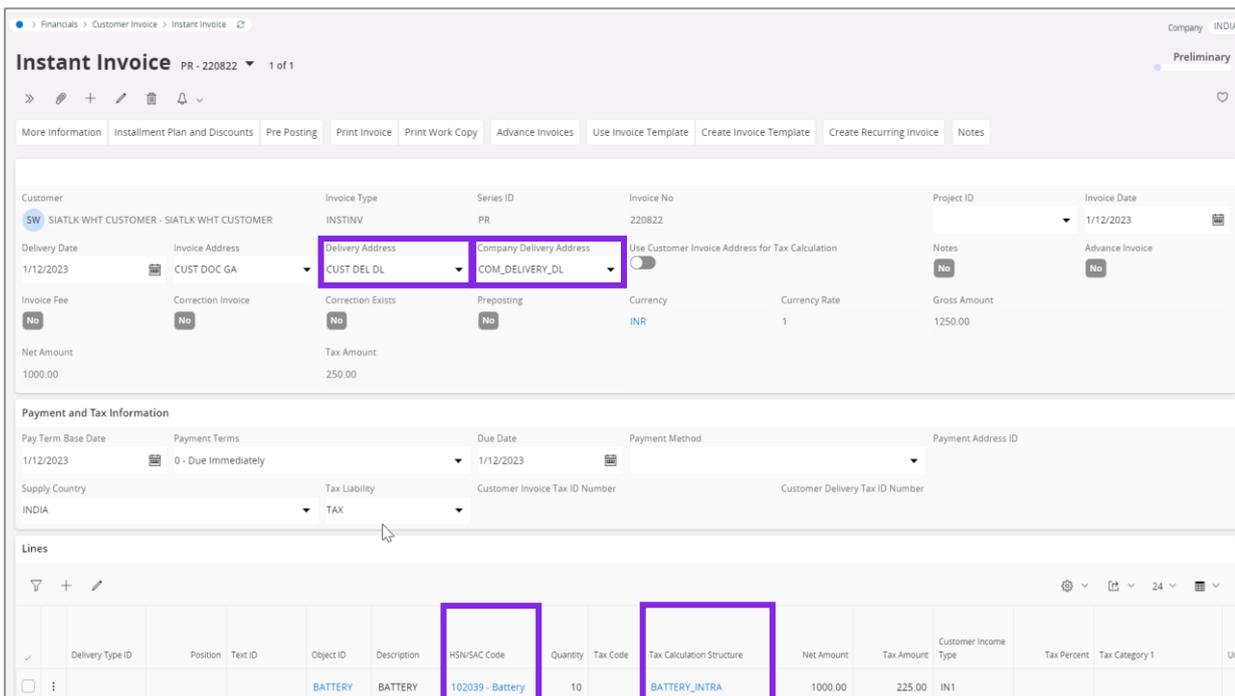
However, if the **Company / Tax Control / General / Customer Tax Code Validation / Object Level** is enabled, the user will not be able to save the Sales Object record without entering a Tax Code or a Tax Class. Therefore, the user is expected to disable the said validation at the Object Level while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

6.5.11.2 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 the Instant Invoice line-item level, the relevant HSN/SAC code connected to the Sales object will be automatically fetched to the 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 the **Delivery address** (Customer 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 sales object is entered to invoice line as per below screenshot.



Instant Invoice PR - 220822 1 of 1

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

Delivery 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:

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: 1/12/2023
 Payment Terms: 0 - Due Immediately
 Due Date: 1/12/2023
 Payment Method: [Blank]
 Payment Address ID: [Blank]

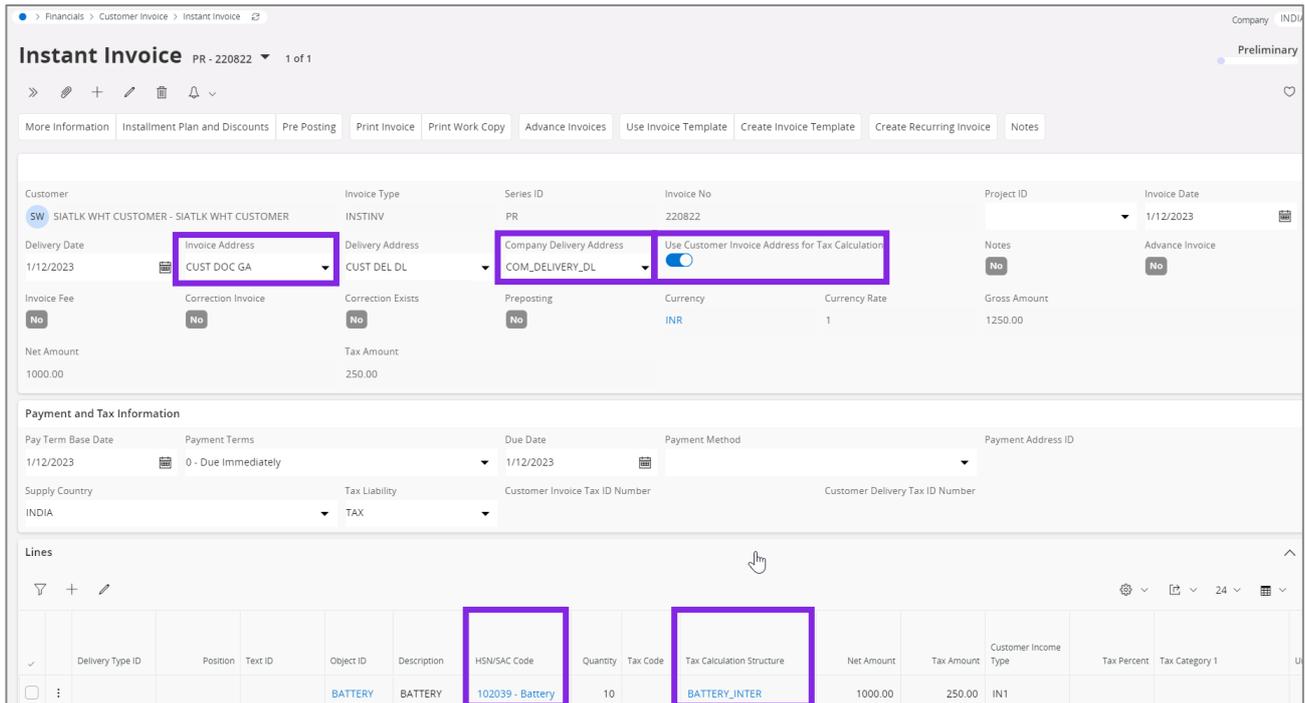
Supply Country: INDIA
 Tax Liability: TAX
 Customer Invoice Tax ID Number: [Blank]
 Customer Delivery Tax ID Number: [Blank]

Lines

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 the 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 the **Instant Invoice Template**. Therefore, the user is expected to manually enter the **Company Delivery Address** and **HSN/SAC Code** 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.

6.5.12 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 the **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 the **Delivery address** (Customer 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.*

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:

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

Previous | Next | Finish | Cancel

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	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	

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:

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 invoice flow.

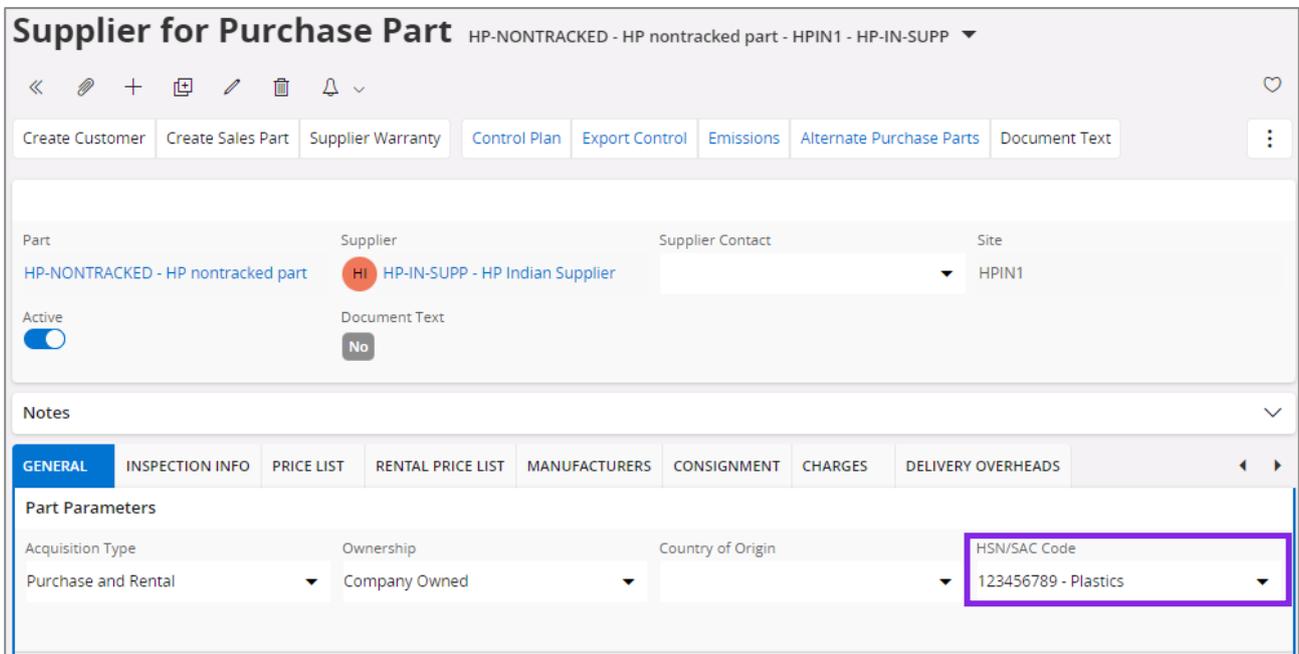
6.6 Procurement flow - Validation of States, fetch HSN/SAC Code and the Tax Structure

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 the HSN/SAC code for the part or charge type. The list of Values shows HSN/SAC codes defined on the **HSN/SAC Codes** page.

6.6.1 SUPPLIER FOR PURCHASE PART



Supplier for Purchase Part HP-NONTRACKED - HP nontracked part - HPIN1 - HP-IN-SUPP

Part: HP-NONTRACKED - HP nontracked part
 Supplier: HI HP-IN-SUPP - HP Indian Supplier
 Supplier Contact: [Empty]
 Site: HPIN1
 Active:
 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	[Empty]	123456789 - Plastics

6.6.2 PURCHASE CHARGE TYPE

Purchase Charge Type

REP - Reparation charge - HPIN1

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: 33333 - Repair

Tax

Tax Code: 1 - Tax with no reduction 25%

Taxable:

Use Price Incl Tax:

Indicators

Intrastat Exempt:

Print Charge Amount:

6.6.3 PURCHASE ORDER

HSN/SAC Codes and tax fetching logic have been introduced;

- *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 the 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*, 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 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...

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	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...

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 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 the company document address and supplier delivery address.

Company (buyer) Document Address

The company (buyer) Document Address available on the **Order Details** tab is validated.

Purchase Order D555047 - HP-IN-SUPP - HPIN1

Order Amounts

PART LINES | NO PART LINES | RENTAL PART LINES | **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 the 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*, 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 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

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✓		Line No	Description	Quantity	Purch UoM	Price/Curr	HSN/SAC Code	Tax Calculation Structure	Delivery Address
<input type="checkbox"/>	:	2	📄 Test Part 12345	1	pcs	100,00	123HC - Haircut	INTRA8%	ADD1
<input type="checkbox"/>	:	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 ⌵ | Supplier Document Address ⌵ | Ship-Via ⌵ | Delivery Terms ⌵

📍 1 | 📍 1 | * - 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 < >

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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 the company document address and supplier delivery address.

Company (buyer) Document Address

Company (buyer) Document Address available on the **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 the 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 the 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

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: HI 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 the company document address and supplier delivery address.

Company (buyer) Document Address

Company (buyer) Document Address available on the **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 the 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 the 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 described in two scenarios.

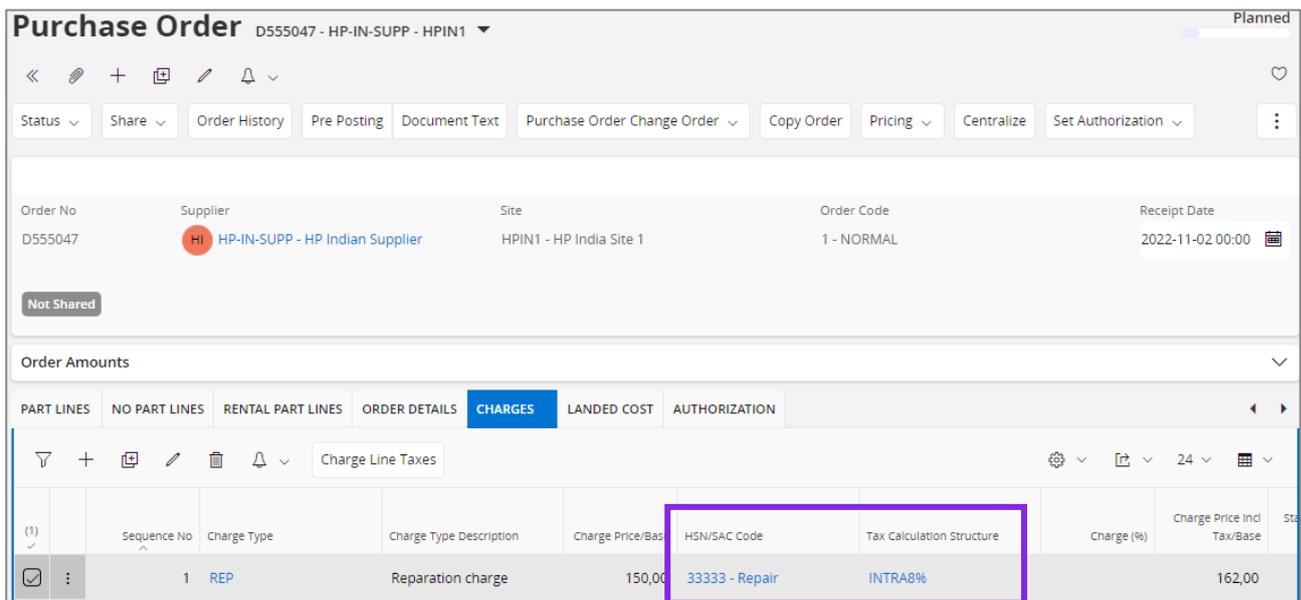
Scenario-01: Charge Line is not connected to a Part Line, No Part Line or Rental Part Line.

Company (buyer) Delivery Address	Supplier (seller) Delivery Address
The company (buyer) Delivery Address available on the Order Details tab is validated.	<ul style="list-style-type: none"> If Invoicing Supplier on the charge line is the same as header Supplier = Supplier Delivery Address available on Order Details tab is validated. If the 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: The 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 the 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 the 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
The company (buyer) Document Address available on the Order Details tab is validated.	<ul style="list-style-type: none"> • If Invoicing Supplier on the charge line is the same as header Supplier = Supplier Delivery Address available on Order Details tab is validated. • If the 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
The company (buyer) Document Address available on the 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 the 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 the 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

6.6.4 PURCHASE ORDER CHANGE ORDER (POCO)

HSN/SAC Codes and tax fetching logic have been introduced.

- *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.

6.6.5 PURCHASE REQUISITION

HSN/SAC Codes and tax fetching logic have been introduced;

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

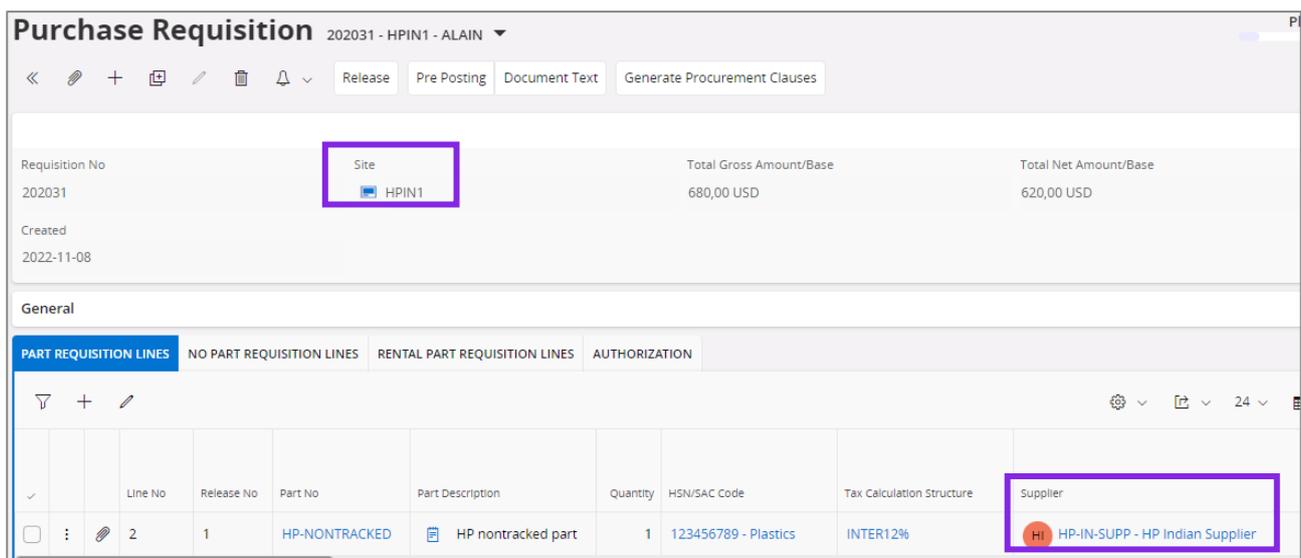
Purchase Requisition Part Lines

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*, 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.

The company (buyer) Delivery Address available on the 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 the below changes;
- Supplier

Purchase Requisition No Party Lines

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

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

- 2) When you enter a new **Purchase Requisition No 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.

The company (buyer) Delivery Address available on the 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 the 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**, 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.

The company (buyer) Delivery Address available on the 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
--------------------------	---------------	---------------------------------------	-------------------------------------

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
<input checked="" type="checkbox"/>	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
<input checked="" type="checkbox"/>	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 the below changes;
- Supplier

6.6.6 ORDER QUOTATION

HSN/SAC Codes and tax fetching logic have been introduced;

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

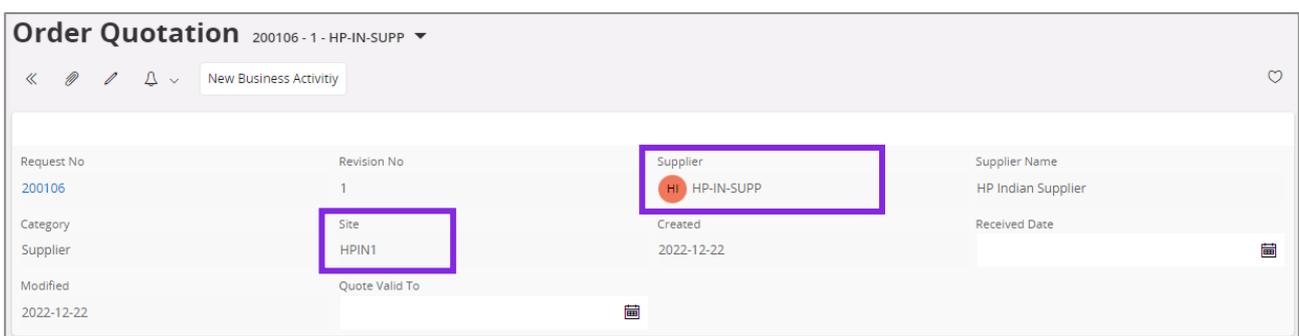
Order Quotation Lines

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

HSN/SAC Code: Use this field to enter the 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, 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.

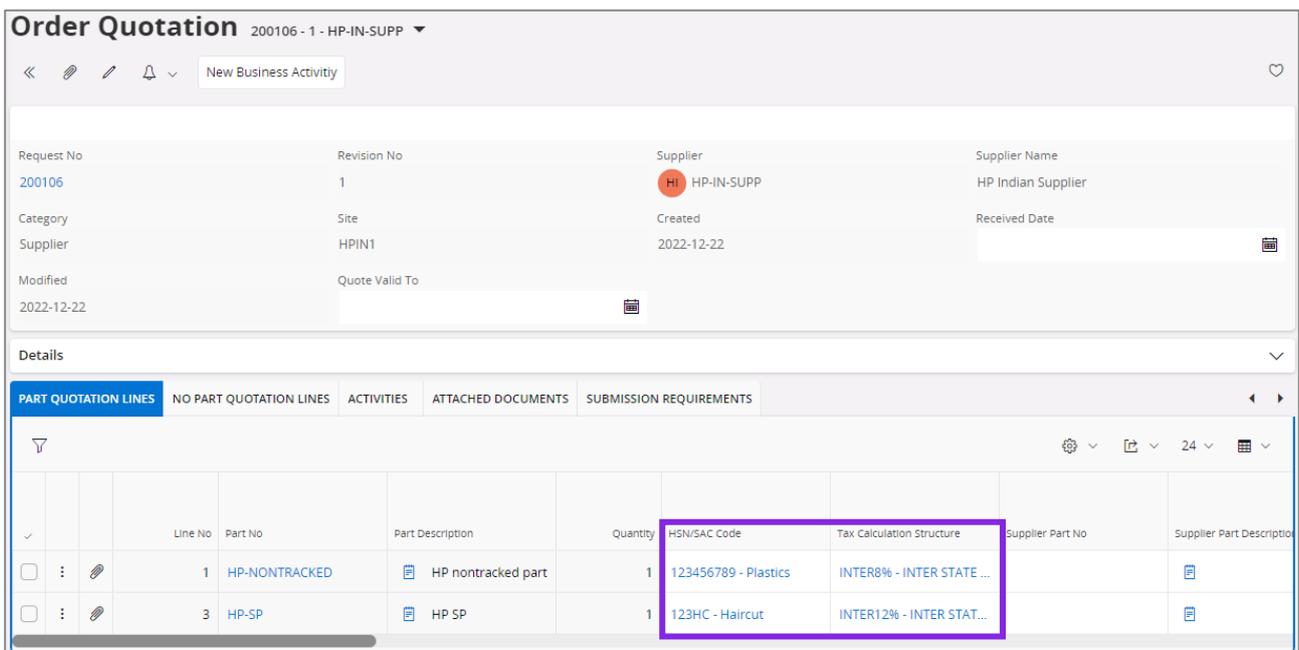
The company (buyer) Delivery Address available on the connected Site is validated.
Supplier (seller) Delivery Address available on the connected Supplier is validated.



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 an 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 the below changes;
 - HSN/SAC Code

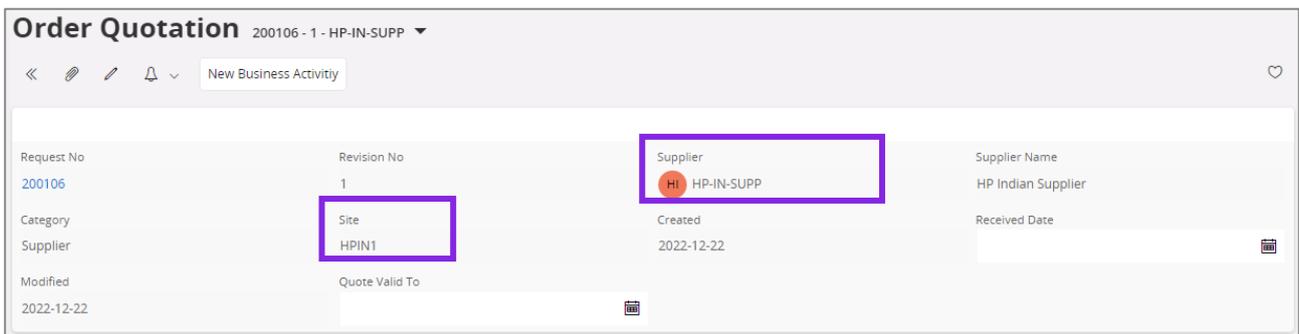
Order Quotation No Part Lines

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

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

2) When a new Order Quotation No Part line is created from the Request for Quotation, 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.

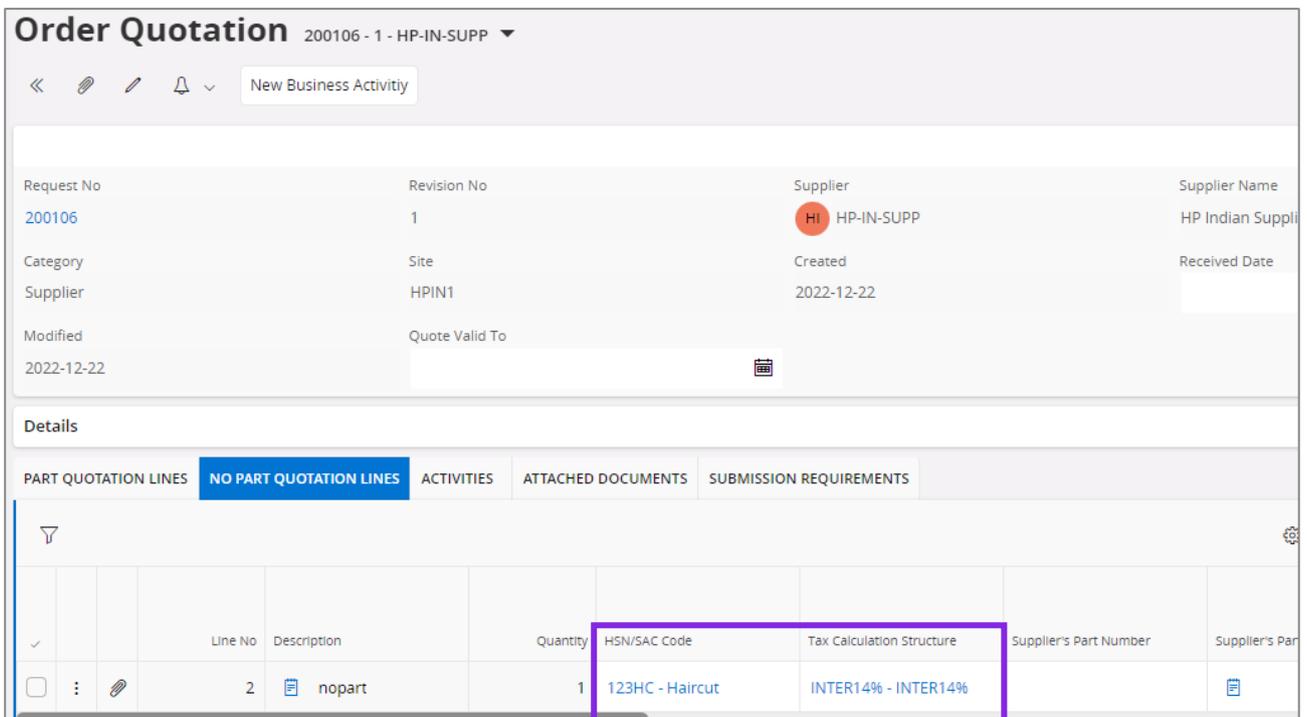
The company (buyer) Delivery Address available on the connected Site is validated.
Supplier (seller) Delivery Address available on the connected Supplier is validated.



Order Quotation 200106 - 1 - HP-IN-SUPP

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

3) When you select an 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
Supplier Name: HP Indian Supplier
Category: Site: HPIN1
Created: 2022-12-22
Supplier: HPIN1
Received Date:
Modified: 2022-12-22
Quote Valid To:

Details

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

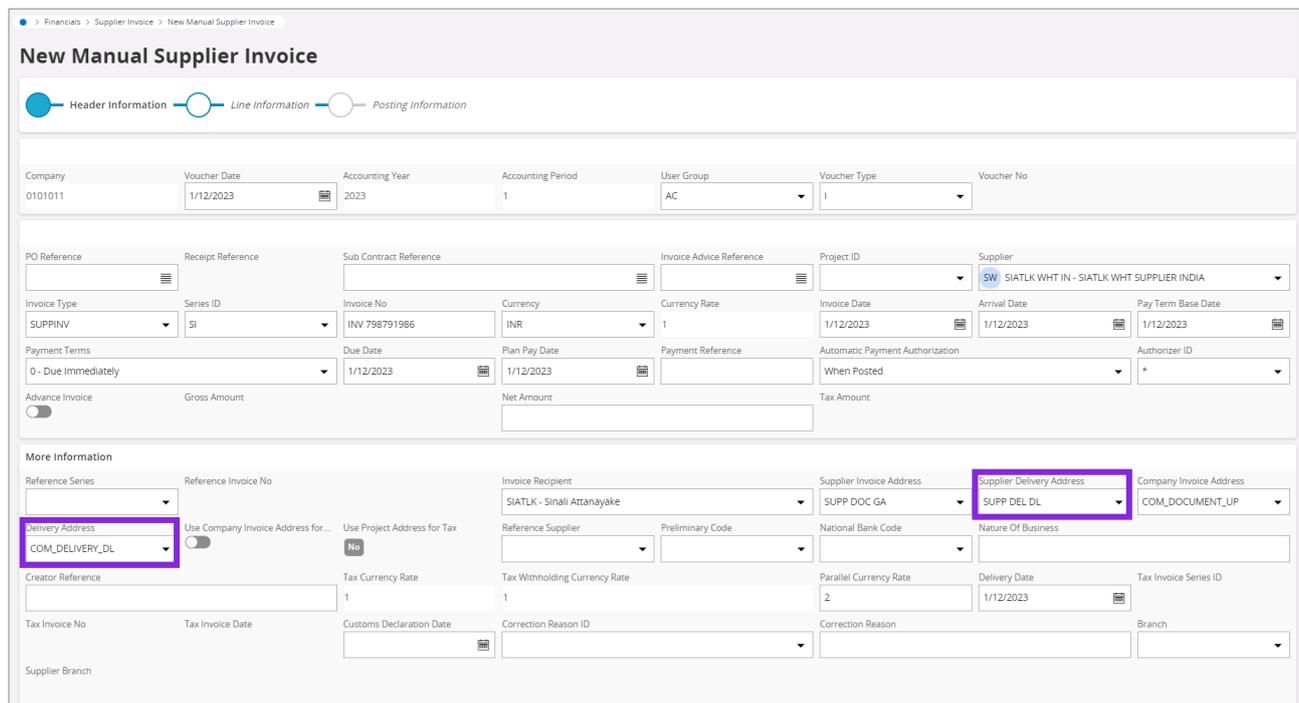
Line No	Description	Quantity	HSN/SAC Code	Tax Calculation Structure	Supplier's Part Number	Supplier's Part
2	nopart	1	123HC - Haircut	INTER14% - INTER14%		

- 4) 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 the below changes;
 - HSN/SAC Code

6.6.7 MANUAL SUPPLIER INVOICE

1. 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.
2. Then, at the 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: 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: 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: No

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			

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
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 the **More Information** section of **the Manual Supplier Invoices** page
- Enable and disable the toggle to use the 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 the 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, the 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 the 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 the **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 the **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 the **Supplier Invoice Template**. Therefore, the user is expected to manually enter the **Supplier Delivery Address** and **HSN/SAC Code** in Invoice lines when an invoice is created using a Supplier **Invoice Template**.

6.6.8 POSTING PROPOSAL

1. Same as in the **Manual Supplier Invoice** header level, in the **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 the **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 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.

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: 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: 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: 1/12/2023 | 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:

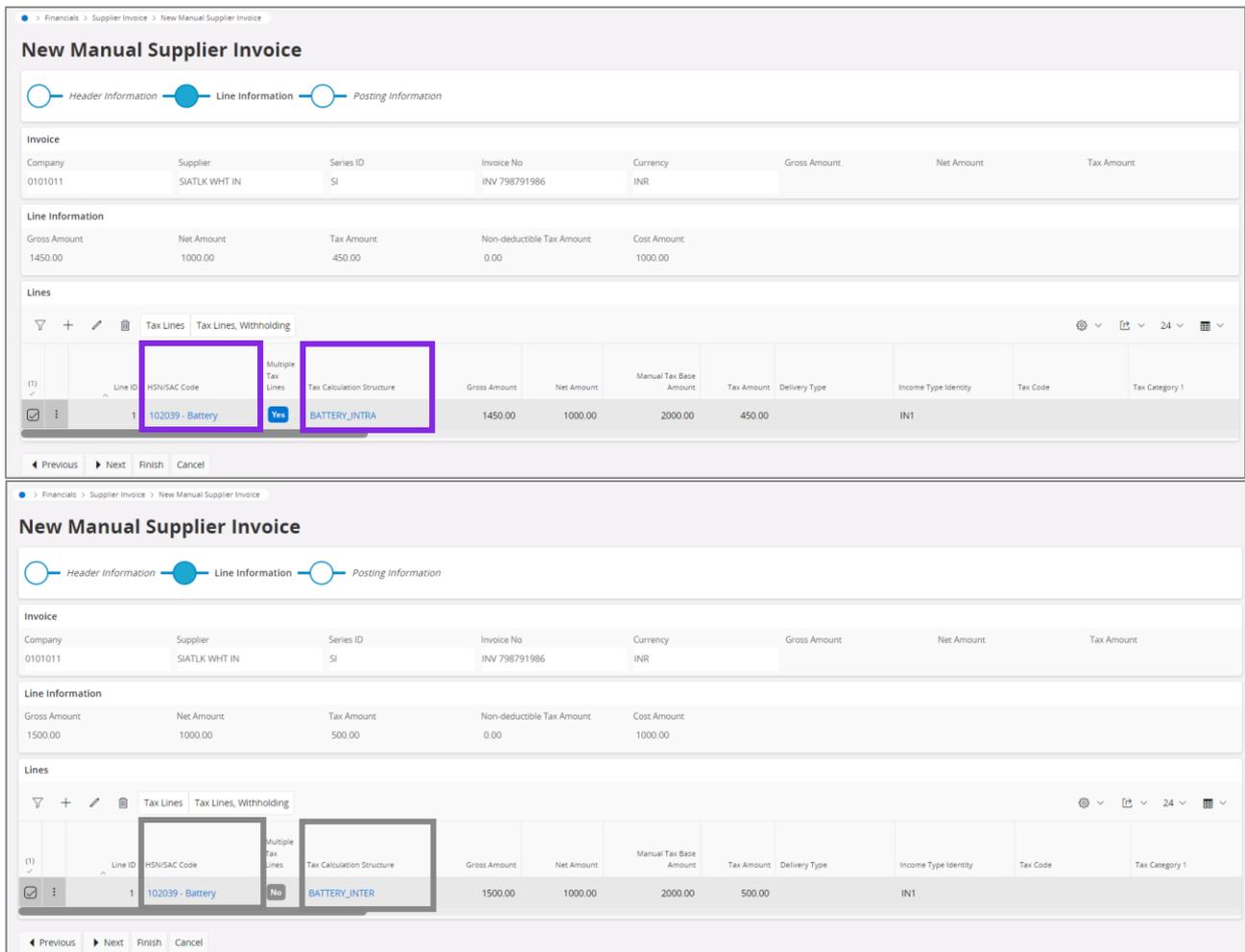
Creator Reference: | Tax Currency Rate: 1 | Tax Withholding Currency Rate: 1 | Parallel Currency Rate: 2 | Delivery Date: 1/12/2023 | Tax Invoice Series ID:

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

Supplier Branch:

- 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' interface. The top screenshot shows the 'Line Information' section with the following data:

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

The 'Lines' section shows the following data:

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		

The bottom screenshot shows the same interface but with the following data:

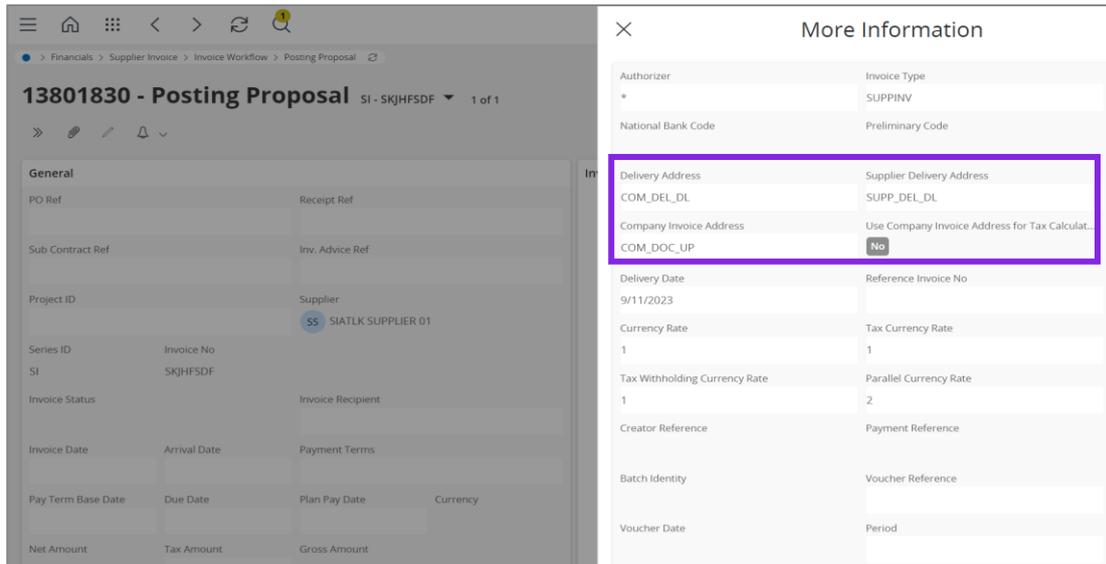
Gross Amount	Net Amount	Tax Amount	Non-deductible Tax Amount	Cost Amount
1500.00	1000.00	500.00	0.00	1000.00

The 'Lines' section shows the following data:

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 the above information, that must be done at the Manual Supplier Invoice level and not in the 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 the **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 the supplier invoice line level.

However, if the “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, the 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** 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 the net value of the invoice if **Included 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 on the **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 the **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 the Supplier Invoice Template. Therefore, the user is expected to manually enter the **Supplier Delivery Address** and **HSN/SAC Code** in invoice lines when an invoice is created using a Supplier Invoice Template.

6.7 Project Reporting

HSN/SAC Codes and tax fetching logic have been introduced in the Project Reporting flow.

A new field to define a default HSN/SAC code has been introduced to the **Report Code Details** page.

Report Code Details											
Report Code	Report Code Name	Report Code Type	Report Code Group ID	Create Cost Accounting	Invoicability	HSN/SAC Code	Taxable	Tax Code	Valid From	Valid To	
D01	Designing	Time		Yes	Invoicable	102200 - DESIGN - 102200 - DESIGN	Yes	0 - Tax 0%	2/1/2024	12/31/9999	
IN01	Install	Time		Yes	Invoicable	103300 - INSTALL - 103300 - INSTALL	Yes	0 - Tax 0%	2/1/2024	12/31/9999	
M01	Make	Cost		Yes	Invoicable	102500 - MACHINE - 102500 - MACHINE	Yes	0 - Tax 0%	2/1/2024	12/31/9999	

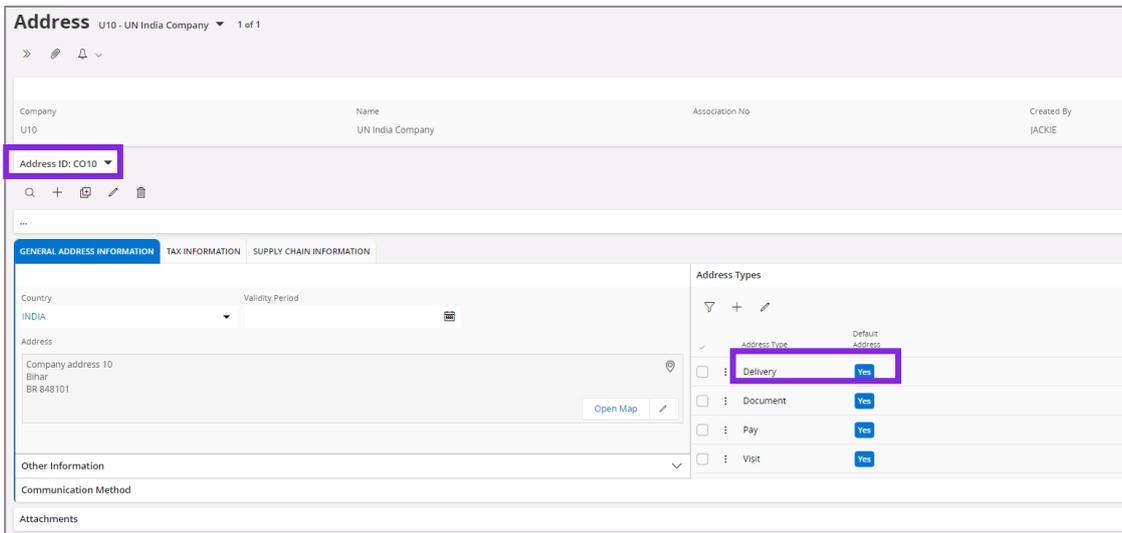
A new column **HSN/SAC Code** has been introduced to **Project Invoice/Lines**.

Project Invoice															Preliminary					
Item ID	Invoice Text	Description	Project	Sub Project	Activity	Report Code	Quantity	Price	NET Amount	HSN/SAC Code	Tax Code	Tax Calculation Structure	Multiple Tax Lines	Tax Percentage	Tax Amount	Withheld Tax Amount	Gross Amount	Report Code Group ID	Total Certified	Certif
1	Install	DP001 - DP Construction	S1 - s1	1 - Design	IN01 - Install		2	250.00	500.00	103300 - INSTALL - 103300 - INSTALL	INTRA1		Yes		90.00		590.00			
2	Designing	DP001 - DP Construction	S1 - s1	1 - Design	D01 - Designing		1	150.00	150.00	102200 - DESIGN - 102200 - DESIGN	INTRA1		Yes		27.00		177.00			

When creating a Project Invoice from Project Transactions or Invoicing Plans, the default value for the HSN/SAC Code field is fetched based on the **Report Code** of the Project Invoice Line, based on the **Invoice Date**. It is possible to modify the **HSN/SAC Code** for the invoice lines for Project Invoices in Preliminary status.

The states of buyer and seller delivery address are used to determine whether the transaction is Intra/inter-state.

Seller Delivery Address - Company Default Delivery Address defined in **Company/Address** is used.



Address U10 - UN India Company 1 of 1

Company: U10, Name: UN India Company, Association No: , Created By: JACKIE

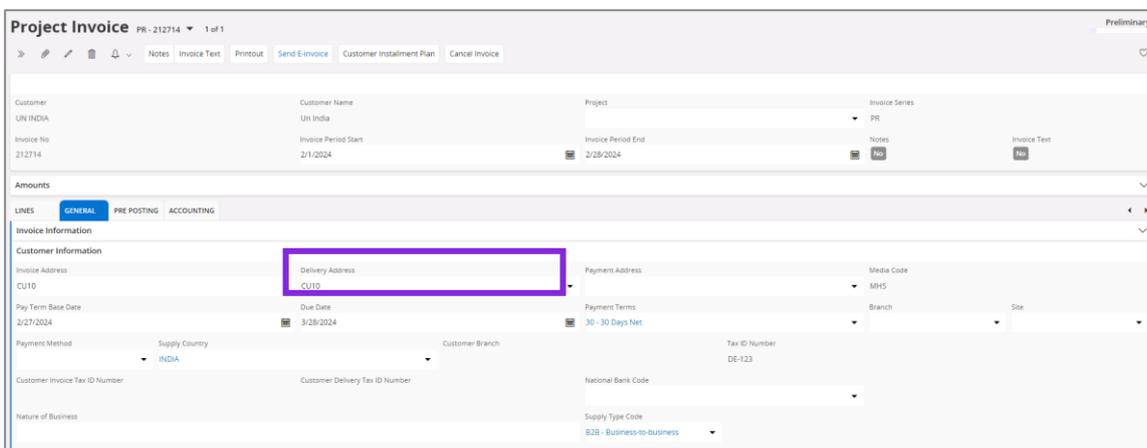
Address ID: CO10

Country: INDIA, Address: Company address 10, Bihar, BR 848101

Address Types:

Address Type	Default Address
Delivery	Yes
Document	Yes
Pay	Yes
Visit	Yes

Buyer Delivery Address - Customer Delivery Address defined in **Project Invoice/General** is used.



Project Invoice PR - 212714 1 of 1 Preliminary

Customer: UN INDIA, Customer Name: Un India, Project: , Invoice Series: PR

Invoice No: 212714, Invoice Period Start: 2/1/2024, Invoice Period End: 2/28/2024, Notes: No, Invoice Text: No

Customer Information:

Invoice Address: CU10 (highlighted), Payment Address: , Media Code: MHS

Play Term Base Date: 2/27/2024, Due Date: 3/28/2024, Payment Terms: 30 - 30 Days Net, Branch: , Site:

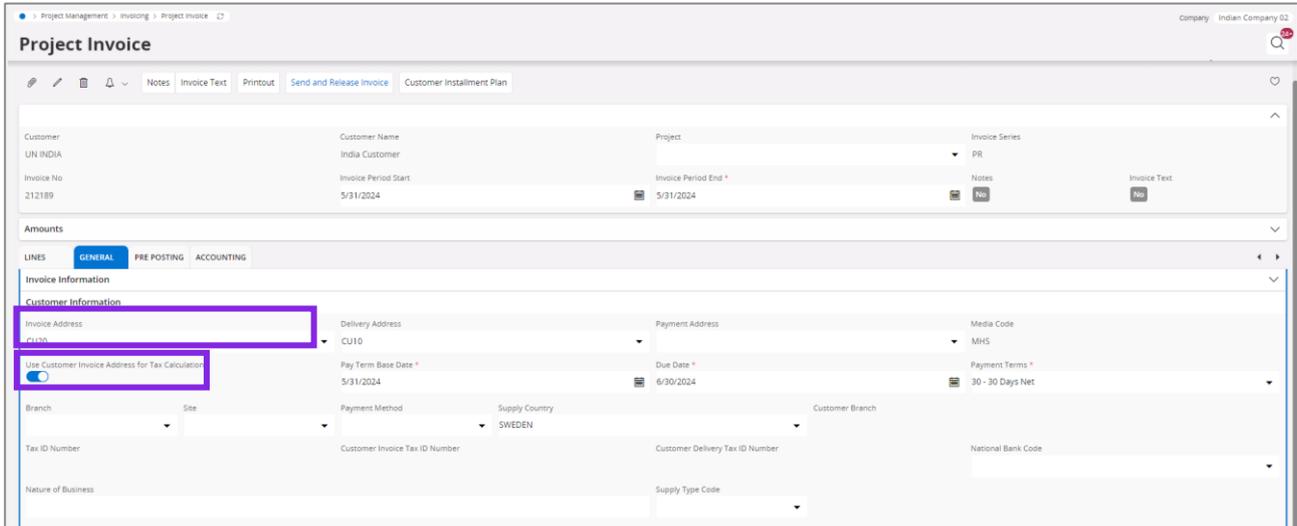
Payment Method: , Supply Country: INDIA, Customer Branch: , Tax ID Number: DE-123

Customer Invoice Tax ID Number: , Customer Delivery Tax ID Number: , National Bank Code:

Nature of Business: , Supply Type Code: B2B - Business-to-business

Based on the HSN/SAC code in the Project Invoice Line and the Intra/Inter State nature of the transaction, the correct tax calculation structure is fetched.

Select the **Use Customer Invoice Address for Tax Calculation** toggle to fetch Indian GST Taxes based on the customer invoice address and company delivery address.



The screenshot shows the 'Project Invoice' form. In the 'Customer Information' section, the 'Use Customer Invoice Address for Tax Calculation' toggle is turned on. Other visible fields include Invoice Address (CU10), Delivery Address (CU10), Payment Address, Invoice No (212189), Invoice Period Start (5/31/2024), Invoice Period End (5/31/2024), Due Date (6/30/2024), and Payment Terms (30 - 30 Days Net).

The tax structure will be re-fetched for the below changes in the Project Invoice

- HSN/SAC Code
- Invoice Date
- Use Customer Invoice Address for Tax Calculation toggle
- Customer Delivery Address or Customer Invoice Address depending on the selection for the above toggle

Delimitations

- Multi-Company Project Reporting does not support HSN/SAC Code-based fetching.
- Project Reporting for Contractors does not support HSN/SAC Code-based fetching.

6.8 Sales Contract Management

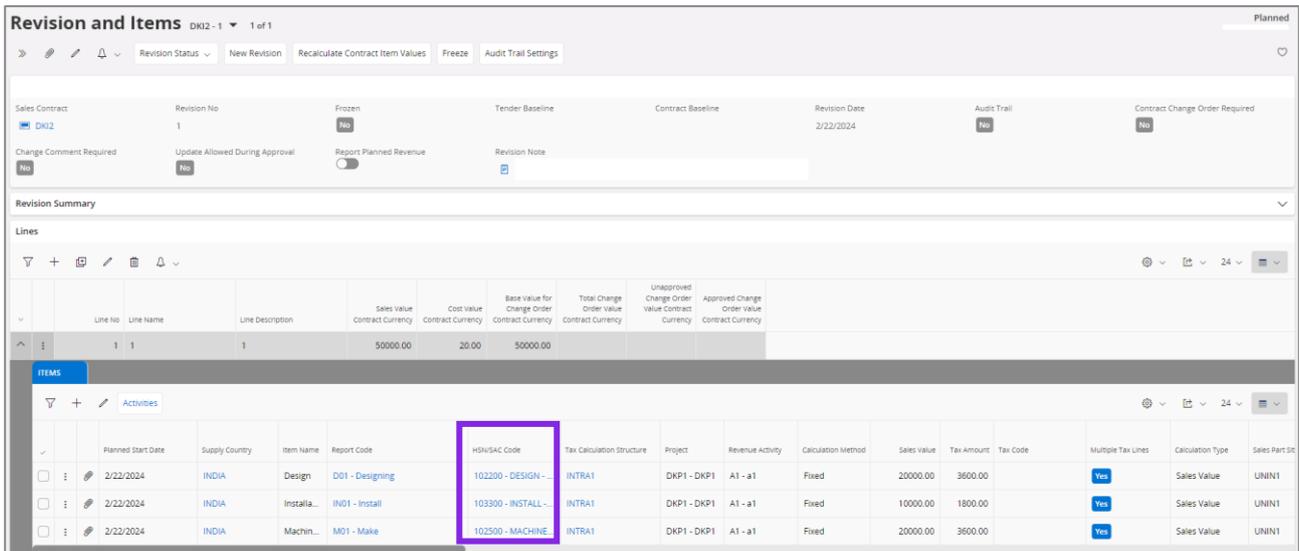
HSN/SAC Codes and tax fetching logic have been introduced in the Sales Contract Management flow. This applies to Sales Contracts, Applications for Payment, and Project Invoices created through the Application for Payment process.

6.8.1 SALES CONTRACT

A new field to define a default HSN/SAC code has been introduced to the **Report Code Details** page.

Report Code Details											
Report Code	Report Code Name	Report Code Type	Report Code Group ID	Create Cost Accounting	Invoicability	HSN/SAC Code	Taxable	Tax Code	Valid From	Valid To	
<input type="checkbox"/>	D01	Designing	Time	Yes	Invoicability	102200 - DESIGN - 102200 - DESIGN	<input checked="" type="checkbox"/>	0 - Tax 0%	2/1/2024	12/31/9999	
<input type="checkbox"/>	IN01	Install	Time	Yes	Invoicability	103300 - INSTALL - 103300 - INSTALL	<input checked="" type="checkbox"/>	0 - Tax 0%	2/1/2024	12/31/9999	
<input type="checkbox"/>	M01	Make	Cost	Yes	Invoicability	102500 - MACHINE - 102500 - MACHINE	<input checked="" type="checkbox"/>	0 - Tax 0%	2/1/2024	12/31/9999	

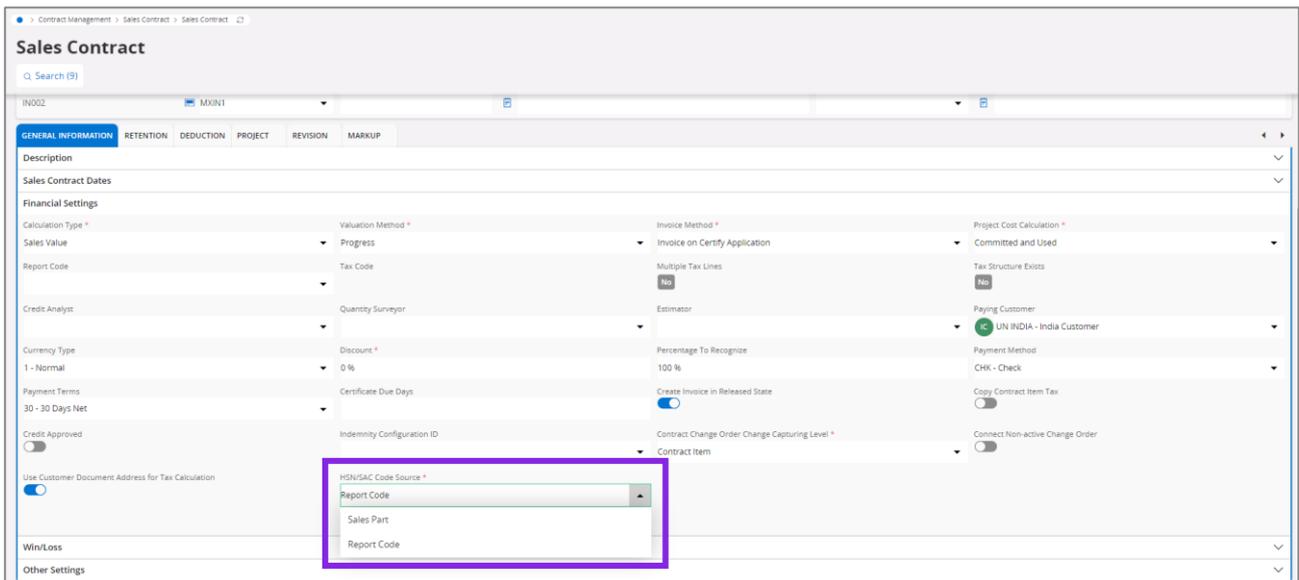
A new column **HSN/SAC Code** has been introduced to **Sales Contract Revision and Items**.



Line No	Line Name	Line Description	Sales Value Contract Currency	Cost Value Contract Currency	Base Value for Change Order Contract Currency	Total Change Order Value Contract Currency	Unapproved Change Order Value Contract Currency	Approved Change Order Value Contract Currency
1	1	1	50000.00	20.00	50000.00			

Planned Start Date	Supply Country	Item Name	Report Code	HSN/SAC Code	Tax Calculation Structure	Project	Revenue Activity	Calculation Method	Sales Value	Tax Amount	Tax Code	Multiple Tax Lines	Calculation Type	Sales Part
2/22/2024	INDIA	Design	D01 - Designing	102200 - DESIGN	INTRA1	DKP1 - DKP1	A1 - a1	Fixed	20000.00	3600.00		Yes	Sales Value	UNIN1
2/22/2024	INDIA	Install...	IN01 - Install	103300 - INSTALL	INTRA1	DKP1 - DKP1	A1 - a1	Fixed	10000.00	1800.00		Yes	Sales Value	UNIN1
2/22/2024	INDIA	Machin...	M01 - Make	102500 - MACHINE	INTRA1	DKP1 - DKP1	A1 - a1	Fixed	20000.00	3600.00		Yes	Sales Value	UNIN1

A new setting **HSN/SAC Code Source** has been introduced to **Sales Contract/ General Information**.



Contract Management > Sales Contract > Sales Contract

Search (9)

IN002 | MXIN1

GENERAL INFORMATION | RETENTION | DEDUCTION | PROJECT | REVISION | MARKUP

Description

Sales Contract Dates

Financial Settings

Calculation Type * | Valuation Method * | Invoice Method * | Project Cost Calculation *

Sales Value | Progress | Invoice on Certify Application | Committed and Used

Report Code | Tax Code | Multiple Tax Lines | Tax Structure Exists

Credit Analyst | Quantity Surveyor | Estimator | Paying Customer

Currency Type | Discount * | Percentage To Recognize | Payment Method

1 - Normal | 0 % | 100 % | CHK - Check

Payment Terms | Certificate Due Days | Create Invoice in Released State | Copy Contract Item Tax

30 - 30 Days Net | Indemnity Configuration ID | Contract Change Order Change Capturing Level * | Connect Non-active Change Order

Credit Approved | Contract Item

Use Customer Document Address for Tax Calculation

Win/Loss

Other Settings

HSN/SAC Code Source *

- Report Code
- Sales Part
- Report Code

The default value for **HSN/SAC Code Source** is **Report Code**.

When **HSN/SAC Code Source** is **Report Code**, the HSN/SAC Code for contract items is fetched based on the **Report Code** of the Sales Contract item, based on the **Planned Start Date**. If no value is entered in the **Report Code** field in item level, the default **Report Code** for the Sales Contract in **Sales Contract/ General Information** will be considered to fetch the HSN/SAC code.

When **HSN/SAC Code Source** is **Sales Part**, the HSN/SAC Code for contract items is fetched based on the HSN/SAC Code defined for the **Sales Part** connected to Sales Contract item. If no Sales Part is connected to contract item, then the HSN/SAC Code is fetched based on the Report Code connected to contract item.

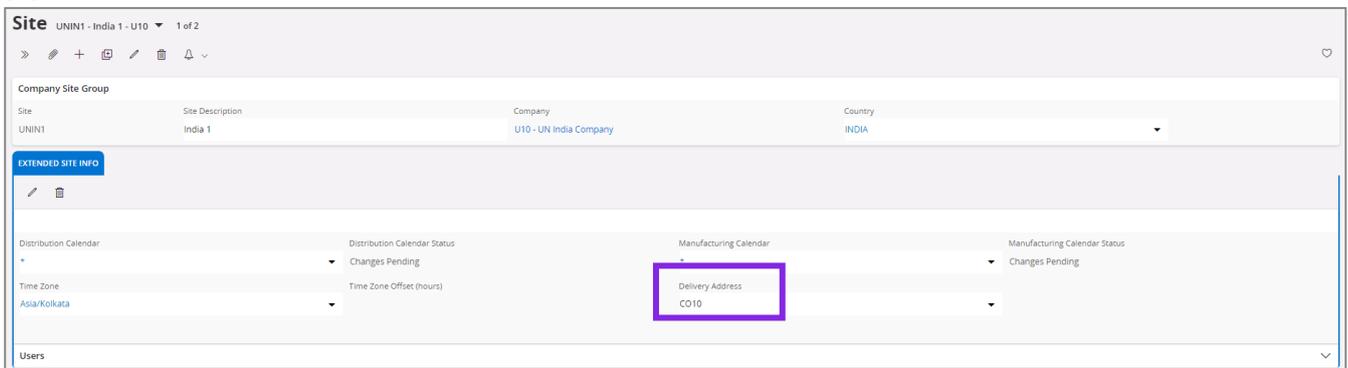
Taxability of the Report Code is considered when fetching tax in Sales Contract Management, therefore HSN/SAC Code from the Sales Part is fetched only when the relevant Report Code is taxable. Sales part taxability is not considered.

It is possible to modify **HSN/SAC Code** of a contract item. If item **Report Code** or **Sales Part** connected to contract item change, the HSN/SAC code is re-fetched.

The states of buyer and seller delivery address are used to determine whether the transaction is Intra/Inter State.

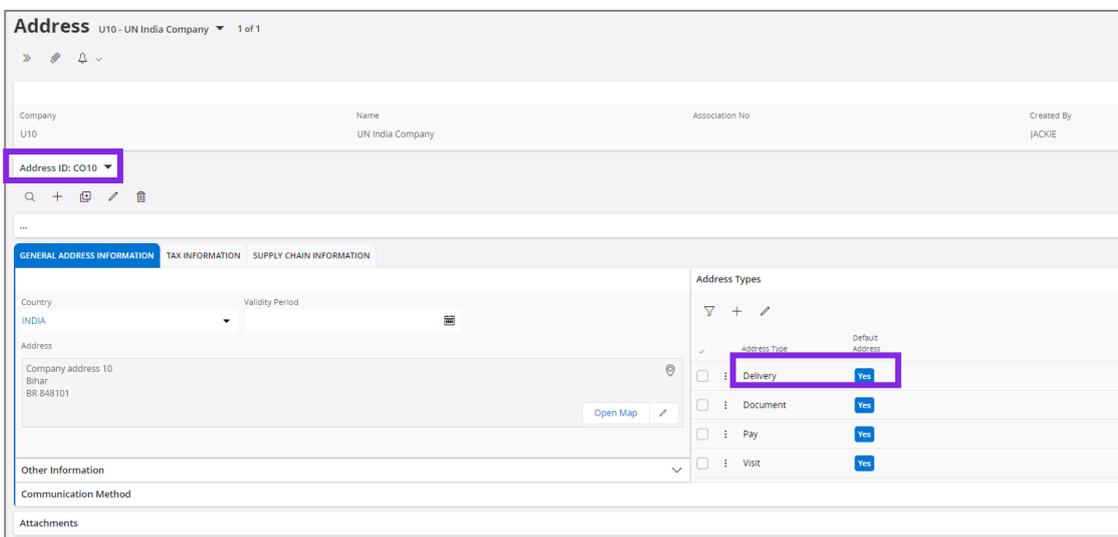
Seller Delivery Address - If **Site** is defined on the Sales Contract, the delivery address of the site is used. If **Site** is not defined, Company Default Delivery Address defined in **Company/Address** is used.

6.8.2 SITE DELIVERY ADDRESS



The screenshot shows the 'Site' configuration page for 'UNIN1 - India 1 - U10'. The 'Company Site Group' table lists the site details. Below, the 'EXTENDED SITE INFO' section includes fields for 'Distribution Calendar', 'Manufacturing Calendar', 'Time Zone', and 'Delivery Address'. The 'Delivery Address' field is highlighted with a purple box and contains the value 'CO10'.

6.8.3 COMPANY DEFAULT DELIVERY ADDRESS



The screenshot shows the 'Address' configuration page for 'U10 - UN India Company'. The 'Address ID' field is highlighted with a purple box and contains the value 'CO10'. The 'Address Types' section shows a table with columns for 'Address Type' and 'Default Address'. The 'Delivery' type is checked and marked as the default address.

Address Type	Default Address
<input checked="" type="checkbox"/> Delivery	Yes
<input type="checkbox"/> Document	Yes
<input type="checkbox"/> Pay	Yes
<input type="checkbox"/> Visit	Yes

Buyer Delivery Address - Customer Default Delivery Address is used.

Address UN INDIA - Un India 1 of 1

Customer: UN INDIA, Name: Un India, Association No:

Address ID: CU10

Country: INDIA, Validity Period:

Address: Customer 10, Bharat, BR 802207

Other Information: Jurisdiction Code, Customer Branch, Primary Contact, Secondary Contact

Address Types:

Address Type	Default Address
<input checked="" type="checkbox"/> Delivery	Yes
<input type="checkbox"/> Document	Yes
<input type="checkbox"/> Pay	Yes
<input type="checkbox"/> PrimaryContact	Yes
<input type="checkbox"/> SecondaryContact	Yes
<input type="checkbox"/> Visit	Yes

Based on the HSN/SAC code and the Intra/Inter State nature of the transaction, the correct tax calculation structure is fetched.

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

Sales Contract

Contract Name: AFP - Proj Invoice, Contract Type: 2 - EPCI Contract, Customer: NP-INDIAN - Indian Customer

Company: IN002, Site: MXIN1

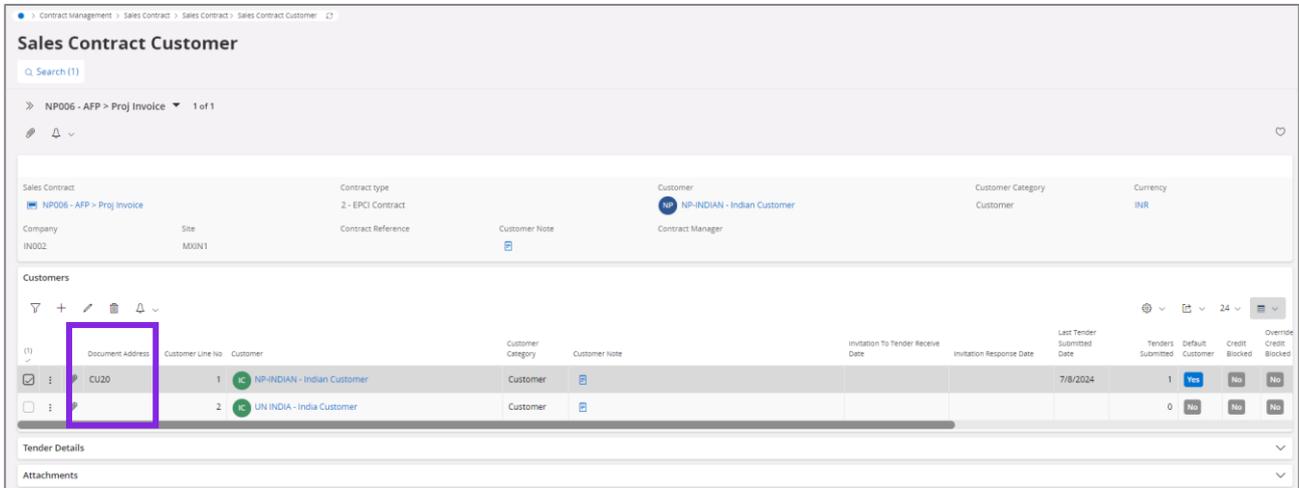
Financial Settings:

Valuation Method: Progress	Invoice Method: Invoice on Certify Application	Project Cost Calculation: Committed and Used
Tax Code	Multiple Tax Lines: No	Tax Structure Exists: No
Quantity Surveyor	Estimator	Paying Customer: NP-INDIAN - Indian Customer
Discourt: 0%	Percentage To Recognize: 100%	Payment Method
Certificate Due Days	Credit Invoice in Released State: On	Copy Contract Item Tax
Indemnity Configuration ID	Contract Change Order Change Capturing Level	Connect Non-active Change Order
HSN/SAC Code Source	Contract Item	

Use Customer Document Address for Tax Calculation

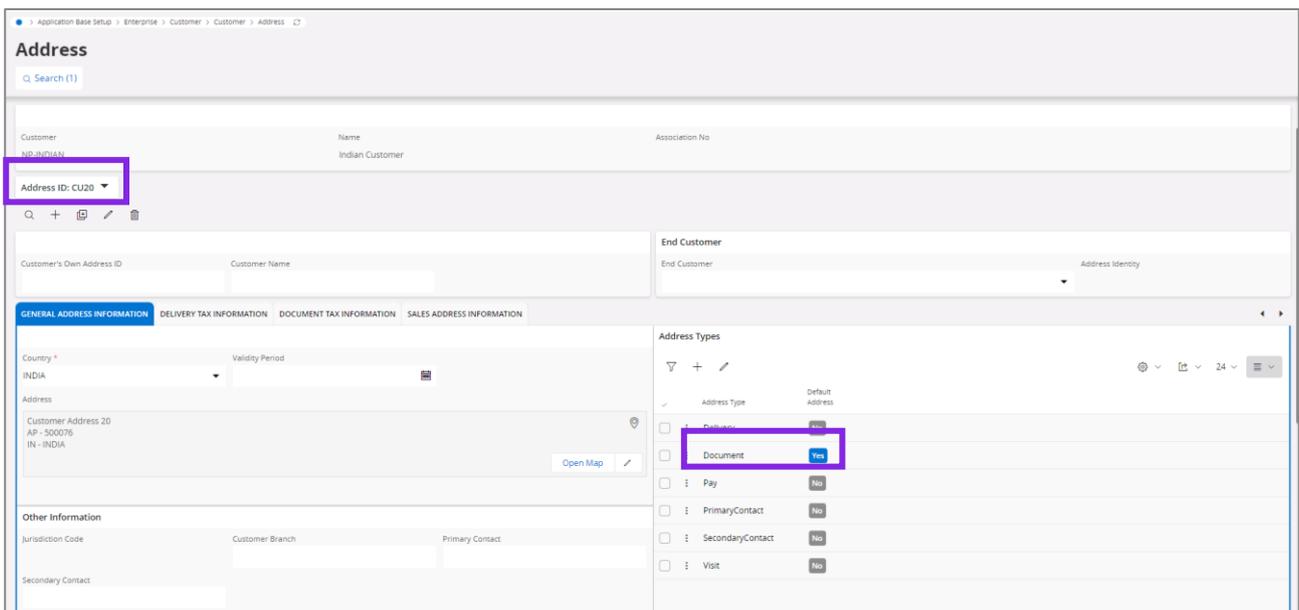
Document Address defined in **Sales Contract Customer** is considered or if it is not defined, the Customer Default Document address defined in **Customer/Address** is used.

6.8.4 SALES CONTRACT CUSTOMER



The screenshot shows the 'Sales Contract Customer' interface. At the top, there is a search bar and a breadcrumb trail: 'Contract Management > Sales Contract > Sales Contract > Sales Contract Customer'. Below this, there are navigation icons and a dropdown menu showing 'NP006 - AFP > Proj Invoice' with '1 of 1' items. The main area contains a summary card with fields for Sales Contract (NP006 - AFP > Proj Invoice), Contract type (2 - EPCI Contract), Customer (NP-INDIAN - Indian Customer), Customer Category (Customer), and Currency (INR). Below the summary card is a table of customers. The table has columns for Document Address, Customer Line No, Customer, Customer Category, Customer Note, Invitation To Tender Receive Date, Invitation Response Date, Last Tender Submitted Date, Tenders Submitted, Default Customer, Credit Blocked, and Override Credit Blocked. Two rows are visible: Row 1 has Document Address 'CU20', Customer Line No '1', and Customer 'NP-INDIAN - Indian Customer'. Row 2 has Document Address 'UN INDIA - India Customer', Customer Line No '2', and Customer 'UN INDIA - India Customer'. The 'Document Address' column in the first row is highlighted with a purple box.

6.8.5 CUSTOMER DEFAULT DOCUMENT ADDRESS



The screenshot shows the 'Address' interface. At the top, there is a search bar and a breadcrumb trail: 'Application Base Setup > Enterprise > Customer > Customer > Address'. Below this, there are navigation icons and a dropdown menu showing 'Address ID: CU20'. The main area contains a form for address details. The 'Customer' field is set to 'NP-INDIAN' and the 'Name' field is 'Indian Customer'. Below this, there are tabs for 'GENERAL ADDRESS INFORMATION', 'DELIVERY TAX INFORMATION', 'DOCUMENT TAX INFORMATION', and 'SALES ADDRESS INFORMATION'. The 'GENERAL ADDRESS INFORMATION' tab is active, showing fields for Country (INDIA), Validity Period, and Address (Customer Address 20, AP - 500076, IN - INDIA). To the right, there is a table of 'Address Types'. The table has columns for Address Type and Default Address. The 'Document' row is highlighted with a purple box, and its 'Default Address' is set to 'Yes'. Other rows include 'Pay', 'PrimaryContact', 'SecondaryContact', and 'Visit', all with 'Default Address' set to 'No'.

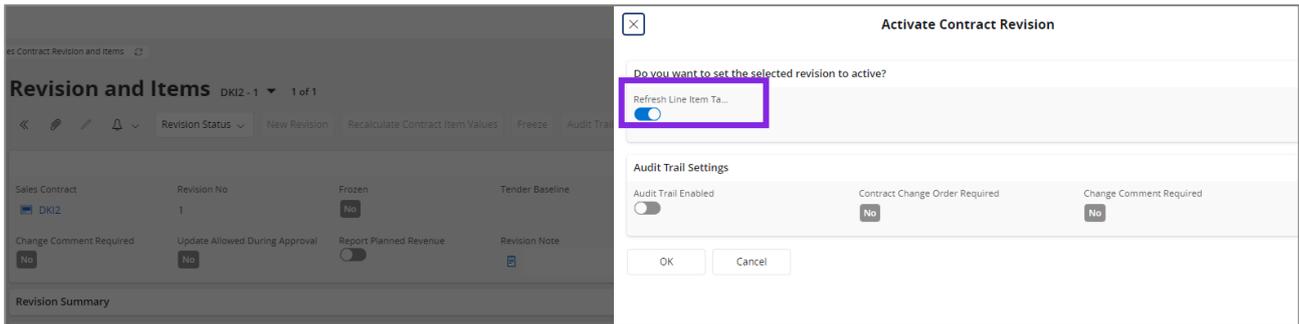
The tax structure will be re-fetched for below changes in the **Sales Contract Revision and Items**.

- HSN/SAC Code
- Planned Start Date

Also, the tax will be re-fetched when modifying;

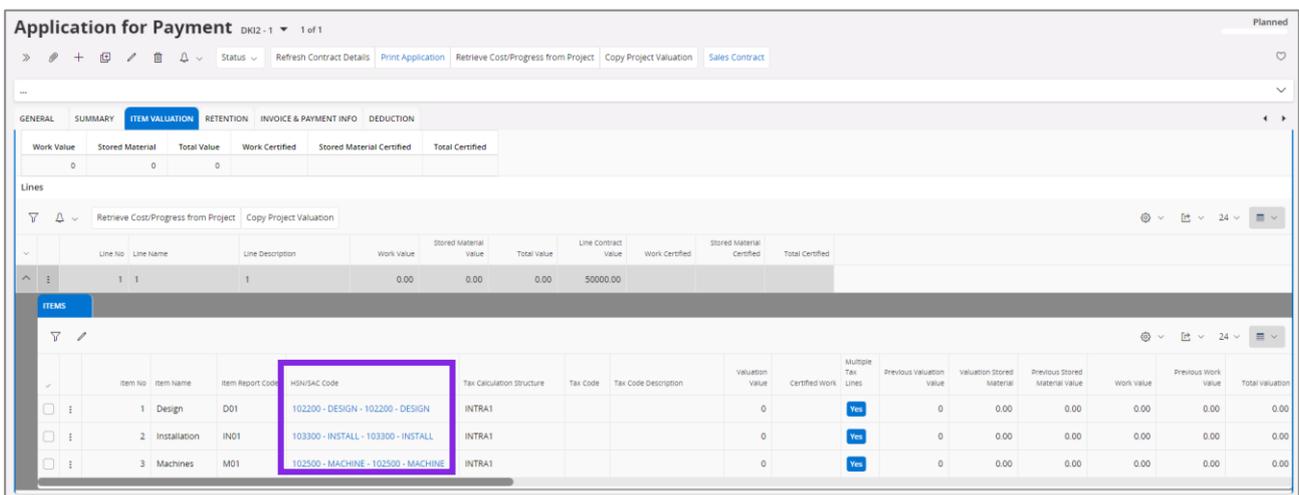
- **Use Customer Document Address for Tax Calculation** setting
- **Document Address** in **Sales Contract Customer**

On Activating Contract Revision and Awarding the Sales Contract, if **Refresh Line Item Tax** setting is set to YES, Revision Item HSN/SAC codes are not impacted, but the tax is re-fetched.

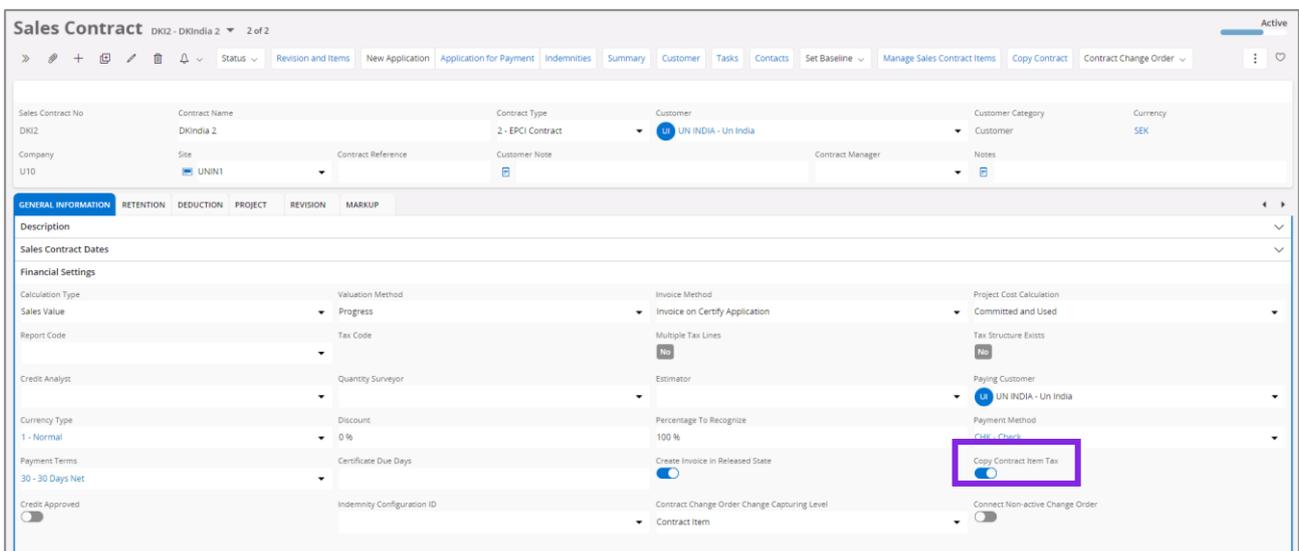


6.8.6 APPLICATION FOR PAYMENT (AFP)

A new column **HSN/SAC Code** has been introduced to **Application for Payment/Item Valuation**. The HSN/SAC code of the contract item is automatically copied to this column.



The **Copy Contract Item Tax** setting in the **Sales Contract** is used to determine whether tax should be copied to Application for Payment Items from the sales contract item, or if it should be re-fetched based on the latest tax set up.



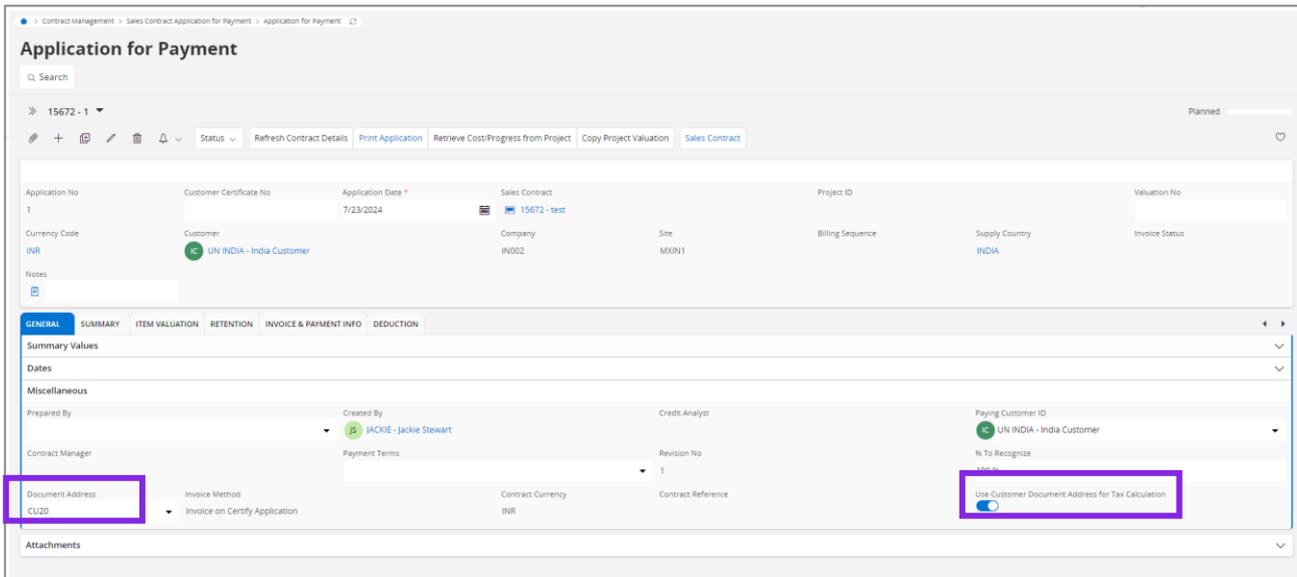
If the Copy Contract Item Tax is set to YES

Copy tax information saved in Sales Contract items, to Application for Payment items.

If the Copy Contract Item Tax is set to NO

Re-fetch Application for Payment Item tax information based on the latest tax set up.

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

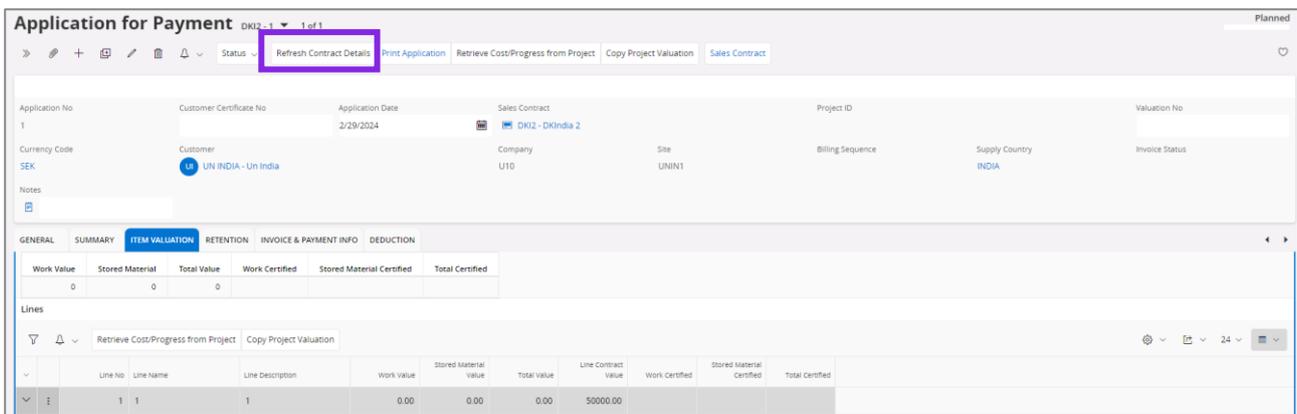


The screenshot shows the 'Application for Payment' form for application 15672-1. The 'Document Address' field is set to 'CU20'. The 'Use Customer Document Address for Tax Calculation' toggle is turned on. Other fields include 'Customer Certificate No', 'Application Date', 'Sales Contract', 'Project ID', 'Valuation No', 'Currency Code', 'Customer', 'Company', 'Site', 'Billing Sequence', 'Supply Country', and 'Invoice Status'.

On creating the AFP, this setting will take the value set on the **Sales Contract** for the use of the **Customer Document Address for Tax Calculation**.

It is possible to modify this setting, and the **Document Address** field, on Planned AFPs, only when the **Copy Contract Item Tax** is set to NO, and as a result the AFP item taxes will be re-fetched.

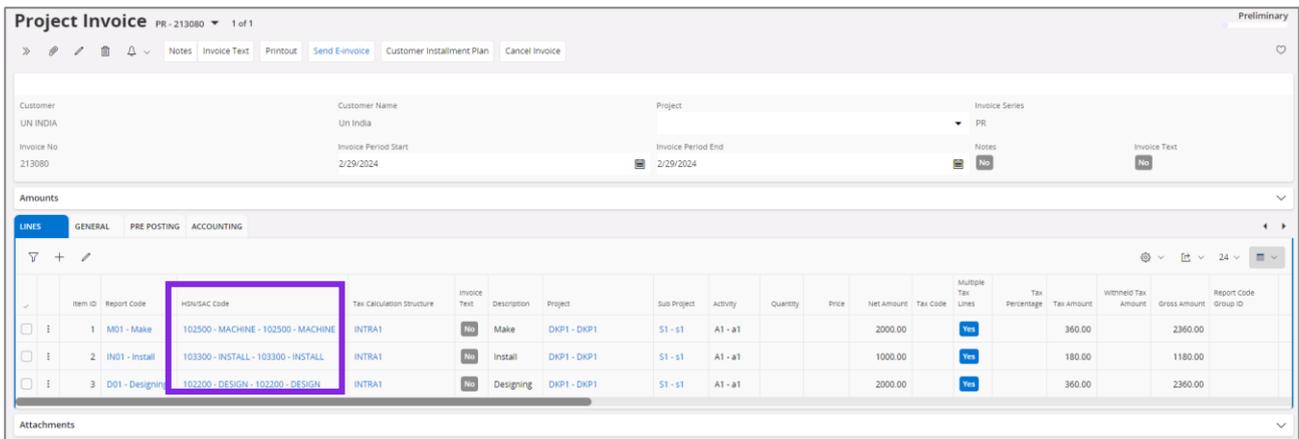
If the **Refresh Contract Details** command is executed, all the information on the Application for Payment, including HSN/SAC Codes and tax information, will be reset based on information on the Sales contract and Sales Contract Items.



The screenshot shows the 'Application for Payment' form for application DK12-1. The 'Refresh Contract Details' button is highlighted with a red box. The form displays 'Work Value', 'Stored Material', 'Total Value', 'Work Certified', 'Stored Material Certified', and 'Total Certified' for the application. The 'Lines' section shows a single line item with a value of 50000.00.

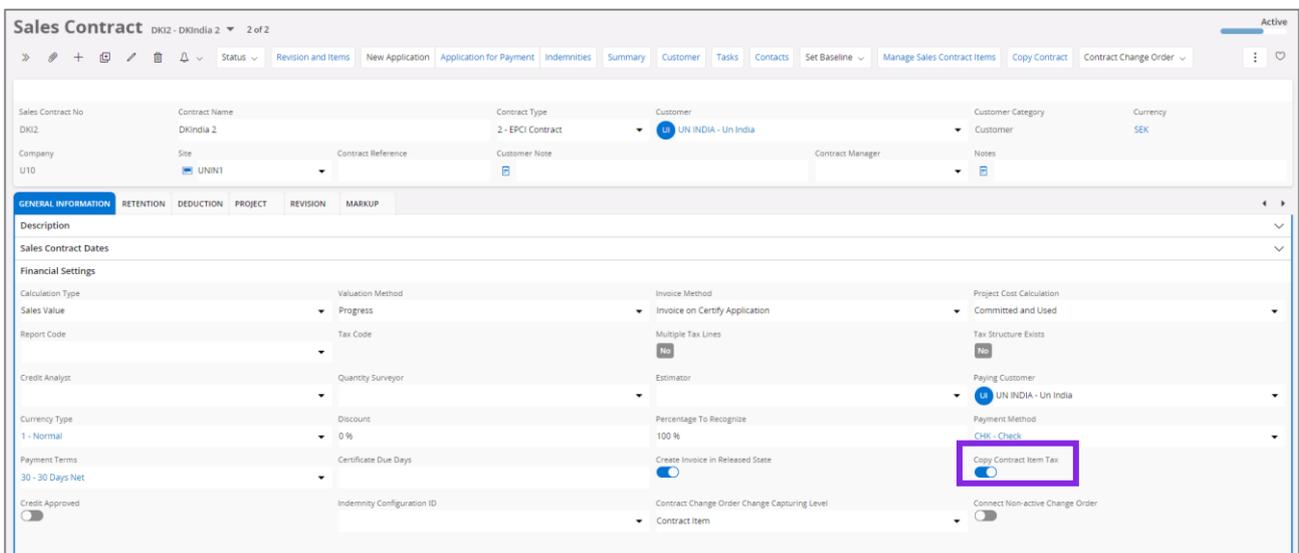
6.8.7 CREATING PROJECT INVOICE THROUGH APPLICATION FOR PAYMENT

When creating a Project Invoice from an Application for Payment, the Project Invoice Lines are created based on the grouping of the Report Code, HSN/SAC Code, and Tax. The **HSN/SAC Code** from the Application for Payment Items is automatically copied to the Project Invoice Lines. It is possible to modify the **HSN/SAC Code** for the invoice lines for Project Invoices in Preliminary status.



Item ID	Report Code	HSN/SAC Code	Tax Calculation structure	Invoice Text	Description	Project	Sub Project	Activity	Quantity	Price	Net Amount	Tax Code	Multiple Tax Lines	Tax Percentage	Tax Amount	Withheld Tax Amount	Gross Amount	Report Code Group ID
1	MD1 - Make	102500 - MACHINE - 102500 - MACHINE	INTRAT	No	Make	DKP1 - DKP1	S1 - S1	A1 - a1			2000.00		Yes		360.00		2360.00	
2	IND1 - Install	103300 - INSTALL - 103300 - INSTALL	INTRAT	No	Install	DKP1 - DKP1	S1 - S1	A1 - a1			1000.00		Yes		180.00		1180.00	
3	D01 - Designing	102200 - DESIGN - 102200 - DESIGN	INTRAT	No	Designing	DKP1 - DKP1	S1 - S1	A1 - a1			2000.00		Yes		360.00		2360.00	

The **Copy Contract Item Tax** setting in the **Sales Contract** is used to determine whether tax should be copied to the Project Invoice from the Application for Payment items, or if it should be re-fetched based on the latest tax set up.



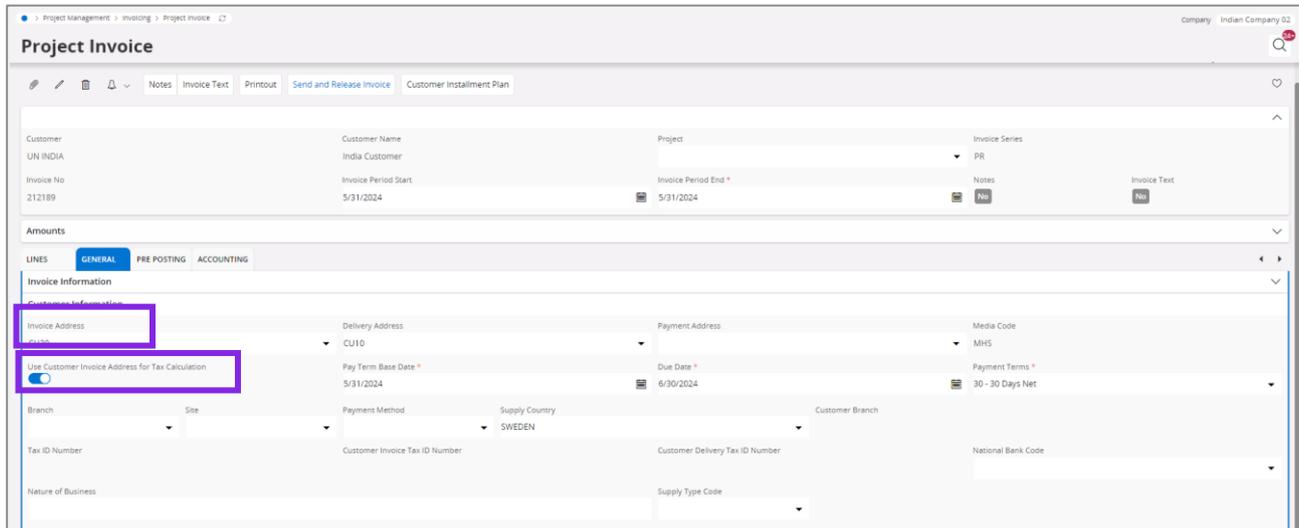
GENERAL INFORMATION	RETENTION	DEDUCTION	PROJECT	REVISION	MARKUP
Description					
Sales Contract Dates					
Financial Settings					
Calculation Type	Valuation Method	Invoice Method	Project Cost Calculation		
Sales Value	Progress	Invoice on Certify Application	Committed and Used		
Report Code	Tax Code	Multiple Tax Lines	Tax Structure Exists		
Credit Analyst	Quantity Surveyor	No	No		
Currency Type	Discount	Estimator	Paying Customer		
1 - Normal	0 %		UN INDIA - Un India		
Payment Terms	Certificate Due Days	Percentage To Recognize	Payment Method		
30 - 30 Days Net		100 %	Chk - Check		
Credit Approved	Indemnity Configuration ID	Create Invoice in Released State	Copy Contract Item Tax		
		On	On		
			Contract Change Order Change Capturing Level		
			Contract Item		
			Connect Non-active Change Order		
			Off		

If the **Copy Contract Item Tax** is set to **YES**
Copy tax information saved in Application for Payment items, to Project Invoice Lines.

If the **Copy Contract Item Tax** is set to **NO**
Re-fetch Project Invoice Line tax information based on the latest tax set up.

Company (Seller) Default Delivery Address defined in **Company/Address** and Customer (Buyer) Delivery Address defined in **Project Invoice/General** is used to determine whether the transaction is Intra/Inter State.

Select the **Use Customer Invoice Address for Tax Calculation** toggle to fetch Indian GST Taxes based on the customer invoice address and company delivery address. At the time of invoice creation, this setting is copied from AFP, and it can be modified on debit project invoices only in Preliminary status, which will result in tax re-fetching in invoice lines.



The screenshot shows the 'Project Invoice' form. In the 'Invoice Information' section, the 'Use Customer Invoice Address for Tax Calculation' toggle is highlighted with a red box and is currently turned on. Other visible fields include 'Invoice Address', 'Delivery Address', 'Payment Address', 'Media Code', 'MHS', 'Pay Term Base Date', 'Due Date', 'Payment Terms', 'Branch', 'Site', 'Payment Method', 'Supply Country', 'Customer Branch', 'Tax ID Number', 'Customer Invoice Tax ID Number', 'Customer Delivery Tax ID Number', 'National Bank Code', 'Nature of Business', and 'Supply Type Code'.

Even though the Sales contract and Application for Payment consider the Site address to determine whether the transaction is Intra/inter-state, the Project Invoice does not consider the Site address. By having the **Copy Contract Item Tax** set to YES, it is possible to avoid any tax differences between the Application for Payment and the Project Invoice due to this.

Delimitations

- Sales Contract Advance Payment flow is not supported.
- **Contract Change Order Change Capturing Level** - Contract Item, does not support HSN/SAC code-based fetching.

6.9 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. The 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 the Tax Code defined in the **Supplier Delivery address** is 3.*

Application Base Setup > Enterprise > Supplier > Supplier > Address

Address

SIATLK SUPPLIER 01 - SIATLK SUPPLIER 01 1 of 1

Address ID: SUPP_ADDRESS_01

Supplier's Own Address ID Supplier Name Supplier Branch

GENERAL ADDRESS INFORMATION DELIVERY TAX INFORMATION DOCUMENT TAX INFORMATION PURCHASE ADDRESS INFORMATION OUTBOUND ADDRESS INFORMATION

Country: UNITED STATES OF AME Validity Period

Address: No 2 Alexander Place Florida MIAMI DADE COUNTY [Open Map](#)

Address Types

Address Type	Default Address
<input checked="" type="checkbox"/> Delivery	Yes
<input type="checkbox"/> Document	Yes
<input type="checkbox"/> Pay	Yes
<input type="checkbox"/> Visit	Yes

Application Base Setup > Enterprise > Supplier > Supplier > Address

Address

SIATLK SUPPLIER 01 - SIATLK SUPPLIER 01 1 of 1

Address ID: SUPP_ADDRESS_01

Supplier's Own Address ID Supplier Name Supplier Branch

GENERAL ADDRESS INFORMATION DELIVERY TAX INFORMATION DOCUMENT TAX INFORMATION PURCHASE ADDRESS INFORMATION OUTBOUND ADDRESS INFORMATION

Company: 9879873 - SIATLK INDIAN LOCALIZATION COMPANY

Tax Calculation Structure Use Supplier Address for Tax

Tax Codes

Tax Code	Tax (%)	Validity Period
<input type="checkbox"/> 3 - Tax with reduction 2...	6	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 (highlighted) Address: No. 3, Sri Vihar - Delhi, DL, IN - INDIA (highlighted)

Address Types:

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.

Financials > Supplier Invoice > New Manual Supplier Invoice

New Manual Supplier 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: I Voucher No:

PO Reference: Receipt Reference: Sub Contract Reference: Invoice Advice Reference: Project ID: Supplier: SIATLK SUPPLIER 01 - SIATLK SUPPLIER 01 (highlighted)

Invoice Type: SUPPINV Series ID: SI Invoice No: IMPORT 001 Currency: INR Currency Rate: 1 Invoice Date: 7/24/2023 Arrival Date: 7/24/2023 Pay Term Base Date: 7/24/2023

Payment Terms: 0 Due Date: 7/24/2023 Plan Pay Date: 7/24/2023 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 - Snail Attanayake Supplier Invoice Address: SUPP_ADDRESS_01 Supplier Delivery Address: SUPP_ADDRESS_01 (highlighted) Company Invoice Address: COM_DOC_GA

Delivery Address: COM_DEL_DL (highlighted) Use Company Invoice Address for Tax Calculation: 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: Parallel Currency Rate:

Delivery Date: 7/24/2023 Tax Invoice Series ID: Tax Invoice No: Tax Invoice Date: Customs Declaration Date: Correction Reason ID:

Correction Reason: Branch: Supplier Branch:

- 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

- The 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 the USA and the Tax Code defined in the **Customer Delivery** address is 2.*

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

Country: UNITED STATES OF AME Validity Period:

Address: Open Map

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

Other Information

Jurisdiction Code: Customer Branch: Primary Contact:

Secondary Contact:

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:

Taxes	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 the **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 the 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, the 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 the 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 the **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.*

6.10 Tax Transactions

Once the core process to bring Tax Information to the **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 the **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 the **Tax Transaction** page, to depict the state in the buyer's address.

Accordingly,

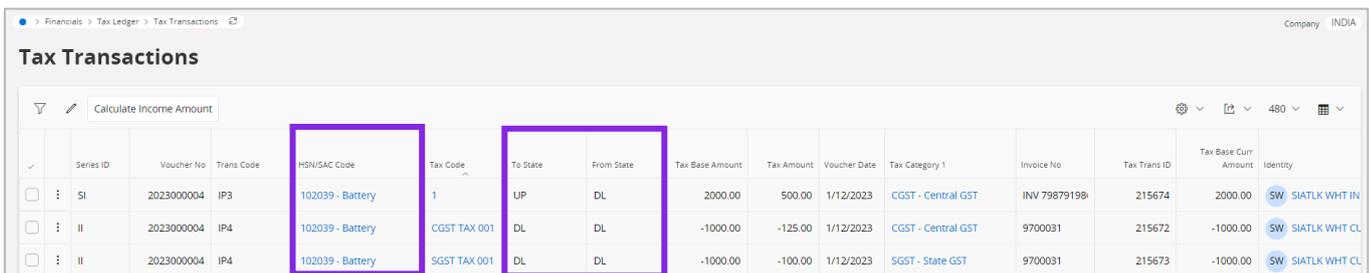
- For Procurement Transactions** - **To State** would be identified from the delivery address of the company mentioned in the invoice and, if the **Use Company Invoice Address for Tax Calculation** option is enabled in the invoice, the **To State** will depict the state in the invoice address/document 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 were 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 to fetch information on their existing tax transactions to these two new columns. Accordingly, the user can view the fetched information in the new columns **To State** and **From State** for transactions backdating up to eight years.

6.11 HSN/SAC code mandatory in GST Invoices

HSN/SAC Code plays a key role in Business Transactions in India.

It is mandatory for taxpayers to report the HSN/SAC Code in their Tax Reports (GSTR-I) and Sales Invoices based on their Aggregate Annual Turnover (AATO) in the preceding Financial Year.

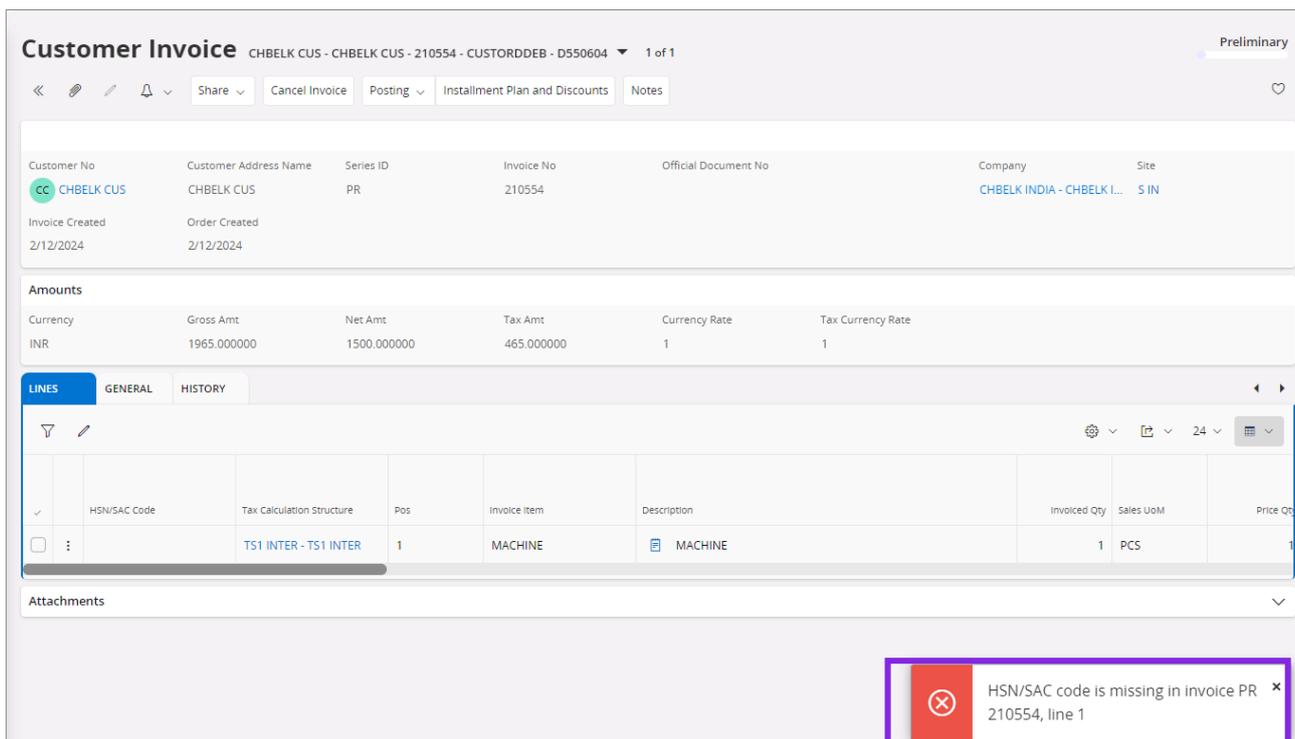
With the existing functionality, HSN/SAC code is fetching to the Invoice Lines automatically from the Basic Data. But in any case, if the HSN/SAC Code is not connected to the Invoice Lines or Outgoing Tax Document Lines, but the Tax Structure has existed, an error message appears until the user connects the relevant HSN/SAC code in the invoice lines / outgoing tax document line.

- Error Message for Different Invoices: **“HSN/SAC Code is missing in invoice YYYY, line XXX”**
- Error Message for Outgoing Tax Document (This will appear when Shipment is Delivered): **“HSN/SAC Code is missing in Outgoing Tax Document YYYY, line XXX”**

Use existing LCC Parameter - **HSN/SAC Codes and Intra/Inter State Tax Rates Fetching**

Validate Tax Lines of the Invoice / Outgoing Tax Document - **Tax Category I** for GST Codes

An error message appears if invoice line or Outgoing Tax Document Line does not contain HSN/SAC Code



The screenshot displays a 'Customer Invoice' for CHBELK CUS - CHBELK CUS - 210554 - CUSTORDDEB - D550604. The invoice details include Customer No (CHBELK CUS), Customer Address Name (CHBELK CUS), Series ID (PR), Invoice No (210554), and Official Document No (CHBELK INDIA - CHBELK...). The 'Amounts' section shows a Gross Amt of 1965.000000, Net Amt of 1500.000000, and Tax Amt of 465.000000. The 'LINES' section shows a single line item for 'MACHINE' with a quantity of 1 PCS. An error message is displayed at the bottom right: 'HSN/SAC code is missing in invoice PR 210554, line 1'.

The error message is appearing in different invoice flows, Shipment (with related to Outgoing Tax Documents) and Pages as follows.

Invoice Type	Command			
	Print / Release	Send	Send E-Invoice	Resend E-Invoice
Instant Invoice	Error message raised when clicking the command			
Customer Invoice Order	Error message raised when clicking the command	Error message visible in Background Jobs	Error message raised when clicking the command	Error message raised when clicking the command
Collective Customer Invoice Order	Error message raised when clicking the command	Error message visible in Background Jobs	Error message raised when clicking the command	Error message raised when clicking the command

Project Invoice	Error message raised when clicking the command	Error message raised when clicking the command	Error message raised when clicking the command	Error message raised when clicking the command
New Manual Customer Invoice	Error message raised when clicking Finish button			
New Manual Supplier Invoice	Error message raised when clicking Finish button			
Shipment (Related Outgoing Tax Document)	Error message raised when clicking Deliver command in Shipment			

Page Name	<i>Print Invoice</i> Page		
Command	Print	Send	Send E-Invoice
Instant Invoice	Error message raised when clicking the command	Error message raised when clicking the command	Error message raised when clicking the command
Customer Order Invoice	Error message raised when clicking the command	Error message raised when clicking the command	Error message raised when clicking the command
Page Name	<i>Project Invoices</i> Page		
Command	Print	Send	Send E-Invoice
Project Invoice	Error message raised when clicking the command	Error message raised when clicking the command	Error message raised when clicking the command
Page Name	<i>Batch Print Customer Invoices</i> Page		
Command	Print	Send	Send E-Invoice
Instant Invoice	Error message raised when clicking the command	Error message raised when clicking the command	Error message raised when clicking the command
Customer Order Invoice	Error message visible in Background Jobs	Error message visible in Background Jobs	Error message raised when clicking the command
Page Name	<i>Print Customer Invoices</i> 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 clicking the command

6.12 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.

7 Address Specific Tax Registration Number

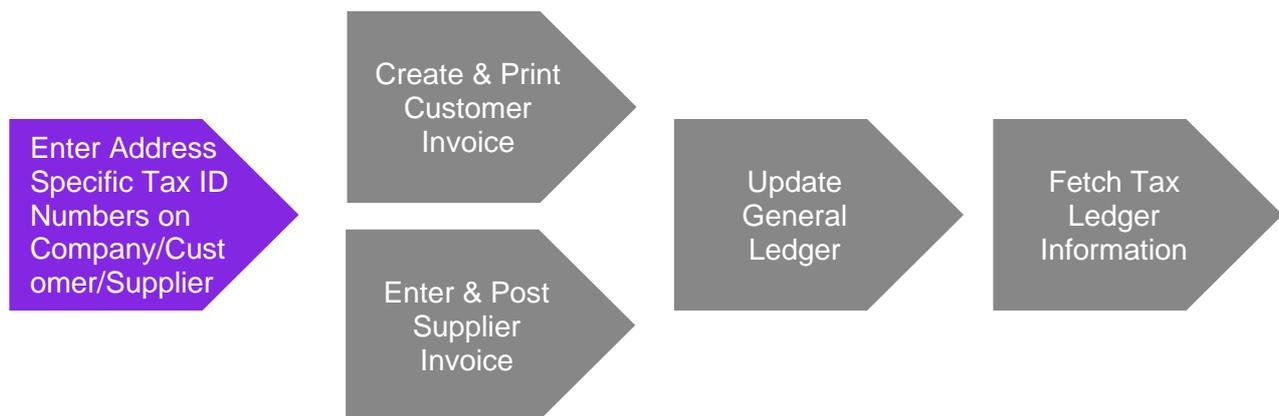
This is a country-specific functionality introduced for India in IFS Cloud 23R1. This functionality is shared with Brazil and France and is introduced to cater to the requirements in India previously handled by the two country-specific functionalities in “Multiple Tax Registration” and “Additional Tax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

7.1 Overview Legal Requirement

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

- PAN (Permanent Account Number) – One unique number given to 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.

7.2 Process Overview



7.3 Solution Overview

7.3.1 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 the Company basic data.

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

7.3.2 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 the user fetches the tax transactions.

7.4 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

7.5 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)

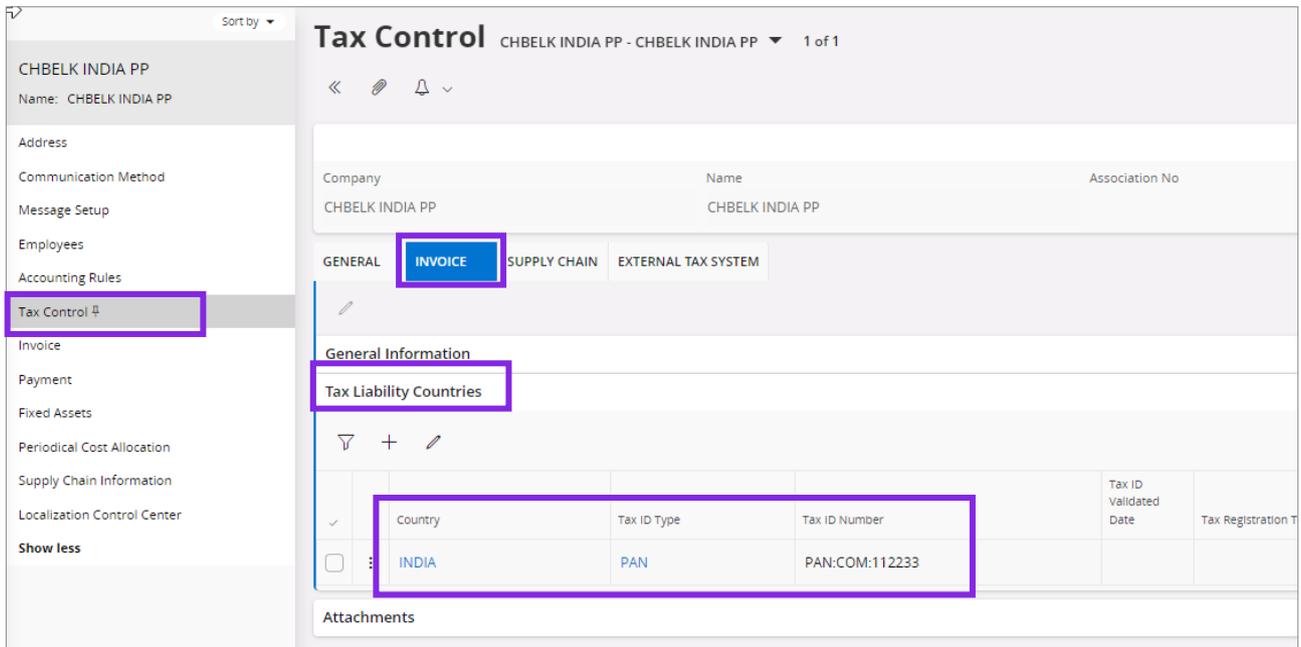
Tax ID Types

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

7.5.1 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: CHBELK INDIA PP

GENERAL **INVOICE** SUPPLY CHAIN EXTERNAL TAX SYSTEM

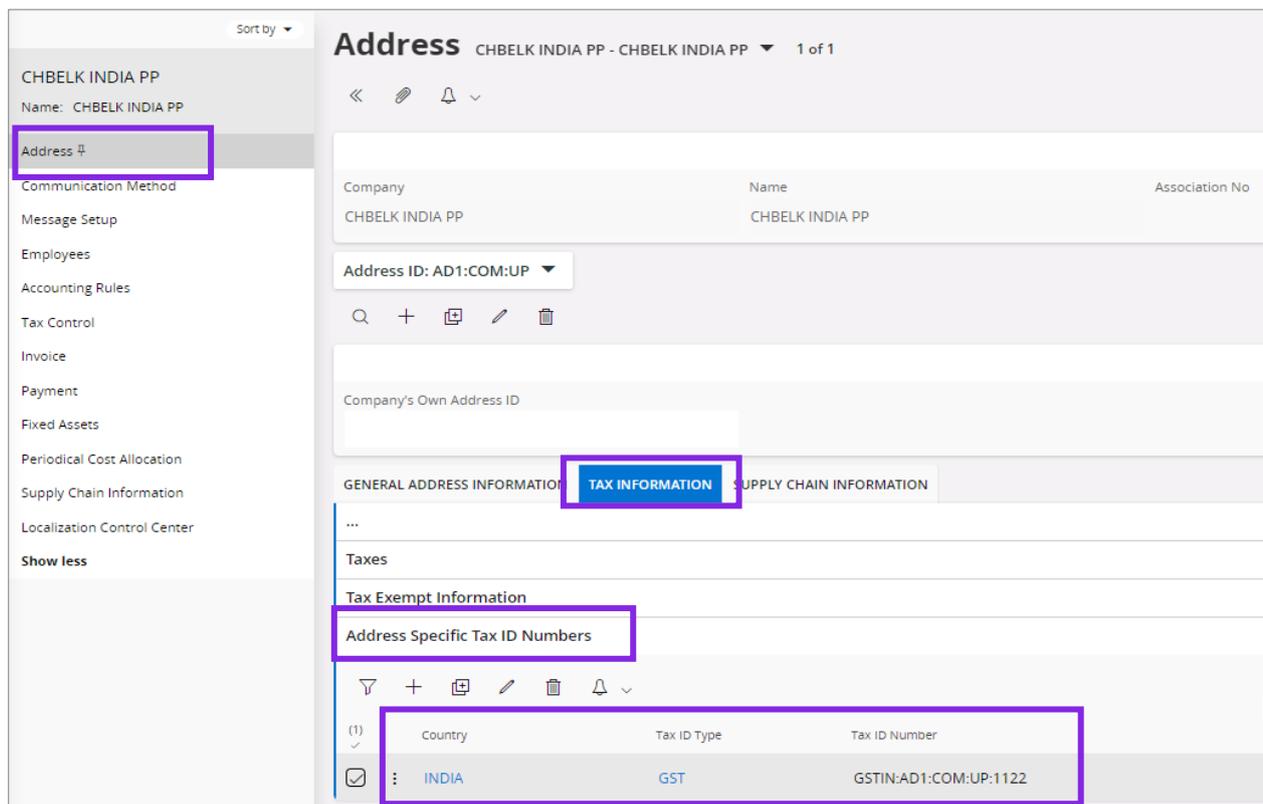
General Information

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: CHBELK INDIA PP

Address ID: AD1:COM:UP

Company's Own Address ID

GENERAL ADDRESS INFORMATION **TAX INFORMATION** SUPPLY CHAIN INFORMATION

Taxes

Tax Exempt Information

Address Specific Tax ID Numbers

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

7.5.2 ENTER BASIC DATA IN CUSTOMER / SUPPLIER PAGES

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.**

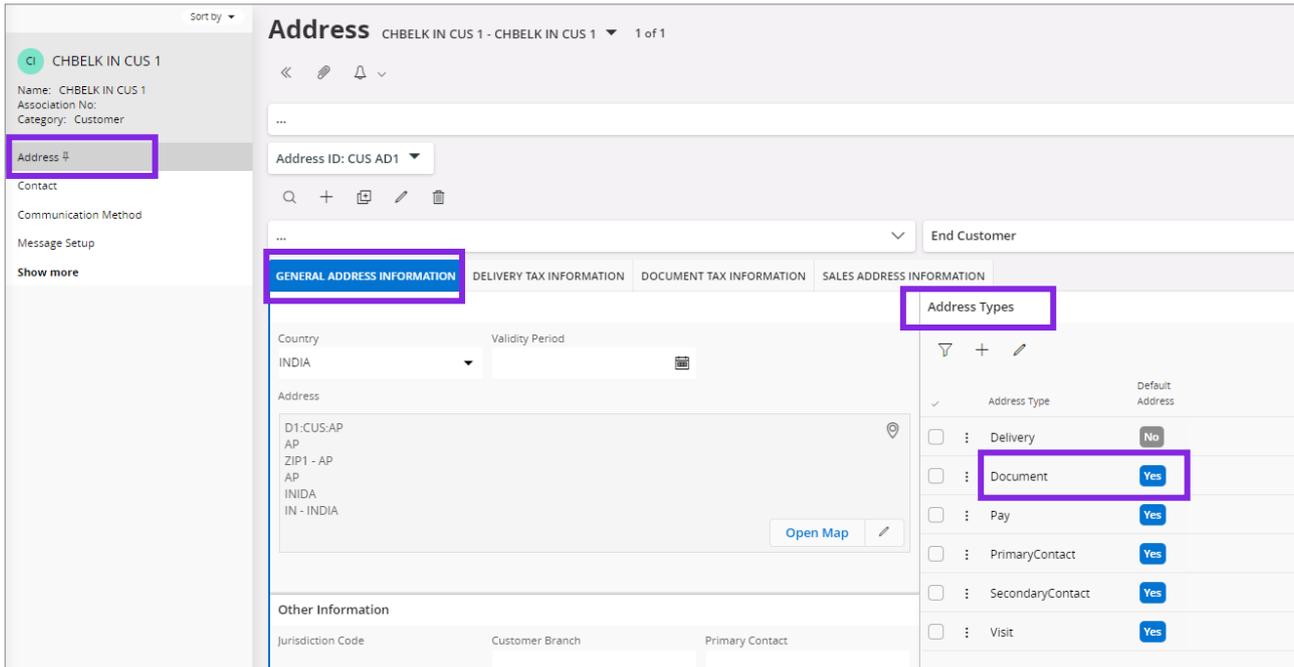
The screenshot displays the 'Address' page for 'CHBELK IN CUS 1'. The left sidebar contains a navigation menu with 'Address #', 'Contact', 'Communication Method', 'Message Setup', 'Invoice', 'Payment', 'Credit Information', 'CRM Info', 'Sales', and 'Project Reporting Info'. The main content area shows the 'Address ID: CUS AD1' and a table of 'ADDRESS SPECIFIC TAX ID NUMBERS' under the 'DOCUMENT TAX INFORMATION' tab.

Company	Supply Country	Delivery Country	Tax ID Type	Tax ID Number
CHBELK INDIA	INDIA	INDIA		
CHBELK INDIA PP	INDIA	INDIA		

Tax ID Type	Tax ID Number
GST	CUS:AD1:GST:AP:3344
PAN	CUS:PAN: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

Name: CHBELK IN CUS 1
Association No:
Category: Customer

Address ID: CUS AD1

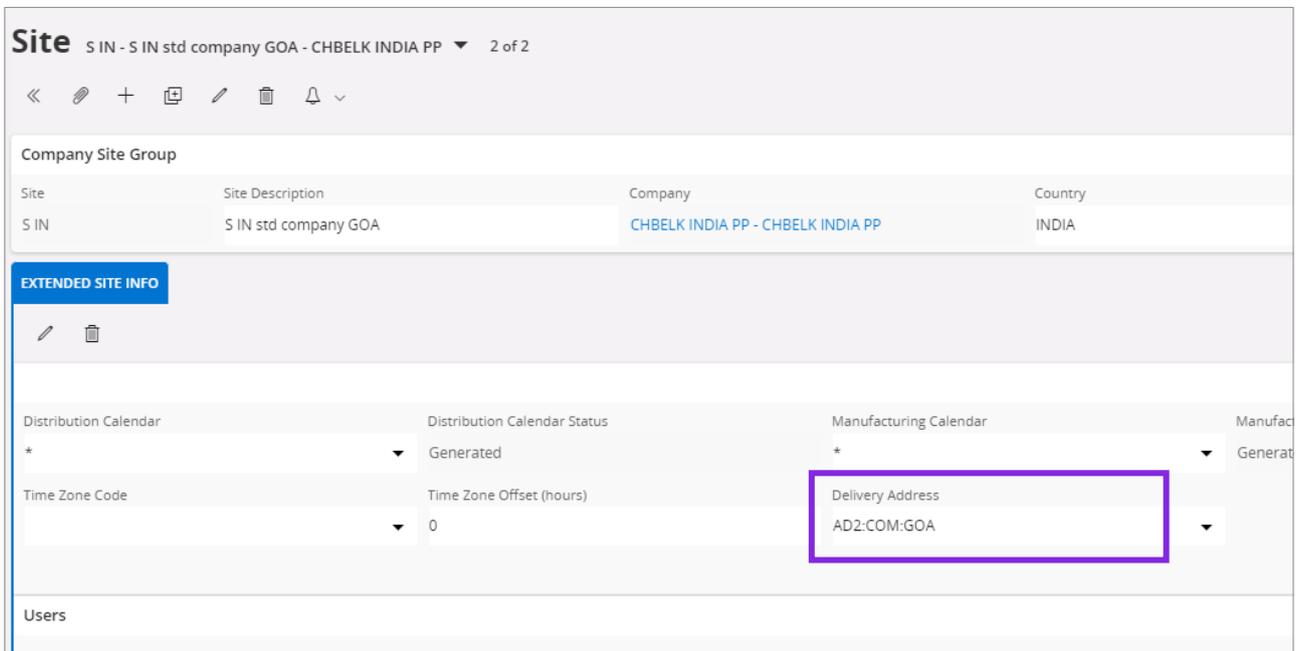
Country: INDIA

Address: D1:CUS:AP AP ZIP1 - AP AP INIDA IN - INDIA

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

7.5.3 ENTER BASIC DATA IN THE SITE

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



Site S IN - S IN std company GOA - CHBELK INDIA PP 2 of 2

Site	Site Description	Company	Country
S IN	S IN std company GOA	CHBELK INDIA PP - CHBELK INDIA PP	INDIA

EXTENDED SITE INFO

Distribution Calendar	Distribution Calendar Status	Manufacturing Calendar	Manufacturing Calendar Status
*	Generated	*	Generated

Time Zone Code: 0

Delivery Address: AD2:COM:GOA

7.5.4 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 a 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

7.6 Multiple Tax ID Numbers in Customer Invoice Flow

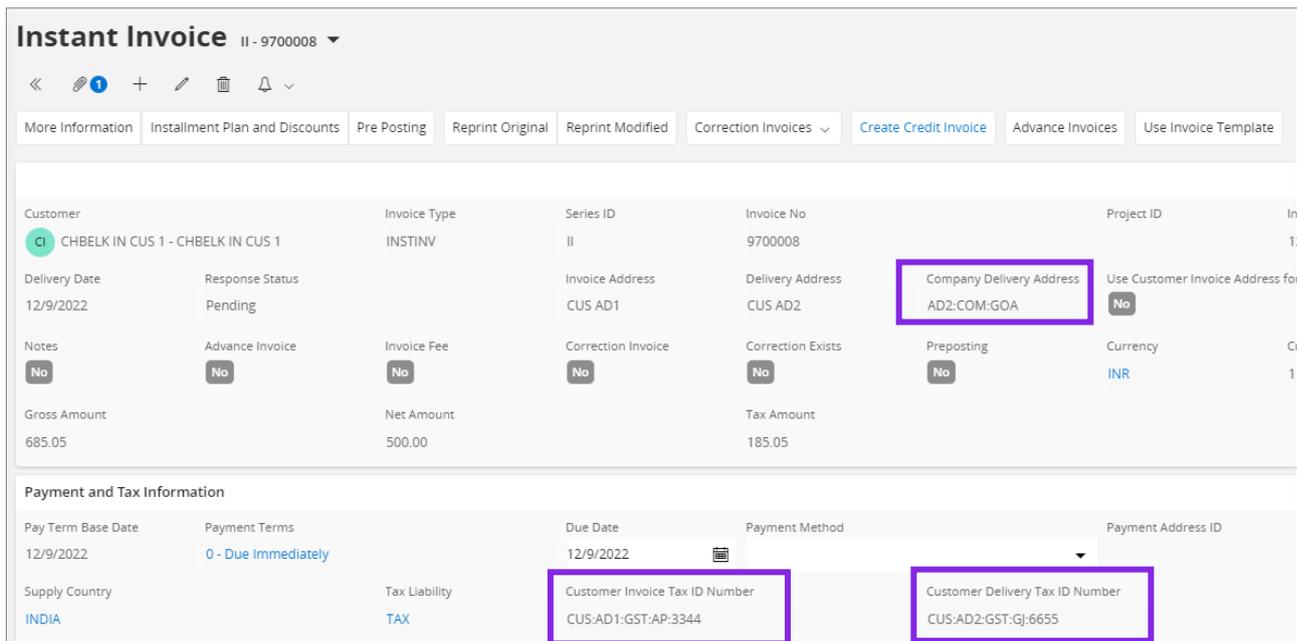
7.6.1 INSTANT INVOICE

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

Customer: CHBELK IN CUS 1 - CHBELK IN CUS 1
 Invoice Type: INSTINV
 Series ID: II
 Invoice No: 9700008
 Project ID: 1

Delivery Date: 12/9/2022
 Response Status: Pending
 Invoice Address: CUS AD1
 Delivery Address: CUS AD2
 Company Delivery Address: AD2:COM:GOA
 Use Customer Invoice Address for: No

Notes: No
 Advance Invoice: No
 Invoice Fee: No
 Correction Invoice: No
 Correction Exists: No
 Preposting: No
 Currency: INR

Gross Amount: 685.05
 Net Amount: 500.00
 Tax Amount: 185.05

Payment and Tax Information

Pay Term Base Date: 12/9/2022
 Payment Terms: 0 - Due Immediately
 Due Date: 12/9/2022
 Payment Method: [Dropdown]
 Payment Address ID: [Dropdown]

Supply Country: INDIA
 Tax Liability: TAX
 Customer Invoice Tax ID Number: CUS:AD1:GST:AP:3344
 Customer Delivery Tax ID Number: 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.

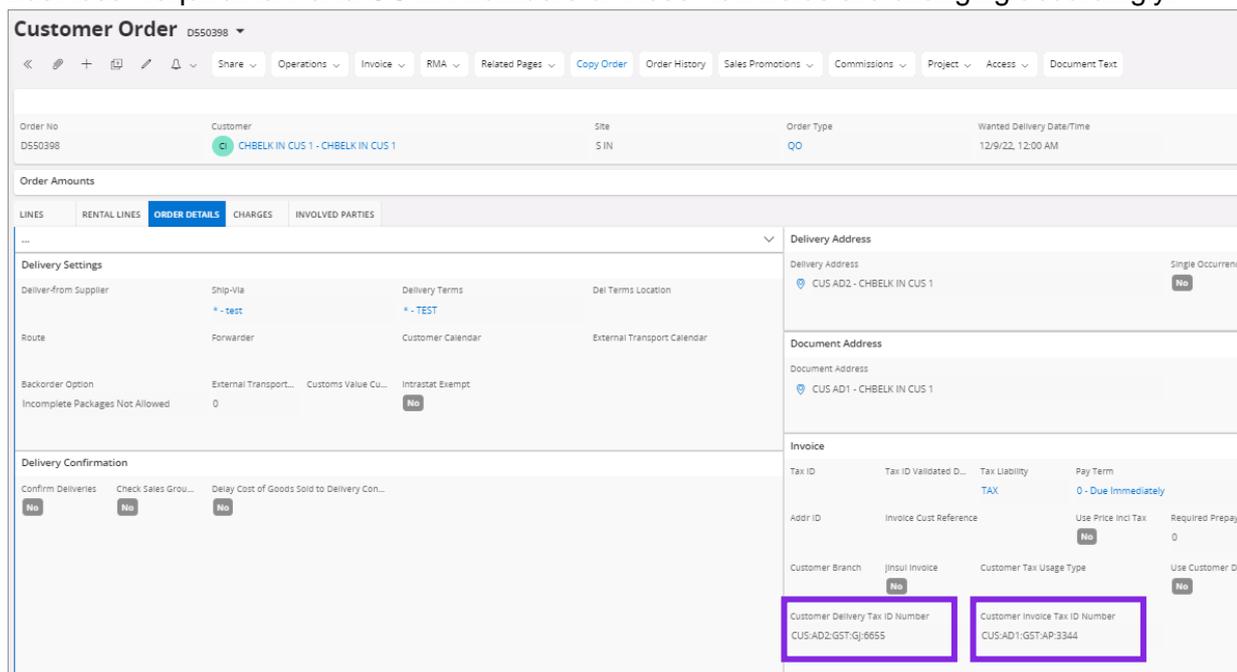
7.6.2 CUSTOMER ORDER

Follow the IFS Cloud core processes to create Customer orders.

Two new fields are introduced under the 'Invoice' group box in the **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

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

Order Details | Delivery Address: CUS AD2 - CHBELK IN CUS 1 | Document Address: CUS AD1 - CHBELK IN CUS 1

Invoice

Customer Delivery Tax ID Number	Customer Invoice Tax ID Number
CUS-AD2;GST-GJ;6655	CUS-AD1;GST-AP;3344

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.

7.6.3 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 the '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 updated accordingly.

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

Share Credit/Correction Invoice Posting Installation Plan and Discounts Notes

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

Amounts

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

LINES GENERAL HISTORY

...	Indicators
Payment	Delivery
References	Invoice Text
Order No D550398	Invoice Text ID Invoice Text
Debit/Corr Invoice Series	Debit/Corr Invoice No
SBI Ref No	Rebate Settlement
	Project ID
	Final Settlement No
Tax Registration Details	
Customer Invoice Tax ID Number CUS:AD1:GST:AP:3344	Customer Delivery Tax ID Number CUS:AD2:GST:Gj:6655
Use Customer Invoice Address for Tax Calculation <input type="checkbox"/>	

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

7.6.4 PROJECT INVOICE

Follow the IFS Cloud core processes to create a Project Invoice.

Two new fields are introduced under the 'Customer Information' group box in 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 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 ▾

[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.

7.7 Print Multiple Tax ID Numbers on the Invoice PDF

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



INVOICE
 Invoice Date: 1/11/23
 Order Date: 1/11/23

ORIGINAL
 Invoice Number: II9700037
 Order Number: II9700037

Our Reference

 Delivery Address

 CHBELK IN CUS1
 AD2:CUS:GJ
 GJ
 ZIP2-GJ
 GJ
 INDIA
 IN-INDIA

 Delivery Tax ID Number
 CUS:AD2:GST:GJ:6655

Customer Tax Number
 CUS:PAN:2233

Customer Number: CHBELK IN CUS
 Invoice Address

 CHBELK IN CUS1
 D1:CUS:AP
 AP
 ZIP1-AP
 AP
 INDIA
 IN-INDIA

 Invoice Tax ID Number
 CUS:AD1:GST:AP:3344

Permanent Account Number
 PAN:COM:112233

Pay Term Base Date: 1/11/23
 Ref Invoice No:

Delivery Date: 1/11/23

Due Date: 1/11/23
 Ref Net Amount:

Ref Tax Amount:

Terms of Payment: Due Immediately
 Payment Reference:

Payment Method:

Bank Account:

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

7.8 Multiple Tax ID Numbers in Supplier Invoice Flow

7.8.1 ENTER AND POST SUPPLIER INVOICES WITHOUT PO

Follow the IFS Cloud core processes to create a Manual Supplier Invoice.

There are four Addresses visible in the 'New Manual Supplier Invoice' Assistant and 'Manual Supplier Invoice' page under the 'More Information' section.

- **Company Invoice Address**
- **Delivery Address (Company)**
- **Supplier Invoice Address**
- **Supplier Delivery Address**

New Manual Supplier Invoice

Header Information | Line Information | Posting Information

Company: CHBELK INDIA PP | Voucher Date: 1/12/2023 | Accounting Year: 2023 | Accounting Period: 1 | User Group: AC | Voucher Type: I | Voucher No: ...

More Information

Reference Series: [Dropdown] | Reference Invoice No: [Dropdown] | Invoice Recipient: CHBELK | **Supplier Invoice Address: AD2:SUP:UP** | **Supplier Delivery Address: AD1:SUP:DELHI** | **Company Invoice Address: AD1:COM:UP**

Delivery Address: AD1:COM:UP | Use Company Invoice Address for... [Toggle] | Use Project Address for Tax [No] | Reference Supplier: [Dropdown] | Preliminary Code: [Dropdown] | National Bank Code: [Dropdown] | Nature of Business: [Dropdown]

Creator Reference: [Text] | Tax Currency Rate: 1 | Tax Withholding Currency Rate: 1 | Parallel Currency Rate: 10 | Delivery Date: 1/12/2023 | Tax Invoice Series ID: [Text]

Tax Invoice No: [Text] | Tax Invoice Date: [Text] | Customs Declaration Date: [Text] | Correction Reason ID: [Dropdown] | Correction Reason: [Text] | Branch: [Dropdown]

Supplier Branch: [Text] | IRN: [Text]

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.

7.8.2 ENTER AND POST SUPPLIER INVOICES WITH PO

Follow the IFS Cloud core process to enter the Purchase Order. Note that the 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.

Purchase Order 91000285 - CHBELK SUP IN - IN S2 | 1 of 2

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

Order No: 91000285 | Supplier: CS CHBELK SUP IN - CHBELK SUP IN | **Site: IN S2 - S IN std company AP** | Order Code: 1 - NORMAL | Receipt Date: 1/12/23, 12:00 AM

Not Shared

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

General

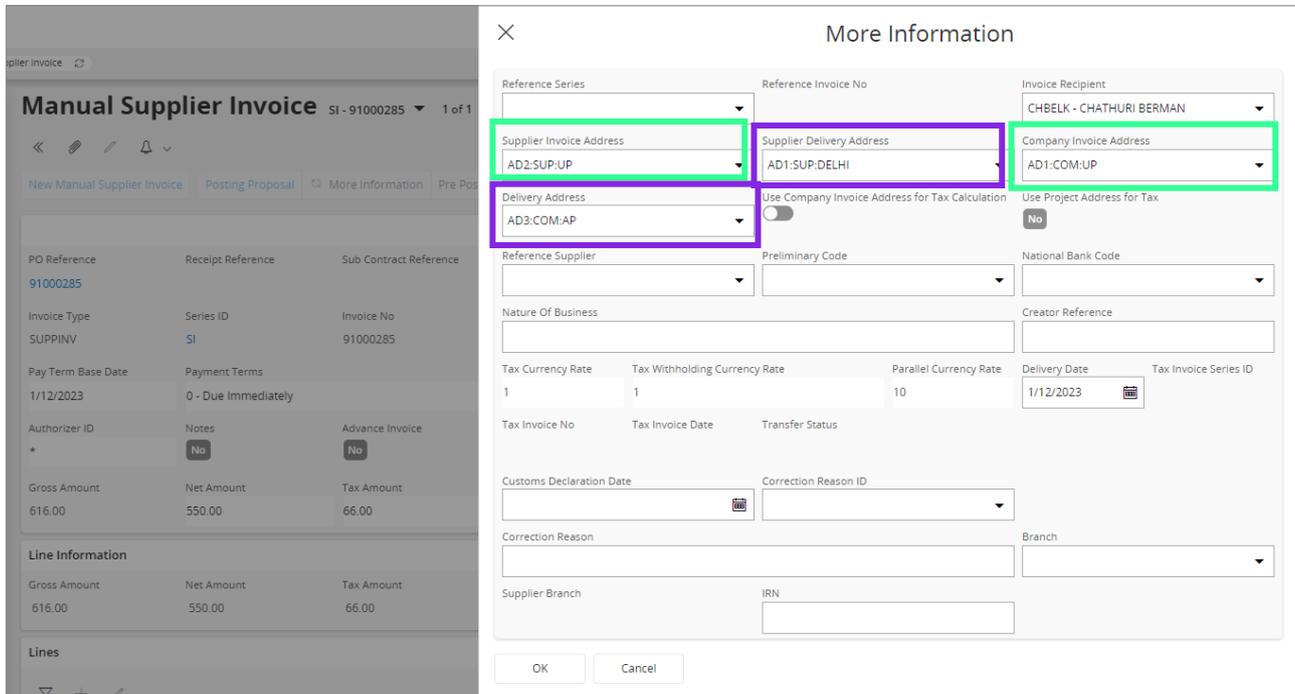
Delivery Address: [Dropdown] AD3:COM:AP | Reference | Single Occur... [Toggle] | **Document Address:** [Dropdown] AD1:COM:UP

Delivery Information

Supplier Delivery Address: [Dropdown] AD1:SUP:DELHI | **Supplier Document Address:** [Dropdown] AD2:SUP:UP | Ship-Via: * - test | Delivery Terms: * - TEST

Delivery Terms Location | Route | Forwarder | External Transport Calendar

When creating a 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.



7.9 Update General Ledger

Follow the IFS Cloud core process to update vouchers to General Ledger (*Update GL Vouchers Assistant*).

7.10 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	

7.11 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	INVOICE
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

8 Indian Reverse Charge

8.1 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 example, assume a reverse charge transaction of value 10,000 INR and taxes applicable are CGST – 10% and SGST – 5%.

*If the 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 the above is a Sales Transaction, the Company being the sender of the goods or services doesn't record nor pay 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.*

8.2 Process Overview



8.3 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 the IFS Cloud Core Solution. However, Calculated Tax codes are not allowed to be connected to Tax Calculation Structures in the 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

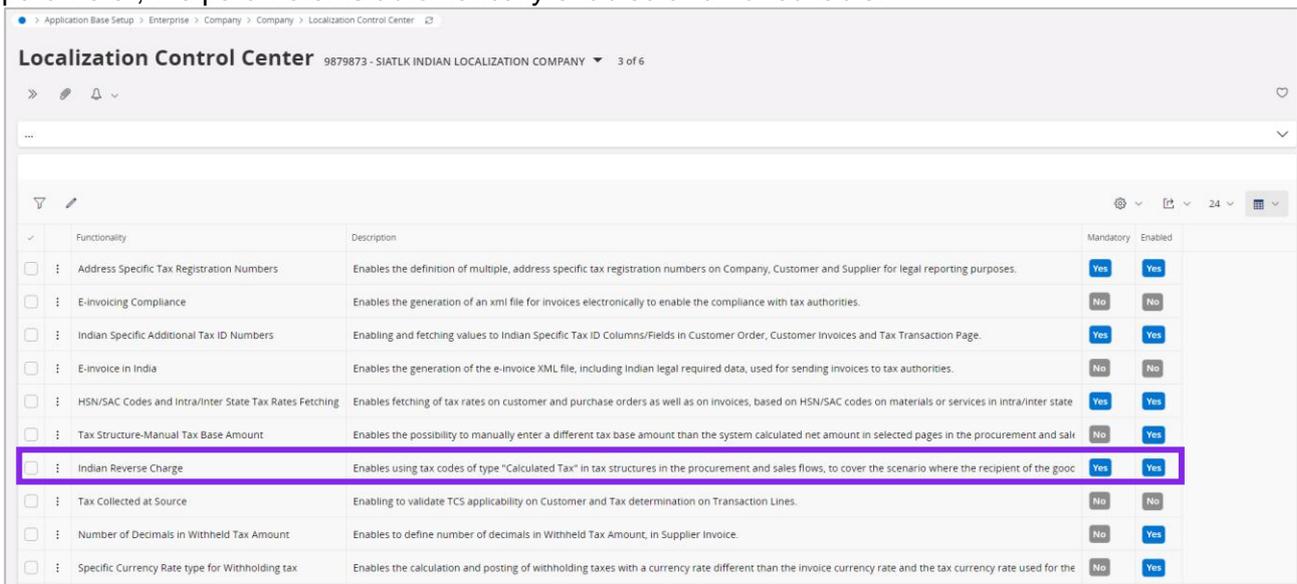
based Indian GST Tax Regime, facilitating the use of multiple tax codes for a single business transaction.

8.4 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**.

8.5 Enable Localization Control Center Parameter

In order to utilize this functionality, the LCC parameter 'Indian Reverse Charge' in the **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
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
E-invoicing Compliance	Enables the generation of an xml file for invoices electronically to enable the compliance with tax authorities.	No	No
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
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
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
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
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
Tax Collected at Source	Enabling to validate TCS applicability on Customer and Tax determination on Transaction Lines.	No	No
Number of Decimals in Withheld Tax Amount	Enables to define number of decimals in Withheld Tax Amount, in Supplier Invoice.	No	Yes
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

8.6 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 and Calculate Tax to Tax Calculation Structures. Thereby, the user can enter tax lines applicable for Reverse Charges, 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.

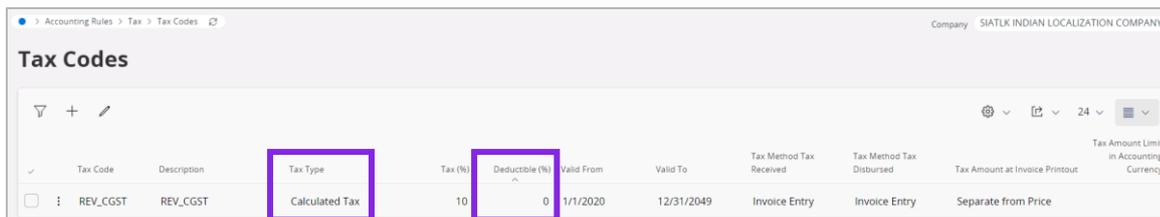
8.7 Procurement Flow

8.7.1 INPUT TAX CREDIT DISCLAIMER

Tax paid on a 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.

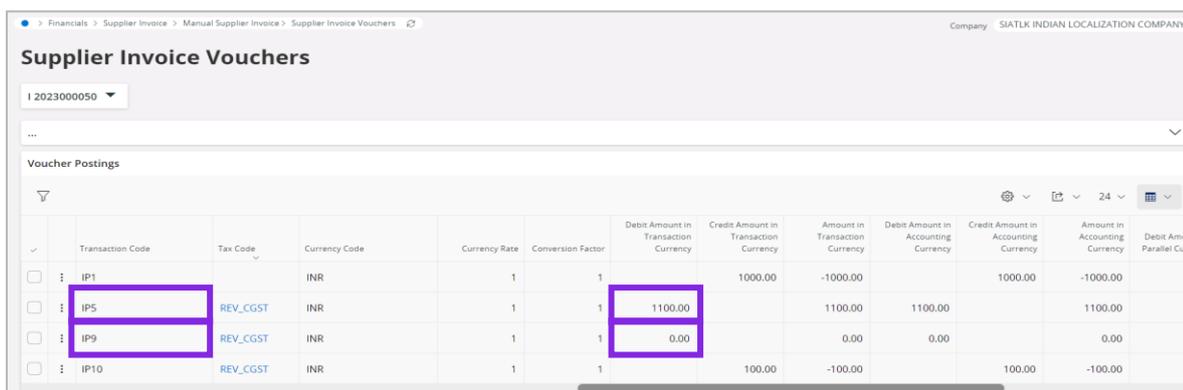
To facilitate this, the core functionality of “Deductible %” could be used. For transactions of this nature, the user can use a 0% deductible “Calculated Tax” tax code.



The screenshot shows the 'Tax Codes' configuration page for 'SIATLK INDIAN LOCALIZATION COMPANY'. A table lists tax codes with the following data:

✓	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
<input type="checkbox"/>	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 a 0% deductible Calculated Tax code to post a procurement transaction, an IP9 posting line will be created with a 0 value and the tax amount will be added to the cost posting.



The screenshot shows the 'Supplier Invoice Vouchers' posting table for voucher 'I 2023000050'. The table displays the following data:

✓	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
<input type="checkbox"/>	IP1		INR	1	1		1000.00	-1000.00		1000.00	-1000.00	
<input type="checkbox"/>	IP5	REV_CGST	INR	1	1	1100.00		1100.00	1100.00			1100.00
<input type="checkbox"/>	IP9	REV_CGST	INR	1	1	0.00		0.00	0.00			0.00
<input type="checkbox"/>	IP10	REV_CGST	INR	1	1		100.00	-100.00		100.00	-100.00	

8.7.2 PURCHASE ORDER

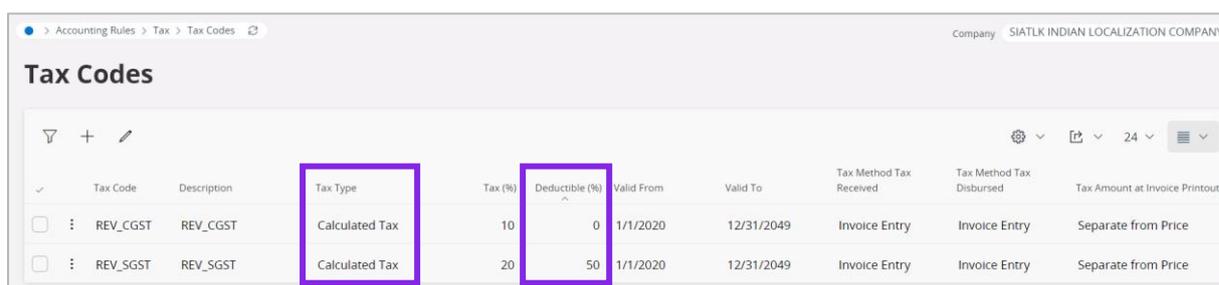
The Tax Calculation Structure with Calculated Tax Codes can be entered to Purchase Order Transaction lines either manually or be automatically fetched using the HSN/SAC based Tax Fetching.

Moreover, Reverse Charge Functionality is supported in the 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

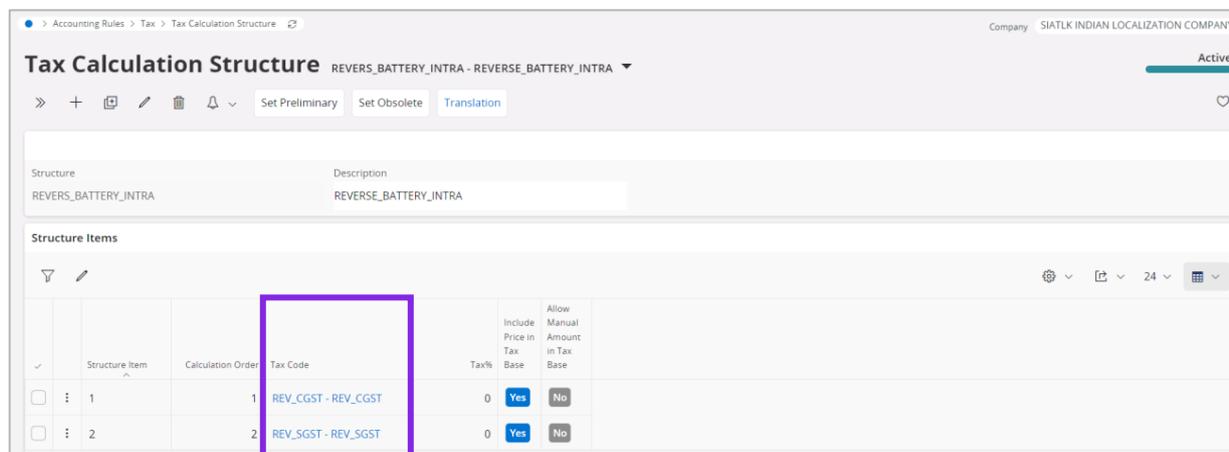
For example, assume the company buys a product taxable via reverse charge mechanism for 1,000 INR and the taxes applicable are CGST – 10% (No tax credit available) and SGST – 20% (50% tax credit available) as the transaction was an Intrastate transaction.

- 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 at a Purchase Order Line-item level and Invoiced via Manual Supplier Invoice.

8.7.3 MANUAL SUPPLIER INVOICE

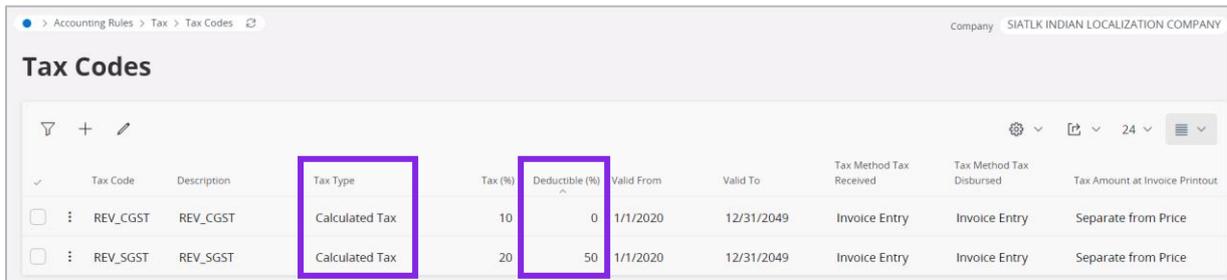
The Tax Calculation Structure with Calculated Tax Codes can be entered to invoice lines either manually or be automatically fetched using the HSN/SAC based Tax Fetching.

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 the 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.

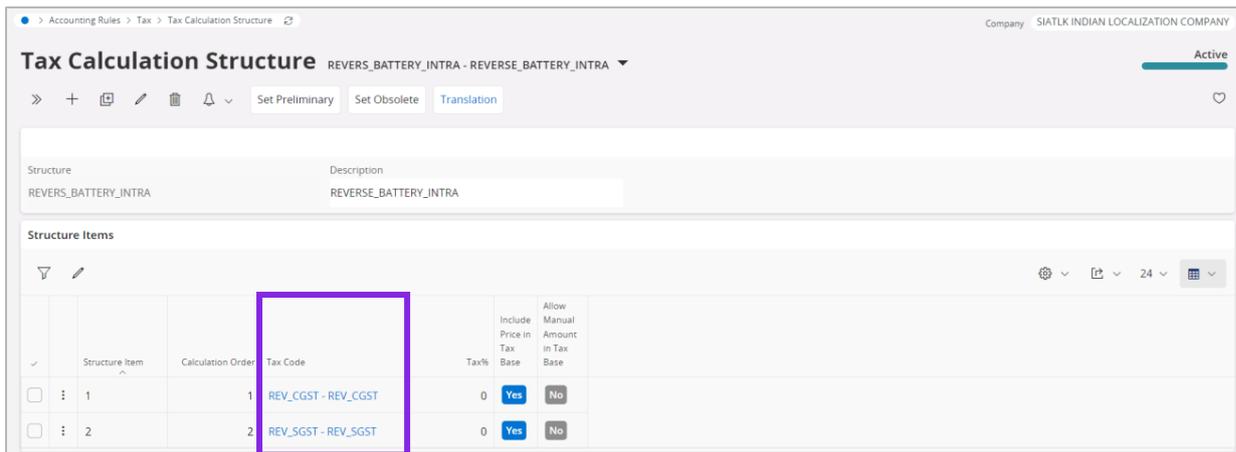
For example, assume the company buys a product taxable via reverse charge mechanism for 1,000 INR and the taxes applicable are CGST – 10% (No tax credit available) and SGST – 20% (50% tax credit available) as the transaction was an Intrastate transaction.

- 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 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

I 2023000051

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.

8.7.4 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 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.

Accounting Rules > Tax > Tax Calculation Structure

Company: SIATLK INDIAN LOCALIZATION COMPANY

Tax Calculation Structure

REVERS_BATTERY_INTER - REVERSE_BATTERY_INTER

Active

Structure: REVERS_BATTERY_INTER | Description: REVERSE_BATTERY_INTER

Structure Items

Structure Item	Calculation Order	Tax Code	Tax%	Include Price in Tax Base	Allow Manual Amount in Tax Base
1	1	REV_JGST - REV_JGST	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.

Financials > Supplier Invoice > Manual Supplier Invoice > Supplier Invoice Vouchers

Company: SIATLK INDIAN LOCALIZATION COMPANY

Supplier Invoice Vouchers

12023000052

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 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_JGST	INR	1	1		300.00	300.00	300.00		300.00	
IP10	REV_JGST	INR	1	1		300.00	-300.00		300.00		-300.00

8.8 Sales Flow

8.8.1 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 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.

Accounting Rules > Tax > Tax Calculation Structure Company: SIATLK INDIAN LOCALIZATION COMPANY

Tax Calculation Structure

REVERS_BATTERY_INTRA - REVERSE_BATTERY_INTRA Active

Structure: REVERS_BATTERY_INTRA | Description: REVERSE_BATTERY_INTRA

Structure Items

✓	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

8.8.2 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 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.

Accounting Rules > Tax > Tax Calculation Structure

Company: SIATLK INDIAN LOCALIZATION COMPANY

Tax Calculation Structure

REVERS_BATTERY_INTRA - REVERSE_BATTERY_INTRA

Active

Structure: REVERS_BATTERY_INTRA | Description: REVERSE_BATTERY_INTRA

Structure Items

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.

Accounting Rules > Voucher > Manual Voucher > Voucher

Company: SIATLK INDIAN LOCALIZATION COMPANY

Voucher

F - 2023000035 | 1 of 11

Approved

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: No | Use Correction Rows: No | Text ID: SIATLK CUS 01 INR | 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
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

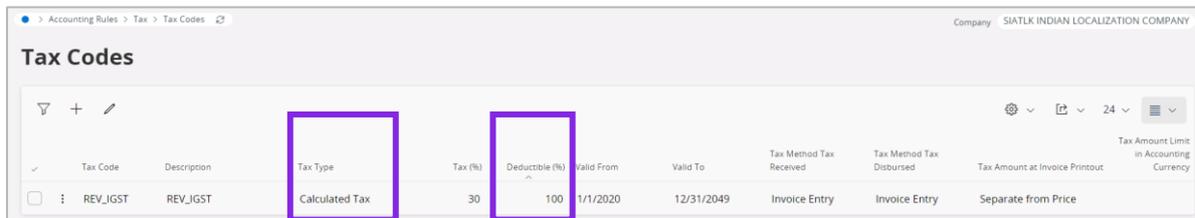
Indian Reverse Charge is also supported in the creation of Recurring Invoices, Correction Invoices, Credit Invoices and Collective Invoices so that the user will be able to bring Tax Structures of a base Invoice to a Recurring Invoice, Correction Invoice, Credit Invoice, or a Collective Invoice created.

8.8.3 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.

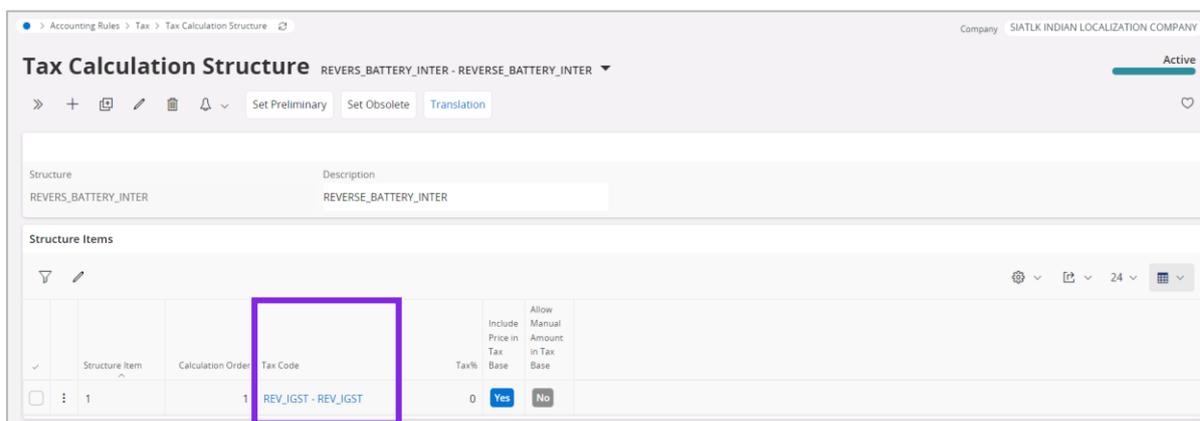
For example, assume the company sells a product taxable via reverse charge mechanism for 1,000 INR and the taxes applicable are IGST – 30% (100% tax credit available) as the transaction was an Interstate transaction.

- The calculated tax codes must be created to facilitate the reverse charge treatment.



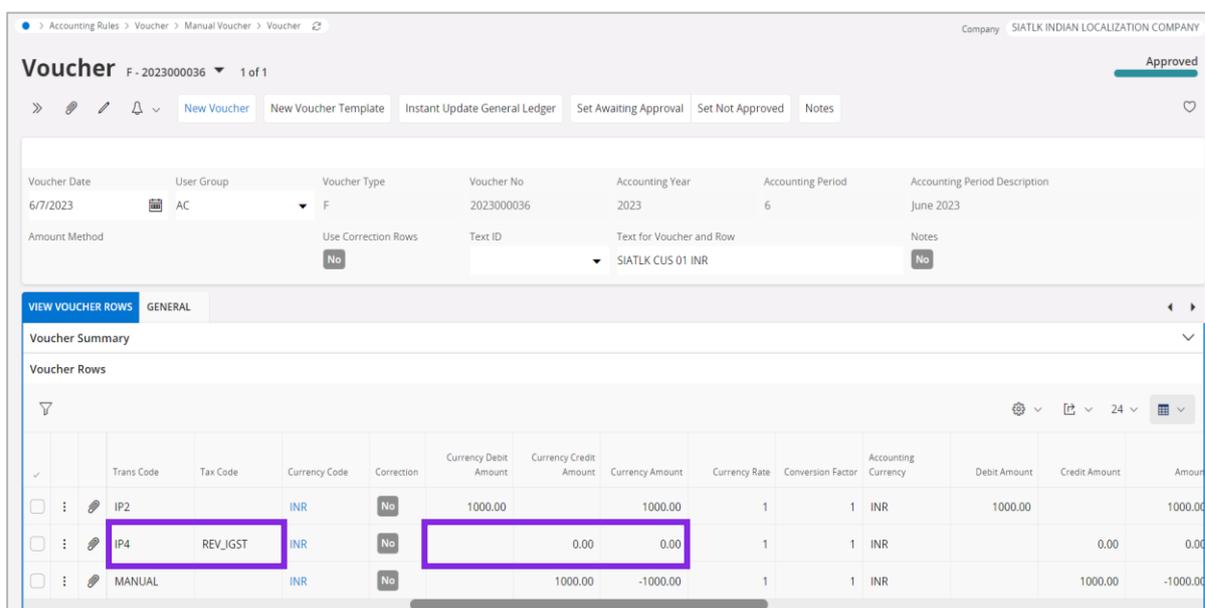
Tax Code	Description	Tax Type	Tax (%)	Deductible (%)	Valid From	Valid To	Tax Method Tax Received	Tax Method Tax Disbursed	Tax Amount at Invoice Printout	Tax Amount Limit in Accounting Currency
REV_IGST	REV_IGST	Calculated Tax	30	100	1/1/2020	12/31/2049	Invoice Entry	Invoice Entry	Separate from Price	

- 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

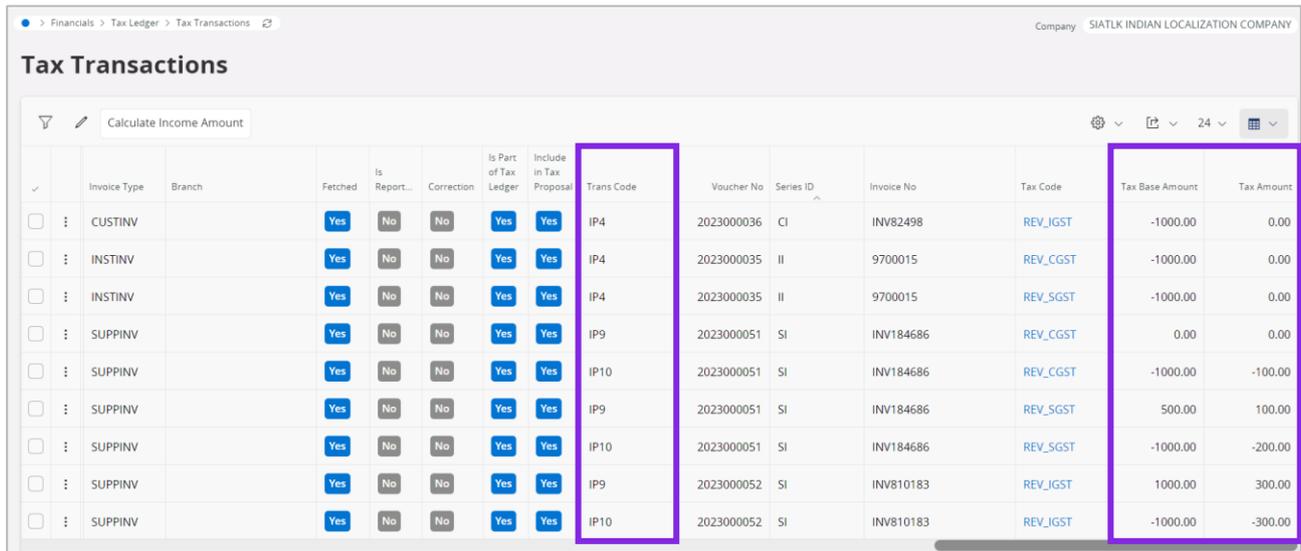
- The Tax Calculation Structure is then utilized at a Manual Customer Invoice Line-item level, and once the Invoice is Posted, the accounting treatment applicable for the Reverse charge transaction will be posted as follows.



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_IGST	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

8.9 Tax Transactions

Once the core process to bring Tax Information to the **Tax Transactions** page is followed, i.e., **Update GL Vouchers** and **Fetch Tax Ledger Information** are performed, the relevant 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
<input type="checkbox"/>	CUSTINV		Yes	No	No	Yes	Yes	IP4	2023000036	CI	INV82498	REV_JGST	-1000.00	0.00
<input type="checkbox"/>	INSTINV		Yes	No	No	Yes	Yes	IP4	2023000035	II	9700015	REV_CGST	-1000.00	0.00
<input type="checkbox"/>	INSTINV		Yes	No	No	Yes	Yes	IP4	2023000035	II	9700015	REV_SGST	-1000.00	0.00
<input type="checkbox"/>	SUPPINV		Yes	No	No	Yes	Yes	IP9	2023000051	SI	INV184686	REV_CGST	0.00	0.00
<input type="checkbox"/>	SUPPINV		Yes	No	No	Yes	Yes	IP10	2023000051	SI	INV184686	REV_CGST	-1000.00	-100.00
<input type="checkbox"/>	SUPPINV		Yes	No	No	Yes	Yes	IP9	2023000051	SI	INV184686	REV_SGST	500.00	100.00
<input type="checkbox"/>	SUPPINV		Yes	No	No	Yes	Yes	IP10	2023000051	SI	INV184686	REV_SGST	-1000.00	-200.00
<input type="checkbox"/>	SUPPINV		Yes	No	No	Yes	Yes	IP9	2023000052	SI	INV810183	REV_JGST	1000.00	300.00
<input type="checkbox"/>	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.

8.10 Delimitations

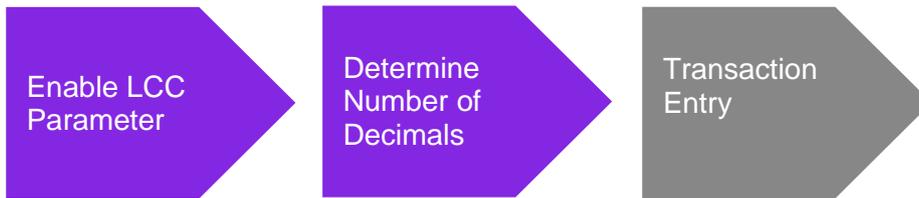
N/A

9 Number of Decimals in Withheld Tax Amount, Supplier Invoice

9.1 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 are expected to be rounded up.

9.2 Process Overview



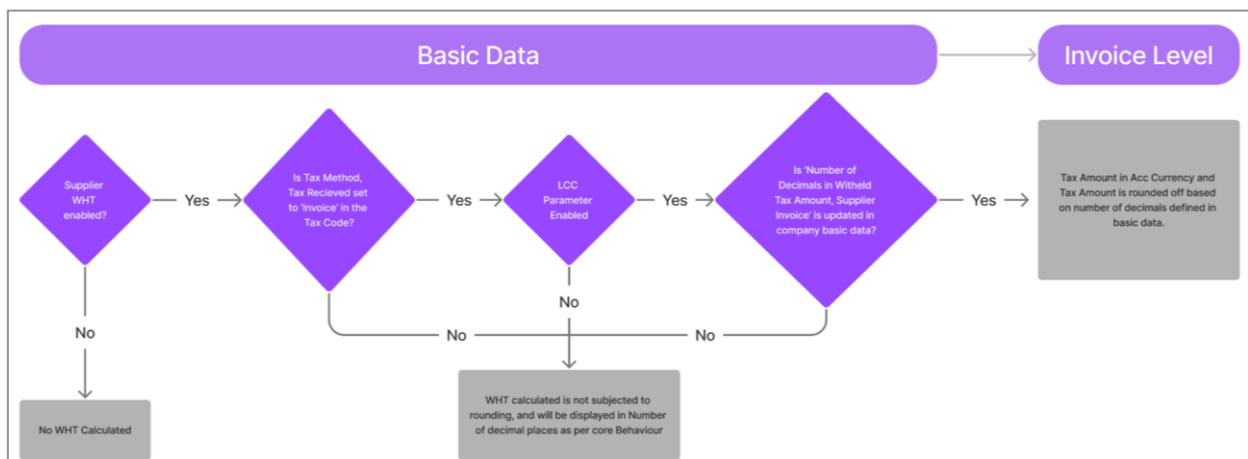
9.3 Solution Overview

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 to foreign currency amount/ transaction amount.



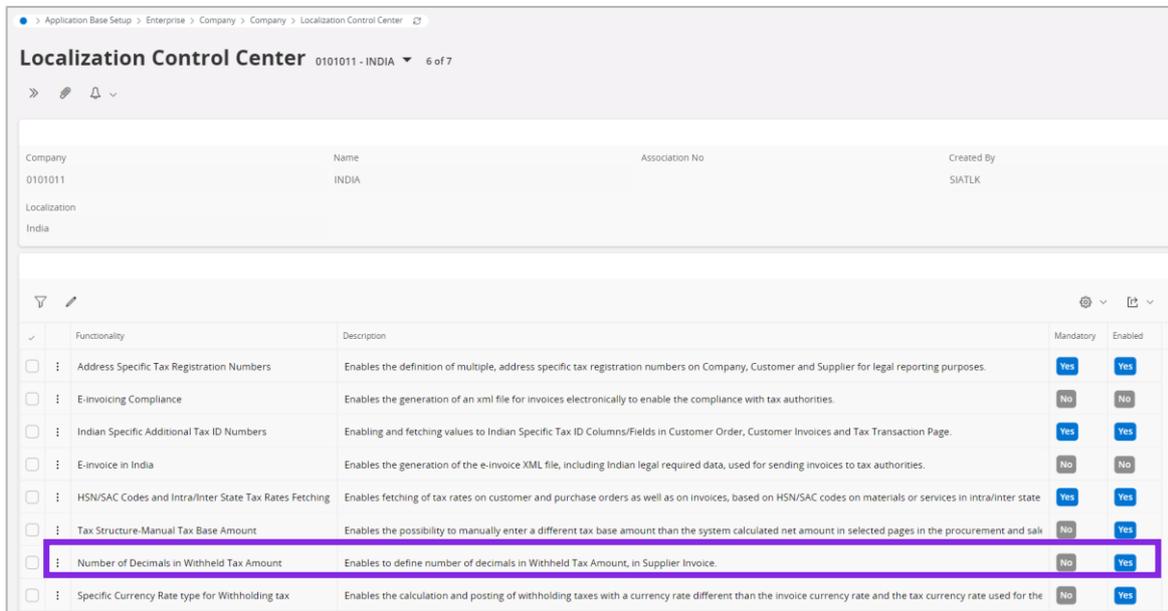
9.4 Prerequisites

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.

9.5 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.

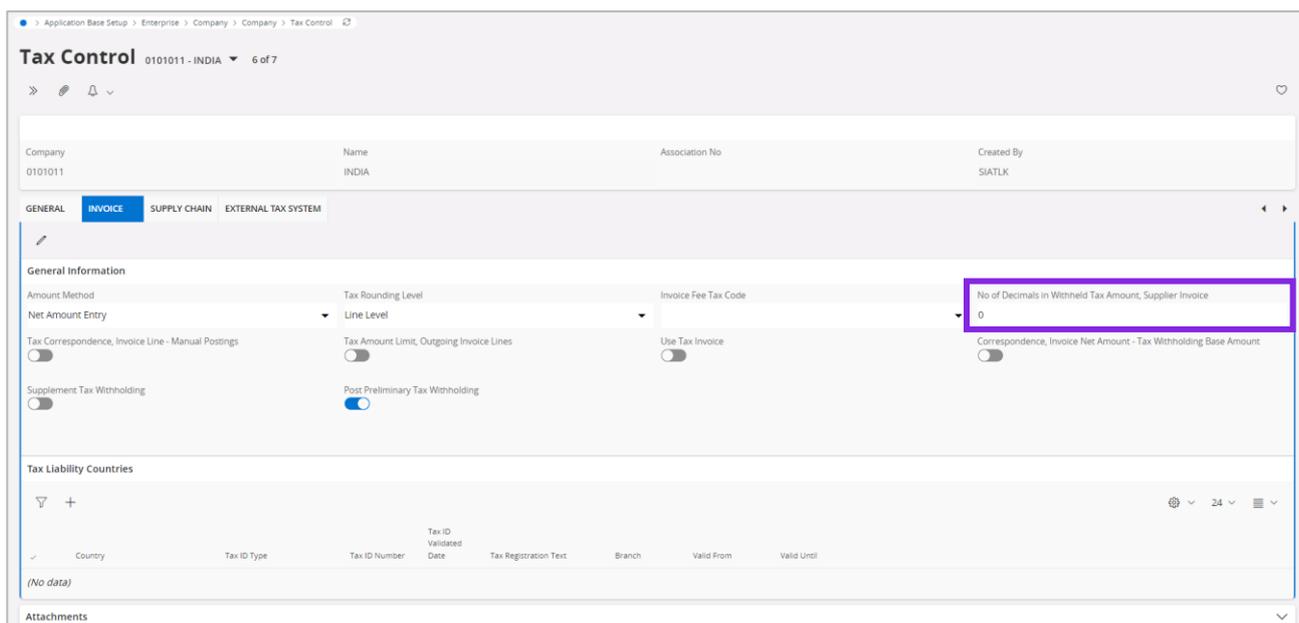


Company	Name	Association No	Created By
0101011	INDIA		SIATLK

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

9.6 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

Tax Control 0101011 - INDIA 6 of 7

Company: 0101011, Name: INDIA, Association No: , Created By: SIATLK

Tabs: 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 <input type="checkbox"/>	Tax Amount Limit, Outgoing Invoice Lines <input type="checkbox"/>	Use Tax Invoice <input type="checkbox"/>	Correspondence, Invoice Net Amount - Tax Withholding Base Amount <input type="checkbox"/>
Supplement Tax Withholding <input type="checkbox"/>	Post Preliminary Tax Withholding <input checked="" type="checkbox"/>		

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

9.7 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 the Withholding Tax Base is 1,239.87 INR and the 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

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🌐 📄 24 📅

	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

Financials > Supplier Invoice > Manual Supplier Invoice > Supplier Invoice Vouchers
Company INDIA

Supplier Invoice Vouchers

U 2023000005

Voucher Type	Voucher No	Date	Year	Period
U	2023000005	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
<input type="checkbox"/>	IP1	1	INR	124.00		124.00	124.00		124.00	2	62.00		62.00		
<input type="checkbox"/>	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, the Currency Rate of USD is 2.00 and the 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		Withholding Base		Series ID		Invoice No																										
SW SIATLK WHT IN - SIATLK WHT SUPPLIER INDIA		Invoice Net Amount		SI		NUMBER OF DECIMALS USD																										
Tax Curr Rate		Gross Amount		Net Amount																												
2		1234.56		1234.56																												
Line Details																																
<table border="1"> <thead> <tr> <th>✓</th> <th>Tax Code</th> <th>Tax Type</th> <th>Withholding Base Amount</th> <th>Tax %</th> <th>Tax Amount</th> <th>Tax Amount in Accounting Currency</th> <th>Tax Amount in Parallel Currency</th> <th>Use Withholding Amount Table</th> <th>Report Code</th> <th>State</th> </tr> </thead> <tbody> <tr> <td><input type="checkbox"/></td> <td>WHT INV 01</td> <td>Tax Withhold</td> <td>1234.56</td> <td>10</td> <td>123.46</td> <td>247.00</td> <td>123.46</td> <td>No</td> <td></td> <td></td> </tr> </tbody> </table>											✓	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	1234.56	10	123.46	247.00	123.46	No		
✓	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	1234.56	10	123.46	247.00	123.46	No																								
OK		Cancel																														

This will create a rounding difference which is handled via PP61/ PP62 posting types.

Supplier Invoice Vouchers															
U 2023000006															
Voucher Type	Voucher No	Date	Year	Period											
U	2023000006	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
<input type="checkbox"/>	IP1	2	USD	123.46		123.46	246.92		246.92	2	123.46		123.46		
<input type="checkbox"/>	PP61	2	USD	0.00		0.00	0.08		0.08	2	0.00		0.00	WHT INV 01	
<input type="checkbox"/>	PP48	2	USD		123.46	-123.46		247.00	-247.00	2		123.46	-123.46	WHT INV 01	

9.8 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.

10 Allow Specific Currency Rates for Supplier Tax Withholding

10.1 Overview Legal Requirement

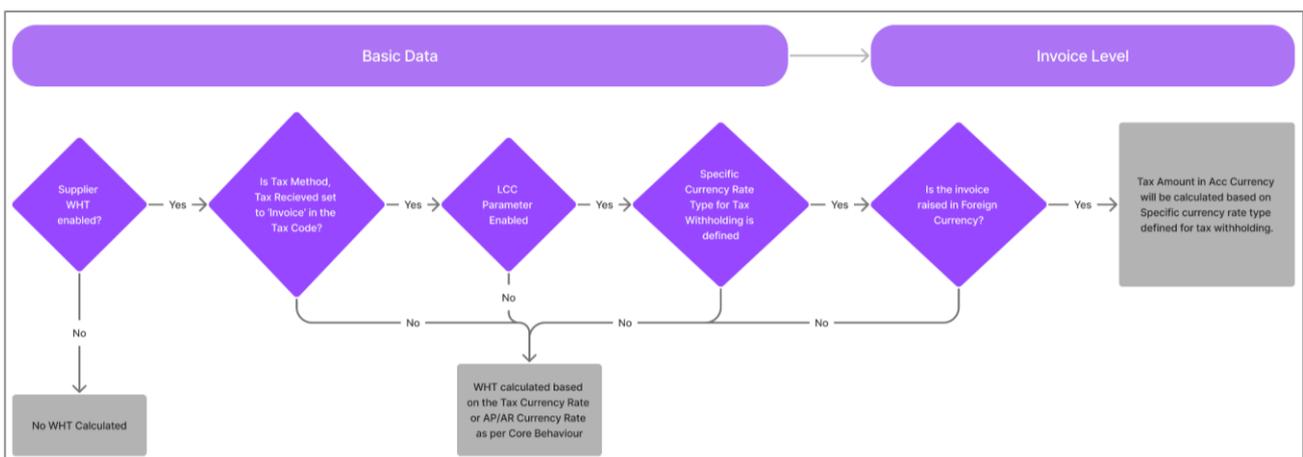
Tax Deducted at Source (TDS), is a form of indirect, withholding tax collection by Indian authorities according to the Income Tax Act, 1961. Any payment covered under the provisions available shall be paid after deducting the prescribed percentage. The **Tax Amount in Accounting Currency** levied via 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.

10.2 Process Overview



10.3 Solution Overview

Complying with the above requirement, upon enablement of an LCC parameter, the user is given the 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**.



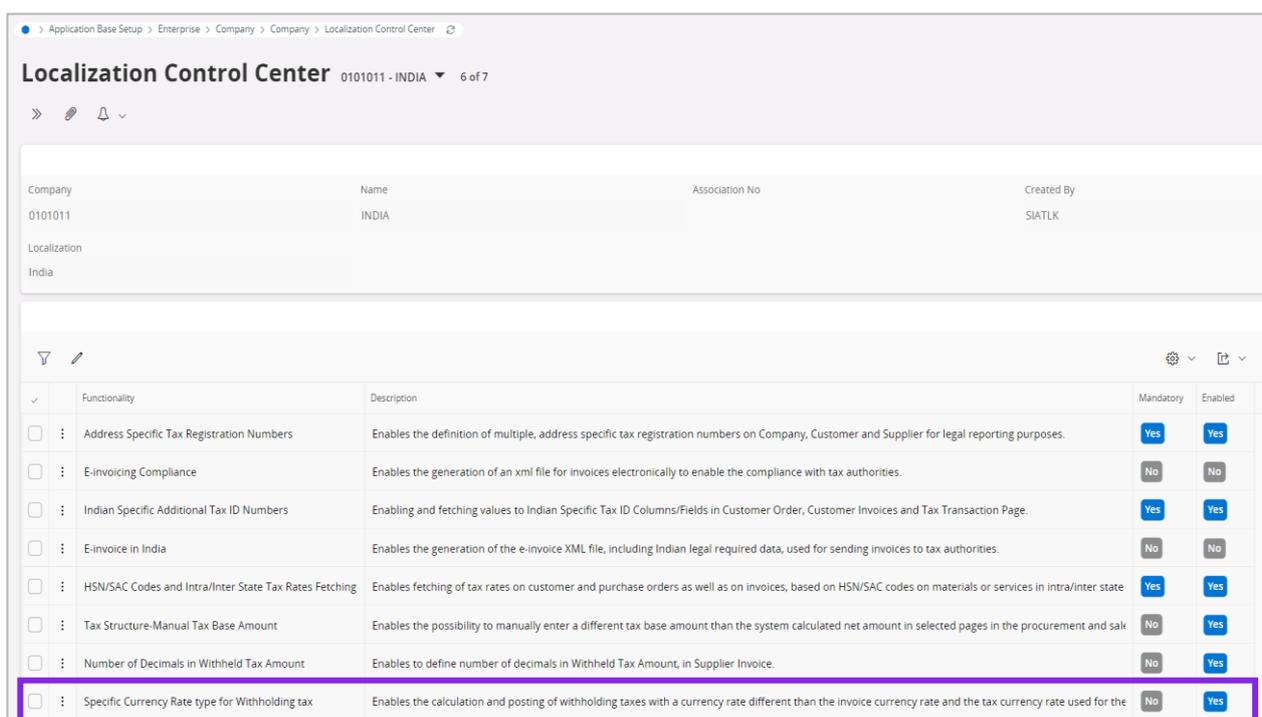
10.4 Prerequisites

- 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 the **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**.

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, "Specific Currency Rate type for Withholding tax".

Please note that this is an optional localization parameter and the 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 checked="" 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 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 the **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

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, the withheld tax amount will be calculated according to the tax currency rate specified on the invoice.

10.7 Invoice Entry

When creating a Manual Supplier Invoice, the Tax Withholding Currency Rate is defaulted from the **Default Currency Rate Types for Tax, Withholding** defined in company basic data. The Tax Withholding Currency Rate field is added to the More Information section of the **New Manual Supplier Invoice** assistant and **Manual Supplier Invoice** page.

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: SPECIFIC CUPR | Currency: USD | Currency Rate: 2 | Invoice Date: 1/12/2023 | Arrival Date: 1/12/2023 | Pay Term Base Date: 1/12/2023

Payment Terms: 0 | 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: 4 | **Tax Withholding Currency Rate: 5** | 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: |

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 Tax Cal...: | Use Project Address for Tax: | Reference Supplier: | Preliminary Code: | National Bank Code: |

Nature Of Business: | Creator Reference: |

Tax Currency Rate: 4 | **Tax Withholding Currency Rate: 5** | Parallel Currency ...: 2 | Delivery Date: 1/12/2023 | Tax Invoice Series ...: |

Tax Invoice No: | Tax Invoice Date: | Transfer Status: |

Customs Declaration Date: | Correction Reason ID: |

Correction Reason: | Branch: |

Supplier Branch: |

OK Cancel

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 the tax currency rate in the 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 the “Preliminary” state).

The Tax Amount in Accounting Currency in *Tax Lines, Withholding*, is calculated based on the Specific Currency Rate fetched to the 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 SW SIATLK WHT IN - SIATLK WHT SUPPLIER INDIA	Withholding Base Invoice Net Amount	Series ID SI	Invoice No SPECIFIC CURR RATE 01
Tax Curr Rate 5	Gross Amount 1000.00	Net Amount 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	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 the Withholding Tax Base is 1,000 USD, the Accounts Payable Currency Rate of USD is 2.00, the Specific WHT Currency Rate of USD is 4.00 and the Tax Rate is 10%, The Withheld Tax Amount in USD (Transaction Currency) is 100 USD and the 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 the 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
<input type="checkbox"/>	IP1	2	USD	100.00		100.00	200.00		200.00	2	100.00		100.00		
<input type="checkbox"/>	PP61	5	USD	0.00		0.00	300.00		300.00	2	0.00		0.00	WHT INV 01	
<input type="checkbox"/>	PP49	5	USD		100.00	-100.00		500.00	-500.00	2		100.00	-100.00	WHT INV 01	

10.8 Delimitations

The following invoices are not handled with this functionality:

- Self-billing Invoices
- External Invoices

The functionality described above applies only for tax codes with the tax method 'Invoice Entry'.

Functionality does not apply to customer withholding tax reporting.

11 TCS – Tax Collected at Source

11.1.1 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].

11.2 Process Overview



11.3 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 has 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)

11.3.1 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:

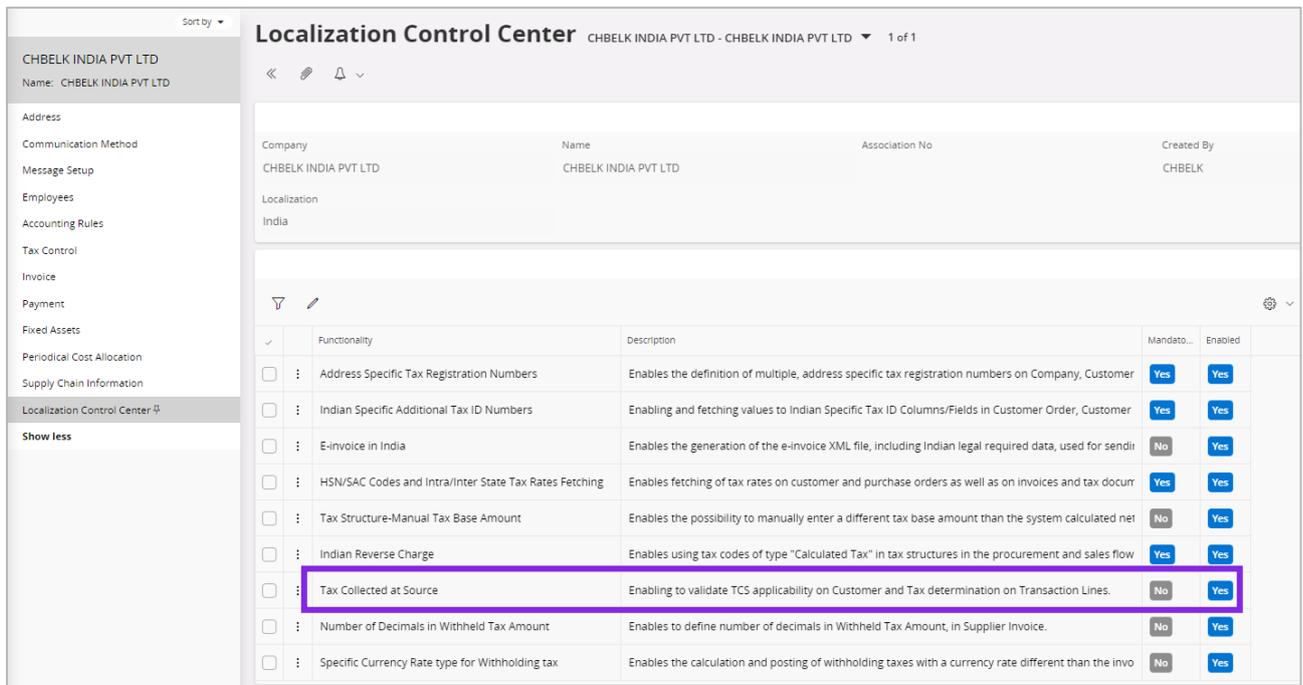
- INTcsRate
- INTcsAmount

Note that the TCS tax amount is not summarized and displayed in the aggregate InvoiceDetails.

11.4 Prerequisites

11.4.1 ENABLE LCC PARAMETER UNDER LOCALIZATION CONTROL CENTER

- Functionality: Tax Collected at Source
- Description: Enabling to validate of TCS applicability on Customer and Tax determination on Transaction Lines



Localization Control Center CHBELK INDIA PVT LTD - CHBELK INDIA PVT LTD 1 of 1

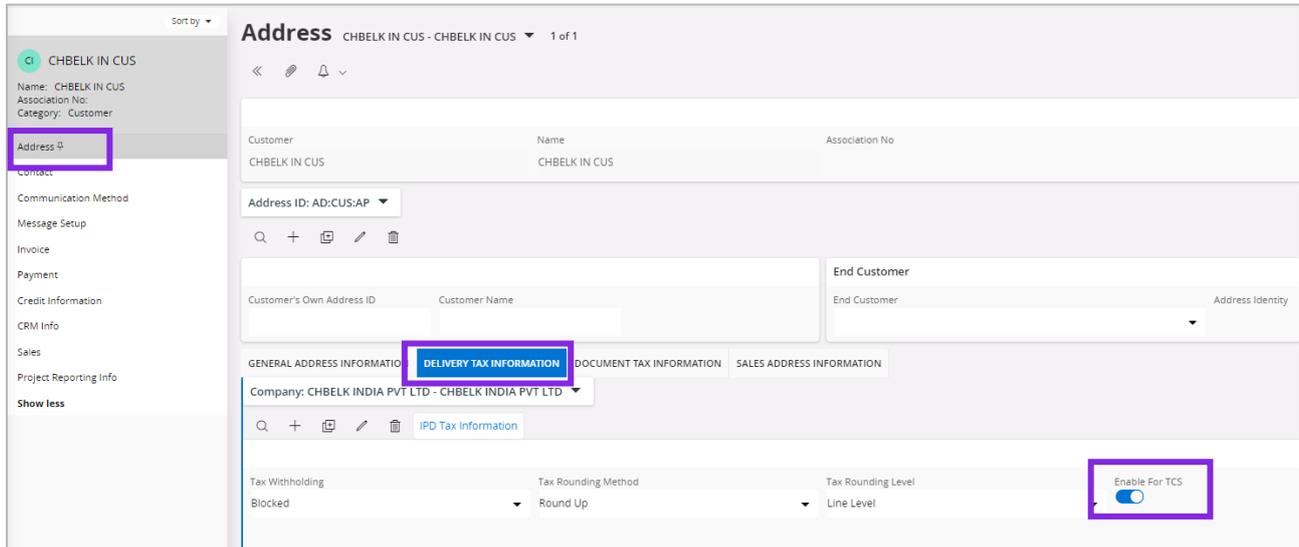
Company: CHBELK INDIA PVT LTD, Name: CHBELK INDIA PVT LTD, Association No: CHBELK, Created By: CHBELK

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

11.4.2 ENABLE TOGGLE UNDER CUSTOMER BASIC DATA

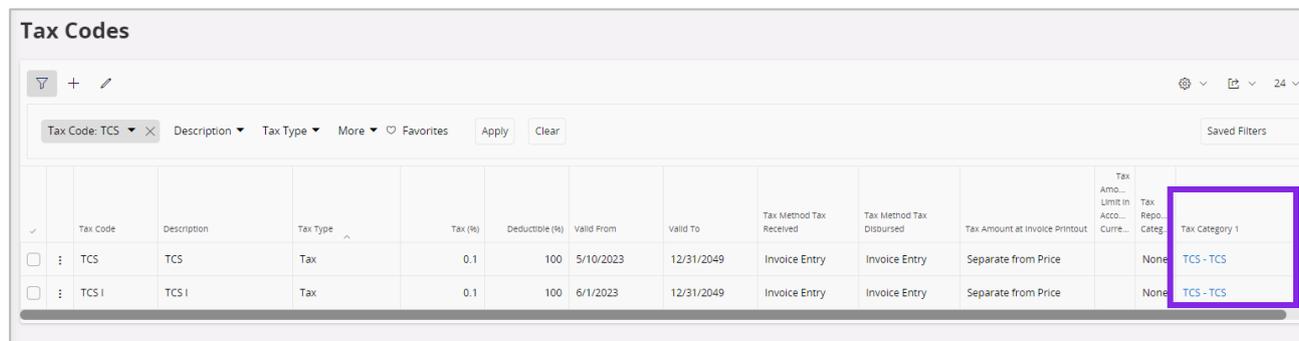
Once the specified Threshold is reached for a given Customer, the user must manually enable this toggle in Customer Basic Data for each address (**Address>Delivery Tax Information**)



The screenshot shows the 'Address' configuration page for 'CHBELK IN CUS'. The 'Address ID' is 'AD:CUS:AP'. The 'DELIVERY TAX INFORMATION' tab is selected. The 'Enable For TCS' toggle is turned on.

11.4.3 DEFINE NEW TAX CODE AS TCS

TCS Tax Code is defined under the **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 Amo... 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

11.4.4 CONNECT TCS TAX CODE IN TAX STRUCTURES

Connect the 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 ▾

Structure	Description
TAX STRUCTURE INTRA	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	<input type="button" value="Yes"/>	<input type="button" value="No"/>
<input type="checkbox"/>	2	2	2 - SGST	12	<input type="button" value="Yes"/>	<input type="button" value="No"/>
<input checked="" type="checkbox"/>	3	3	TCS - TCS	0.1	<input type="button" value="Yes"/>	<input type="button" value="No"/>

Structure Item Reference

(1) ✓	Structure Item Reference	Tax Code	Tax%
<input type="checkbox"/>	1	1	25
<input checked="" type="checkbox"/>	2	2	12

11.5 TCS Process in Customer Invoices

11.5.1 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 fetched 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

Users can check the *Tax Lines* consisting 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	

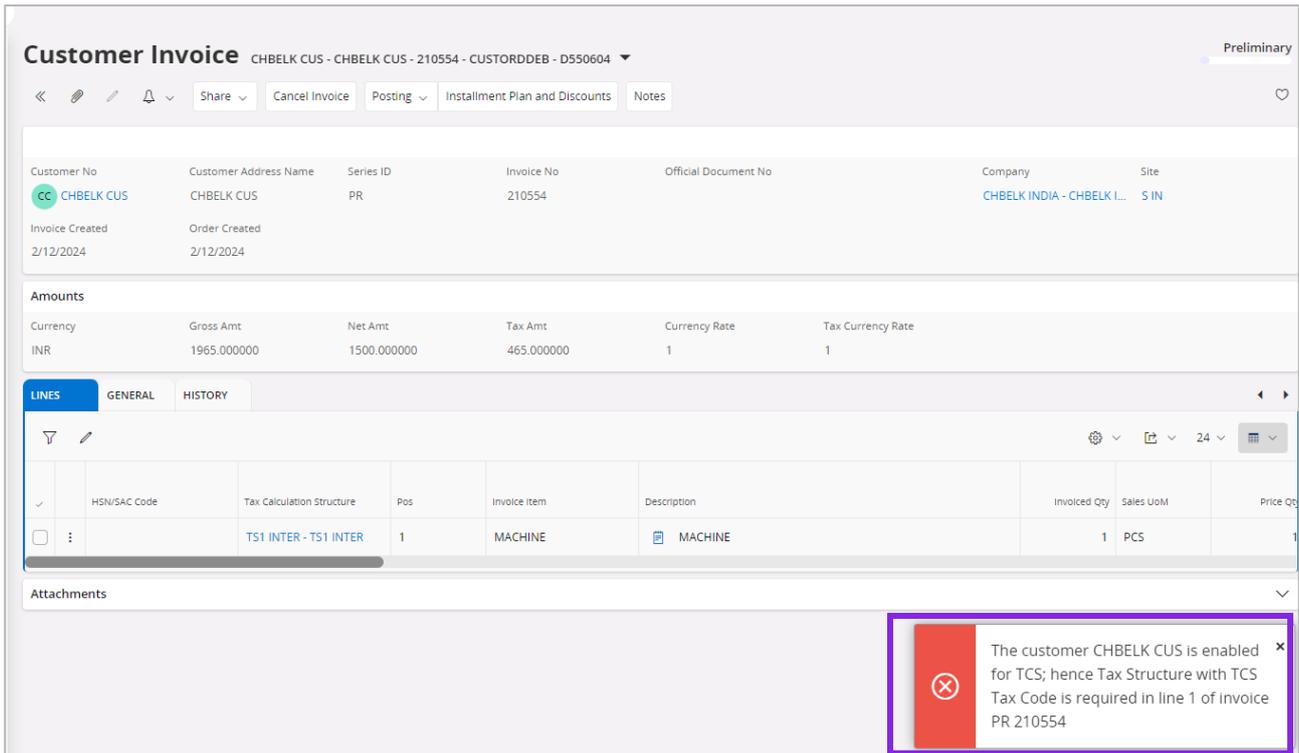
OK Cancel

Follow the standard process (Print/Send/Send E-Invoice) until the customer invoice gets **PostedAuth** state.

11.5.2 TCS TAX CODE IS NOT CONNECTED TO THE TAX STRUCTURE

If the TCS Tax Code is not connected to the Tax Structures, even after the TCS Toggle is set to **True** under customer basic data, an error message appears until the user connects 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 line XXX of Invoice PR ZZZ”



Customer Invoice CHBELK CUS - CHBELK CUS - 210554 - CUSTORDDEB - D550604

Customer No: CHBELK CUS, Customer Address Name: CHBELK CUS, Series ID: PR, Invoice No: 210554, Official Document No: CHBELK INDIA - CHBELK L., Site: S IN

Invoice Created: 2/12/2024, Order Created: 2/12/2024

Amounts

Currency	Gross Amt	Net Amt	Tax Amt	Currency Rate	Tax Currency Rate
INR	1965.000000	1500.000000	465.000000	1	1

LINES GENERAL HISTORY

HSN/SAC Code	Tax Calculation Structure	Pos	Invoice Item	Description	Invoiced Qty	Sales UoM	Price Q
	TS1 INTER - TS1 INTER	1	MACHINE	MACHINE	1	PCS	

Attachments

The customer CHBELK CUS is enabled for TCS; hence Tax Structure with TCS Tax Code is required in line 1 of invoice PR 210554

Error messages are appearing in different invoice flows and Pages as follows.

Invoice Type	Command			
	Print / Release	Send	Send E-Invoice	Resend E-Invoice
Instant Invoice	Error message raised when clicking the command			
Customer Order Invoice	Error message raised when clicking the command	Error message visible in Background Jobs	Error message raised when clicking the command	Error message raised when clicking the command
Collective Customer Order Invoice	Error message raised when clicking the command	Error message visible in Background Jobs	Error message raised when clicking the command	Error message raised when clicking the command

Project Invoice	Error message raised when clicking the command	Error message raised when clicking the command	Error message raised when clicking the command	Error message raised when clicking the command
New Manual Customer Invoice	Error message raised when clicking Finish button			

Page Name	Print Invoice Page		
Command	Print	Send	Send E-Invoice
Instant Invoice	Error message raised when clicking the command	Error message raised when clicking the command	Error message raised when clicking the command
Customer Order Invoice	Error message raised when clicking the command	Error message raised when clicking the command	Error message raised when clicking the command
Page Name	Project Invoices Page		
Command	Print	Send	Send E-Invoice
Project Invoice	Error message raised when clicking the command	Error message raised when clicking the command	Error message raised when clicking the command
Page Name	Batch Print Customer Invoices Page		
Command	Print	Send	Send E-Invoice
Instant Invoice	Error message raised when clicking the command	Error message raised when clicking the command	Error message raised when clicking the command
Customer Order Invoice	Error message visible in Background Jobs	Error message visible in Background Jobs	Error message raised when clicking 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 clicking the command

11.6 Update General Ledger

Follow the IFS Cloud core process to update vouchers to General Ledger (*Update GL Vouchers Assistant*).

11.7 Fetch Tax Ledger Information

Follow the IFS Cloud core process to fetch tax ledger information (*Fetch Tax Ledger Information Assistant*).

Users can check the Tax Collected at Source amounts in the **Tax Transaction** Page using 'Tax Category I' for TCS.

Tax Transactions											
<input type="checkbox"/> <input type="checkbox"/> Calculate Income Amount ⊙ ⌵ 📄 ⌵ 24 ⌵											
✓	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
<input type="checkbox"/>	9700028	205086	ci CHBELK IN CUS - CHBELK IN CUS	II	Customer			TCS I	TCS - TCS	-2.22	AD-CUS-PAN-AP:3344
<input type="checkbox"/>	9700029	205092	ci CHBELK IN CUS - CHBELK IN CUS	II	Customer			TCS I	TCS - TCS	-2.22	AD-CUS-PAN-AP:3344
<input type="checkbox"/>	9700030	205098	ci CHBELK IN CUS - CHBELK IN CUS	II	Customer			TCS I	TCS - TCS	-2.22	AD-CUS-PAN-AP:3344
<input type="checkbox"/>	9700031	205104	ci CHBELK IN CUS - CHBELK IN CUS	II	Customer			TCS I	TCS - TCS	-2.22	AD-CUS-PAN-AP:3344
<input type="checkbox"/>	CDB SI	205110	cs CHBELK SUP - CHBELK SUP	SI	Supplier			TCS I	TCS - TCS	14.80	SUP-PAN-998877
<input type="checkbox"/>	97000012	205023	ci CHBELK IN CUS - CHBELK IN CUS	CD	Customer			TCS I	TCS - TCS	-2.96	AD-CUS-PAN-AP:3344

11.8 Delimitations

N/A

12 TDS – Tax Deducted at Source

12.1 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 a 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.

12.2 Process Overview



12.3 Solution Overview

In the Indian Context, TDS is considered a form of Withholding Tax. Therefore, it is decided to use the existing WHT (Withholding Tax) Functionality in IFS to cater to this requirement.

When a **Supplier has reached the specified Threshold** (the current limit is 50 lakhs per year), the user must set up Withholding Tax Codes as per the core functionality.

12.4 Prerequisites

- Define Income Type for TDS under the **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 the Tax Code for TDS using the 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

Default Cost Code String: 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

12.5 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	

Navigation: Previous, Next, Finish, Cancel

Users can check the TDS amount by clicking the 'Tax Lines, Withholding' command.

× Tax Lines, Withholding

Supplier CS CHBELK SUP - CHBELK SUP		Withholding Base Invoice Net Amount	Series ID SI	Invoice No INVOICE 001
Tax Curr Rate 1	Gross Amount 1000.00		Net Amount 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	

Follow the standard process of entering supplier invoice until invoice is in **Posted** state.

12.6 Update General Ledger

Follow the IFS Cloud core process to update vouchers 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*).

Users can check the TDS amount on the **Tax Transaction** Page using the 'Income Type ID' for TDS.

Tax Transactions									
	Invoice No	Tax Trans ID	Identity	Party Type	Tax ID Validat... Date	Income Type ID	Tax Amount	Original Tax ID Number	Tax ID Number
<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

12.8 Delimitations

N/A

13 India e-Invoice

13.1 Overview Legal Requirement

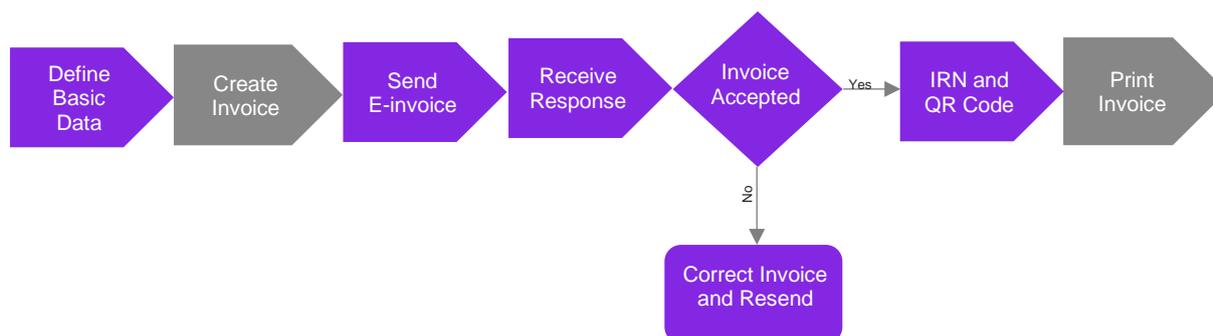
E-invoicing defined under GST law requires specific businesses which are GST registered to generate e-invoice for B2B (business to business) transactions. Based on the e-invoicing system, against each Invoice, an identification number is issued by IRP (Invoice Registration Portal). E-invoicing is applicable 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.

The chosen clearance model by India consists of three parts:

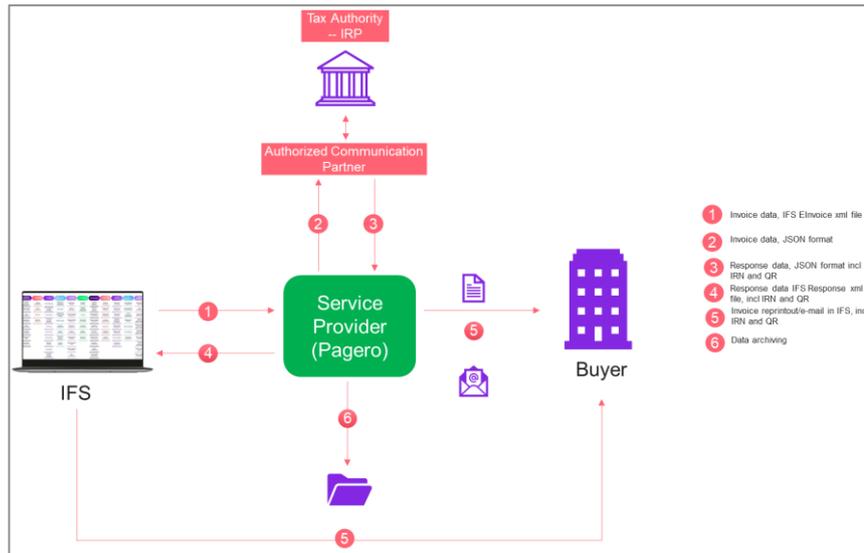
- All invoices must be sent to tax authorities (IRP: Invoice Registration Portal).
- The Tax Authority is sending a response with a clearance/approval, a QR code and an invoice reference number (IRN).
- Invoice including IRN and QR-code is printed and sent to the customer.

13.2 Process Overview



13.3 Solution Overview

The solution is based on 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 the required format and to transform the response file to an IFS-style format.



1. Invoice or Outgoing Tax Document 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 it to the required JSON format and transfers the 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 transfers it to IFS Cloud and IFS Connect in-folder.
5. Invoice or Outgoing Tax Document 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.

13.4 Prerequisites

The company requires to be set up for Indian localization, see the [Company Set Up](#) chapter. In addition to this:

- The parameter “E-Invoice in India” must be enabled.
- Need to set up a Company with INR as accounting currency.

⚡

13.5 Basic Data Setup

Define the 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 Customers to categorize type of business.
- HSN/SAC types to classify whether the supply is service or goods.

13.5.1 NEW PROCESS TYPE

A new Process type STD-IN has been introduced to handle the compliance process facilitating the mandatory e-invoice process.

E-invoice Processing Type STD-IN - Standard Template for Invoice Processing Type - India 1 of 1

Process Type: STD-IN | Description: Standard Template for Invoice Processing Type - India

E-invoice Process

E-invoice Process: Yes | Process after Response: Yes | Automatically Process Accepted Invoice: No | Approval User: ALAIN - Alain Prost

Message Setup

Format: E-invoice India | Service Provider: IFS_CLOUD - IFS Cloud

A new process type could be defined by the user with the parameters set 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 the generation of invoice files sent to the Tax Authority with mandatory E-invoice tags for India from the standard XML schema.

13.5.2 E-INVOICE SETUP

The user needs to define the Process Type in the **Company** and/ or in the **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: KDESJK

GENERAL | DEFAULT INVOICE TYPES | PO MATCHING | DOCUMENT MANAGEMENT | SUPPLIER INVOICE WORKFLOW

Upgrade Invoices with Posting Proposals

Posting Parameters

Miscellaneous Parameters

Planned Payment Date Calculation Base: Pay. Term Base Date | Unique Supplier Invoice No Per: Supplier | Incoming Invoice Currency Rate Base: Voucher Date | Outgoing Invoice Currency Rate Base: Invoice Date

Process Type: STD-IN | Supplier Invoice Authorization Only by Separate Function: | Cash Discount Based on Gross Amount: | Set Invoice Date to Current Date When Printing Outgoing Invoices:

Print Advance Payments Information on Customer Invoice: | Unique Payment Reference Validation:

Invoice Payment Reference No: Credit

Basic data is set up in the **Customer Page/ Invoice /General** tab.

Customer KD-IN	Name For India	Association No kd-ind
Company: KD-IND - India- PP		
Q + [Icons] Notes IPD Tax Information		
GENERAL	PROPERTIES	MESSAGE SETUP
Customer Type External	Default Currency Rate Type	Currency INR
No of Invoice Copies 0	Numeration Group	Payment Terms 0 - Due Immediately
National Bank Code	Inactive Date	Inactive Reason
Supply Type Code GD - GD	Process Type KD-IN	Invoice Fee <input type="checkbox"/>
		Print Tax Code Text <input type="checkbox"/>
		Notes No

To have the Send E-invoice option enabled in **Instant Invoice, Customer Invoice, Print Customer Invoices, Print Invoice, and Outgoing Tax Document** Pages it requires connecting the above-defined process type in the **Company** and/ or **Customer** page.

Instant Invoice PR - 216658							Preliminary
< [Icons] >							
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 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	Gross Amount 610.00	
Net Amount 500.00	Tax Amount 110.00						
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							

13.5.3 ROUTING RULE AND ROUTING ADDRESS SETUP

The Routing rules and routing addresses depicted below are only examples provided in the application and must be customized according to the user's localization requirement (It should be noted they are not enabled by default. The User is required to enable if required).

13.5.3.1 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: Example_Send_E-Invoi... | Route Type | Queue | More | Favorites | Apply | Clear | Saved Filters

Rule Name	Route Type	Queue	Enabled	Customized
Example_Send_E-Invoice	APPLICATION_MESSAGE	OUT1	Yes	No

The Routing Rule has been set up with the following conditions.

Routing Rule Example_Send_E-Invoice 1 of 1

Unset Customized

Rule Details

Route From: APPLICATION_MESSAGE | Enabled: | Customized: No

Rule Name: Example_Send_E-Invoice | Queue: OUT1 | Direction: Outbound

Content Based Conditions

Search Path	Operation	Match
MESSAGE_FUNCTION	=	SEND_EINVOICE_MESSAGE

Destination Addresses

Chain Link No	Main Address	Description	Connector	Address
1	Yes	Example_Send_E-Invoice	Ftp	/OUT

Routing Address Set Up

Example_Send_E-Invoice is the routing address used.

Routing Addresses

Export | Details | Set Customized

Address Name	Transport Connector
Example_Send_E-Invoice	FTP

13.5.3.2 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
<input type="checkbox"/>	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
<input type="checkbox"/>	fndcn:Function	=	RECEIVE_EINVOICE_RESPONSE

Destination Addresses

✓	Chain Link No	Main Address	Description	Connector	Address
<input type="checkbox"/>	1	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
<input type="checkbox"/>	Example_Receive_Einvoice_Response	Projection	No

Routing Address Example_Receive_Einvoice_Response 1 of 1

Advanced Set Customized

Transport Connector: Projection
 Address Name: Example_Receive_Einvoice_Response
 Customized: No

Format
 Envelope: [Dropdown]
 Encoding: [Dropdown]
 Compress: [Toggle Off]
 Envelope Response: [Toggle Off]

Transformers
 + [Filter] [Settings] [24] [Menu]

- Transformer
- : TO_MIXED_CASE
- : MODEL_BASED_XML_TO_JSON

Response Transformers
 + [Filter] [Settings] [24] [Menu]

(No data)

Projection Address Data
 Projection Method: Action
 Projection Resource: InvoiceResponseService.ReceiveEinvoiceResponse

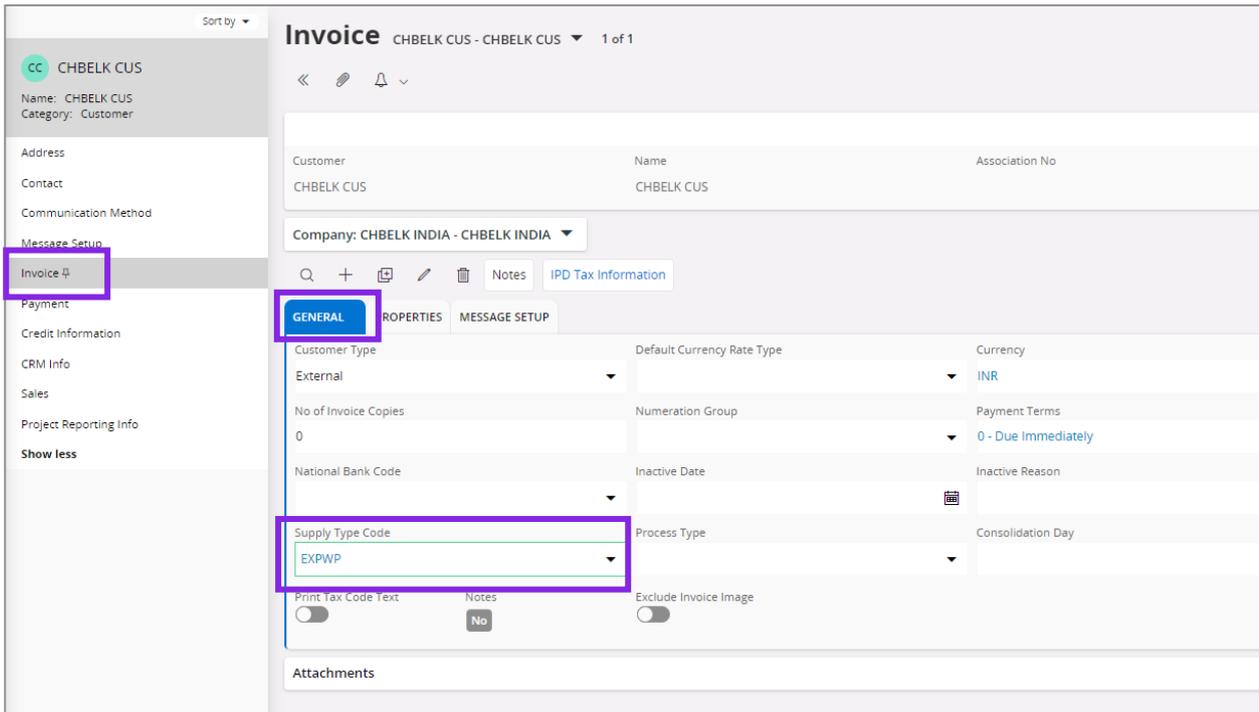
13.5.4 SUPPLY TYPE CODES

It is mandatory to specify the type of supply in the invoice XML file, and header level to classify the business transaction. The Supply Type requires to be manually defined in the application in the **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			
<input checked="" type="checkbox"/>	Supply Type Code	Description	Default
<input type="checkbox"/>	B2B	Business to Business	Yes
<input type="checkbox"/>	DEXP	Deemed Export	No
<input type="checkbox"/>	EXPOWP	Export without Payment	No
<input type="checkbox"/>	EXPWP	Export with Payment	No
<input type="checkbox"/>	SEZOWP	SEZ without Payment	No
<input type="checkbox"/>	SEZWP	SEZ with Payment	No

The enumerated list of Supply Type Codes as of 2023 are B2B/ SEZWP/ SEZWOP/ EXPWP/ EXPWOP/ DEXP and there should be at least one default supply type code always.

The Supply Type Code needs to be defined for the Customer as well.



Invoice CHBELK CUS - CHBELK CUS 1 of 1

Customer: CHBELK CUS, Name: CHBELK CUS, Association No: CHBELK CUS

Company: CHBELK INDIA - CHBELK INDIA

Customer Type: External, Default Currency Rate Type: INR, Currency: INR

No of Invoice Copies: 0, Numeration Group: 0 - Due Immediately, Payment Terms: 0 - Due Immediately

Supply Type Code: EXPWP

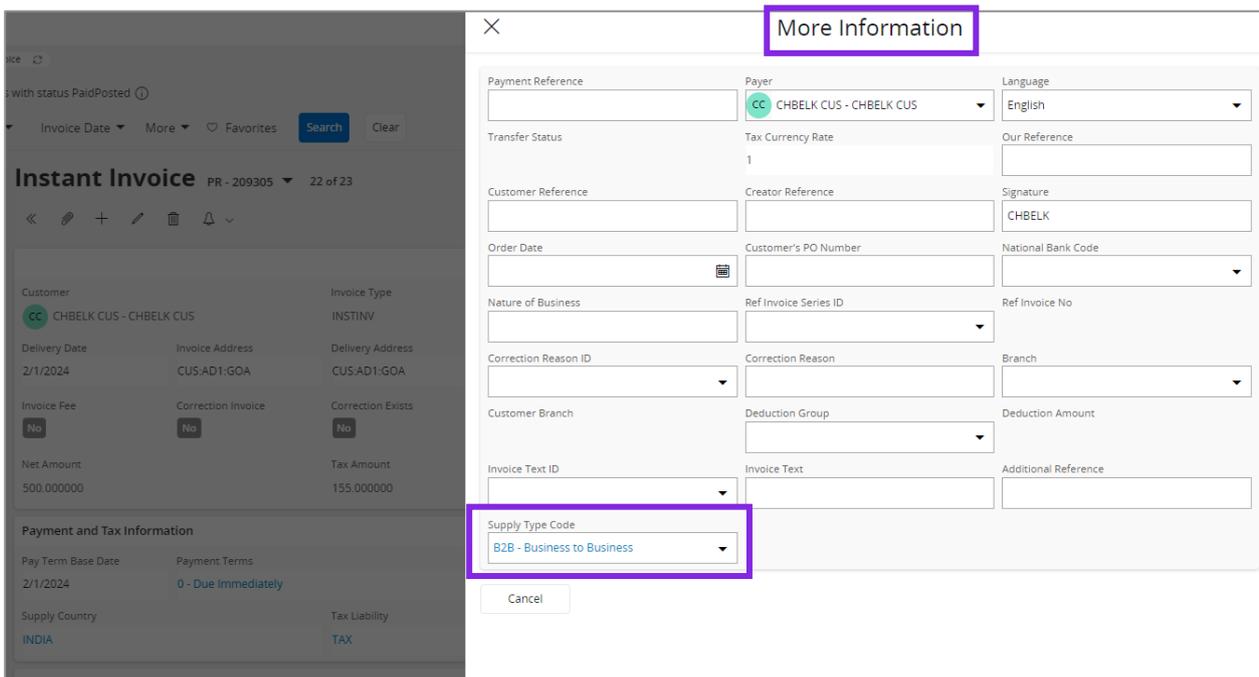
Process Type: [Dropdown], Consolidation Day: [Dropdown]

Print Tax Code Text: [Toggle Off], Notes: No, Exclude Invoice Image: [Toggle Off]

A new field is added on the following pages.

13.5.4.1 Instant Invoice

When the user enters an Instant Invoice, value is fetched from customer basic data and if no supply type code is available in customer basic data, default Supply Type Code is fetched. This value can be changed until the invoice is in Preliminary status but before sending E-Invoice.



More Information

Payment Reference: [Field], Payer: CHBELK CUS - CHBELK CUS, Language: English

Transfer Status: [Field], Tax Currency Rate: 1, Our Reference: [Field]

Customer Reference: [Field], Creator Reference: [Field], Signature: CHBELK

Order Date: [Field], Customer's PO Number: [Field], National Bank Code: [Field]

Nature of Business: [Field], Ref Invoice Series ID: [Field], Ref Invoice No: [Field]

Correction Reason ID: [Field], Correction Reason: [Field], Branch: [Field]

Customer Branch: [Field], Deduction Group: [Field], Deduction Amount: [Field]

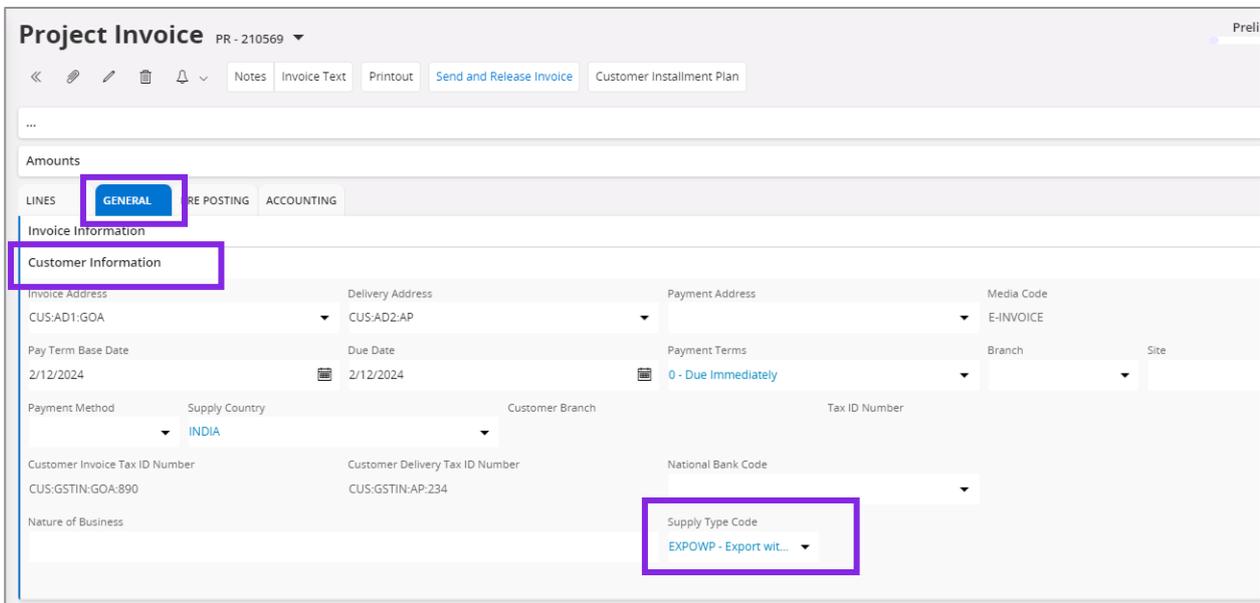
Invoice Text ID: [Field], Invoice Text: [Field], Additional Reference: [Field]

Supply Type Code: B2B - Business to Business

Cancel

13.5.4.2 Project Invoice

When the user enters a Project Invoice, value is fetched from customer basic data and if no supply type code is available in customer basic data, default Supply Type Code is fetched. This value can be changed until the invoice is in Preliminary status but before sending E-Invoice.



Project Invoice PR - 210569 Prelim

Navigation: << | Edit | Delete | Notes | Invoice Text | Printout | **Send and Release Invoice** | Customer Installment Plan

Amounts

LINES **GENERAL** | PRE POSTING | ACCOUNTING

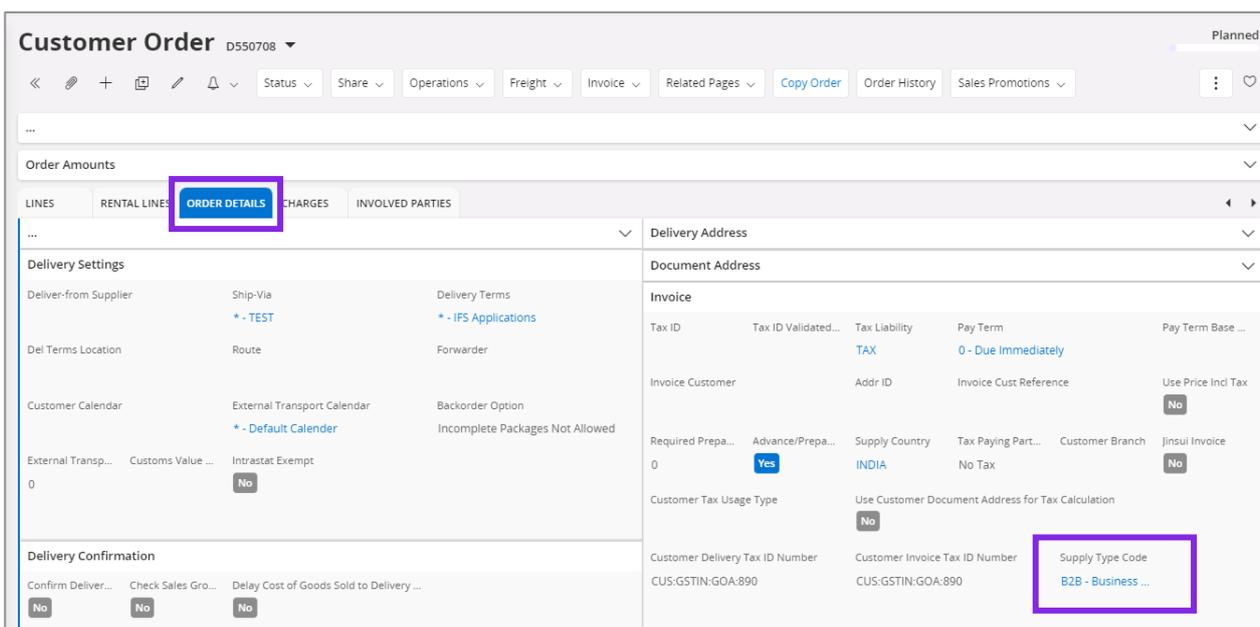
Invoice Information

Customer Information

Invoice Address CUS:AD1:GOA	Delivery Address CUS:AD2:AP	Payment Address	Media Code E-INVOICE
Pay Term Base Date 2/12/2024	Due Date 2/12/2024	Payment Terms 0 - Due Immediately	Branch
Payment Method	Supply Country INDIA	Customer Branch	Tax ID Number
Customer Invoice Tax ID Number CUS:GSTIN:GOA:890	Customer Delivery Tax ID Number CUS:GSTIN:AP:234	National Bank Code	
Nature of Business	Supply Type Code EXPOWP - Export wit...		

13.5.4.3 Customer Order

When the user enters a Customer Order, the value is fetched from the customer's basic data and if no supply type code is available in the customer's basic data, the default Supply Type Code is fetched. This value can be changed until the Customer Order gets Invoiced.



Customer Order D550708 Planned

Navigation: << | + | Share | Operations | Freight | Invoice | Related Pages | Copy Order | Order History | Sales Promotions

Order Amounts

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

Delivery Address

Delivery Settings

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

Delivery Confirmation

Confirm Deliver... No	Check Sales Gro... No	Delay Cost of Goods Sold to Delivery ... No
--------------------------	--------------------------	--

Document Address

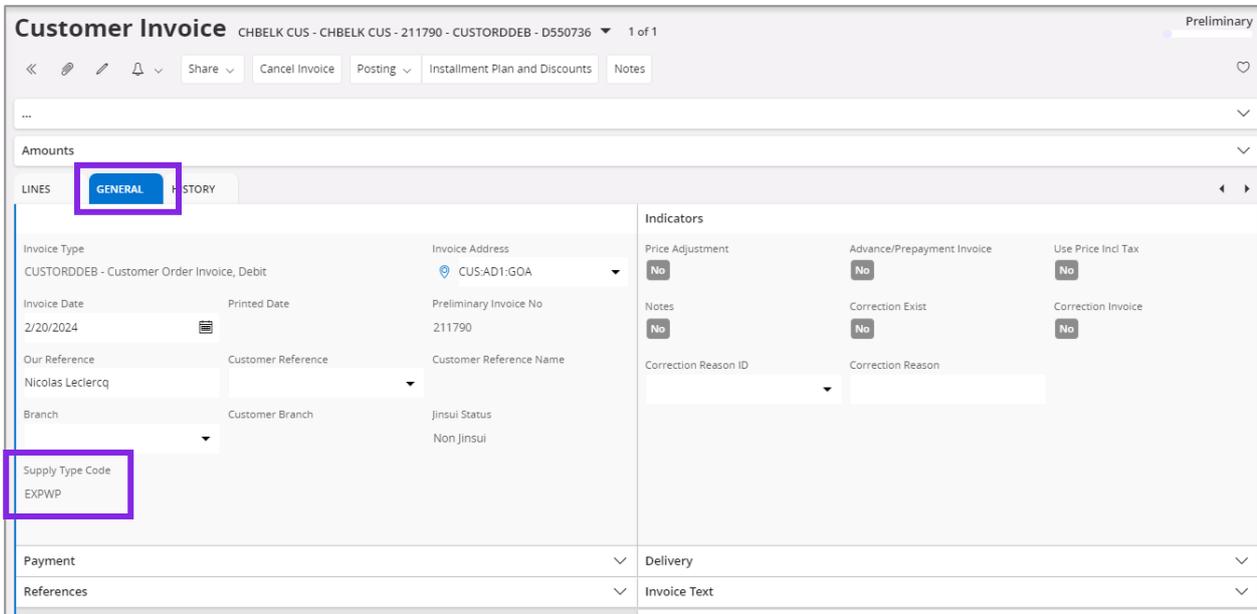
Invoice

Tax ID	Tax ID Validated...	Tax Liability TAX	Pay Term 0 - Due Immediately	Pay Term Base ...
Invoice Customer	Addr ID	Invoice Cust Reference	Use Price Ind Tax No	
Required Prepa... 0	Advance/Prepa... Yes	Supply Country INDIA	Tax Paying Part... No Tax	Customer Branch No
Customer Tax Usage Type No	Use Customer Document Address for Tax Calculation No			
Customer Delivery Tax ID Number CUS:GSTIN:GOA:890	Customer Invoice Tax ID Number CUS:GSTIN:GOA:890	Supply Type Code B2B - Business ...		

13.5.4.4 Customer Order Invoice

The field fetches value from Customer Order and it cannot be editable in Customer Order Invoice.

Note: When creating Collective Customer Order Invoices, user must connect Customer Orders which has same Supply Type Code to one Invoice.



Customer Invoice CHBELK CUS - CHBELK CUS - 211790 - CUSTORDDEB - D550736 1 of 1 Preliminary

Cancel Invoice Posting Installation Plan and Discounts Notes

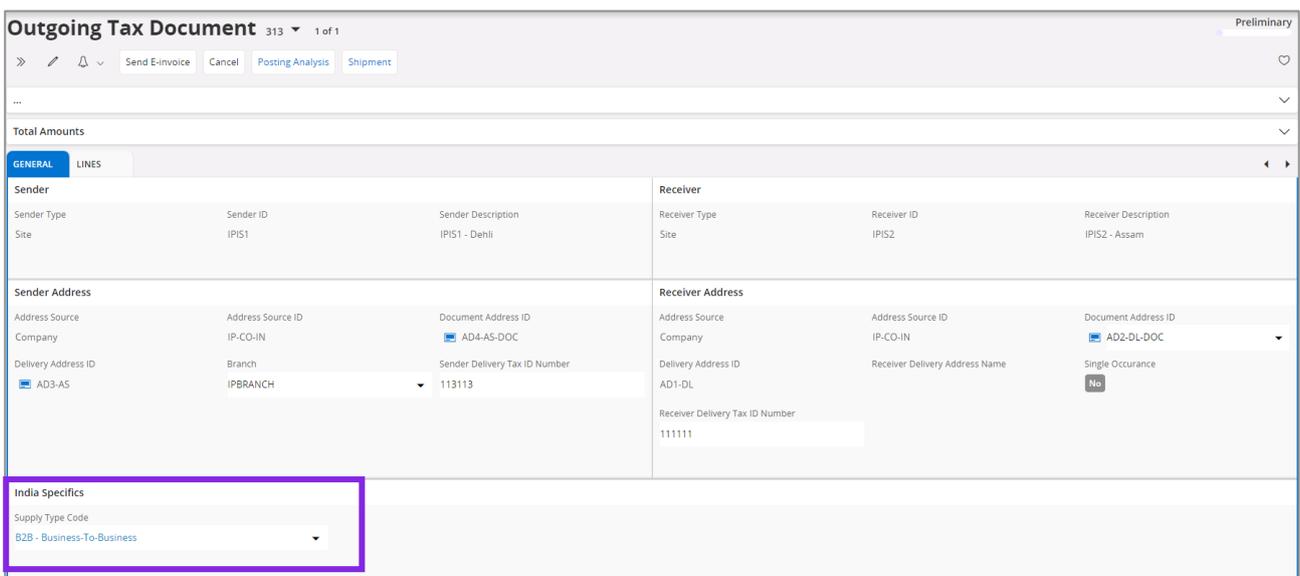
Amounts

LINES **GENERAL** HISTORY

Invoice Type CUSTORDDEB - Customer Order Invoice, Debit	Invoice Address CUS-AD1:GOA	Price Adjustment No	Advance/Prepayment Invoice No	Use Price Incl Tax No
Invoice Date 2/20/2024	Printed Date	Notes No	Correction Exist No	Correction Invoice No
Our Reference Nicolas Leclercq	Customer Reference	Correction Reason ID	Correction Reason	
Branch	Customer Branch	Jinsui Status Non Jinsui		
Supply Type Code EXPWP				
Payment		Delivery		
References		Invoice Text		

13.5.4.5 Outgoing Tax Document

Default Supply Type Code is fetched to the field, and it can be changed until the E-Invoice is sent.



Outgoing Tax Document 313 1 of 1 Preliminary

Send E-Invoice Cancel Posting Analysis Shipment

Total Amounts

GENERAL LINES

Sender			Receiver		
Sender Type Site	Sender ID IPI51	Sender Description IPI51 - Delhi	Receiver Type Site	Receiver ID IPI52	Receiver Description IPI52 - Assam
Sender Address			Receiver Address		
Address Source Company	Address Source ID IP-CO-IN	Document Address ID AD4-AS-DOC	Address Source Company	Address Source ID IP-CO-IN	Document Address ID AD2-DL-DOC
Delivery Address ID AD3-AS	Branch IPBRANCH	Sender Delivery Tax ID Number 113113	Delivery Address ID AD1-DL	Receiver Delivery Address Name	Single Occurrence No
			Receiver Delivery Tax ID Number 111111		
India Specifics					
Supply Type Code B2B - Business-To-Business					

13.5.5 HSN/SAC CODES

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.

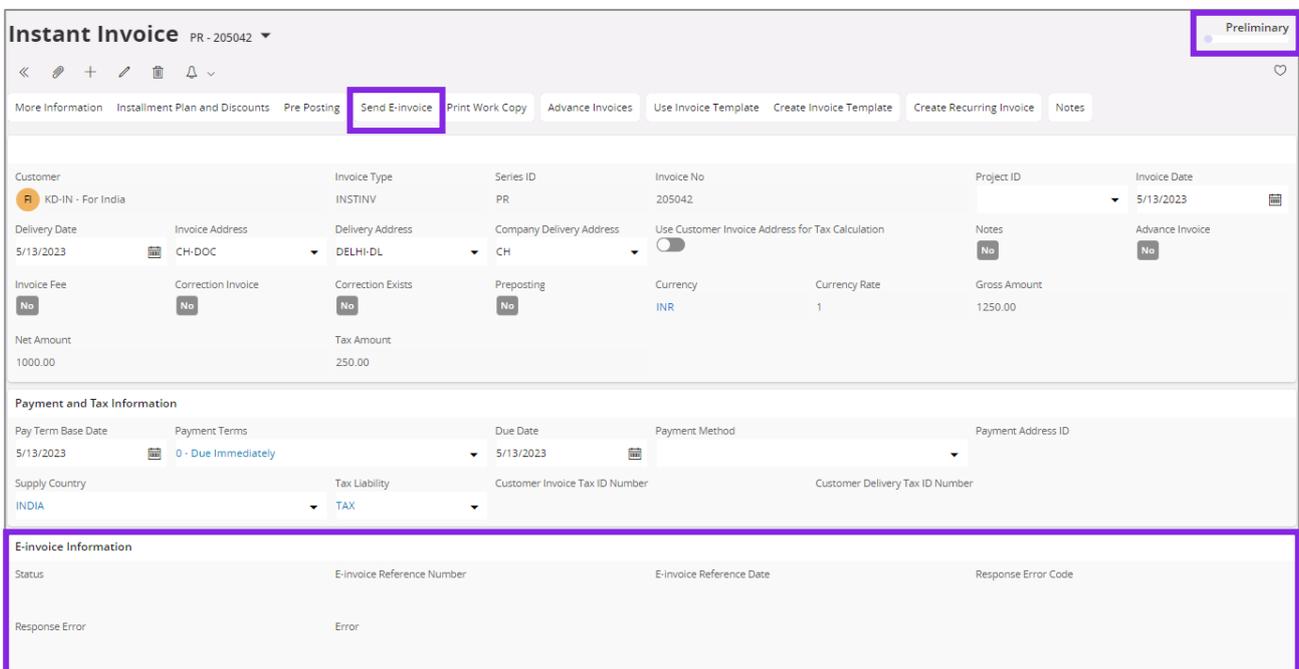
13.6 E – Invoice Flow and Response File Handling

13.6.1 E-INVOICE PROCESS IN CUSTOMER INVOICES

Once the process type is set up in the **Company** or **Customer** basic data, the **Send E-invoice** command on the **Instant Invoice / Customer Order Invoice and Project Invoice** pages 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 the Send E-invoice option enabled.

A sub-section **E-invoice Information**, in the **Instant Invoice / Customer Order Invoice and Project Invoice** Pages, has been introduced to depict the information pertaining to the response of the file and errors pertaining to sending the e-invoice where the 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	Invoice Type	Series ID	Invoice No	Project ID	Invoice Date
KD-IN - For India	INSTINV	PR	205042		5/13/2023
Delivery Date	Invoice Address	Delivery Address	Company Delivery Address	Use Customer Invoice Address for Tax Calculation	Notes
5/13/2023	CH-DOC	DELHI-DL	CH	<input type="checkbox"/>	No
Invoice Fee	Correction Invoice	Correction Exists	Preposting	Currency	Currency Rate
No	No	No	No	INR	1
Net Amount	Tax Amount	Gross Amount			
1000.00	250.00	1250.00			

Payment and Tax Information

Pay Term Base Date	Payment Terms	Due Date	Payment Method	Payment Address ID
5/13/2023	0 - Due Immediately	5/13/2023		
Supply Country	Tax Liability	Customer Invoice Tax ID Number	Customer Delivery Tax ID Number	
INDIA	TAX			

E-invoice Information

Status	E-invoice Reference Number	E-invoice Reference Date	Response Error Code
Response Error	Error		

To send invoice XML to the authority, the user is required to select the Send E-invoice option.

An XML file in IFS style format is created and placed in the IFS Connect out-folder which can be verified in the out-folder.

3rd party service provider validates the file, converts it to the required JSON format, and transfers the 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

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 No	Notes No
Advance Invoice No	Invoice Fee No	Correction Invoice Yes	Correction Exists No	Preposting No	Currency INR
Net Amount -100.00	Tax Amount -7.06	Currency Rate 1	Gross Amount -107.06		

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 Accepted	E-invoice Reference Number e2948668b7126f1e27240fcec2e28d891347120b4445f39156a...	E-invoice Reference Date 7/19/2023	Response Error Code
Response Error	Error		

Status: Response status after invoice XML is sent to the 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 a 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

13.6.2 NEW E-INVOICE PROCESS MONITORING PAGE

The E-invoice Process Monitoring page has been introduced to monitor the Invoice or Outgoing Tax Document 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

Document Type	Identity	Series ID	Document No	Document Status	Attachments	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		

The **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 the invoice to the Tax Authority.

E-Invoice Process Monitoring										
Customer Invoice Analysis: Set E-invoice Status to Rejected										
Document Type Identity Series ID Document No. 9700008 More Favorites Apply Clear Saved Filters										
(1)	Document Type	Identity	Series ID	Document No	Document Status	Attachmen...	Sent Time	E-invoice Status	Response Error Code	Response Error
☑	Customer Invoice	KD-IN	II	9700008	Preliminary	No	6/12/23, 10:10 AM	Pending		

Rejected responses from the Tax Authority or invoices set to rejected could be modified and resent using the **Resend E-invoice** option.

E-Invoice Process Monitoring										
Customer Invoice Analysis: Resend E-invoice										
(1)	Document Type	Identity	Series ID	Document No	Document Status	Attachmen...	Sent Time	Status	Response Error Code	Error Description
☑	Customer Invoice	KD-IN	II	9700005	Preliminary	No	6/5/23, 11:58 AM	Rejected		

Status changes in the **E-invoice Process Monitoring** page will be updated in the Instant Invoice, sub-section of **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.

13.6.3 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 to core documentation for more information on the E-invoice Process.

13.6.4 E-INVOICE FROM THE OUTGOING TAX DOCUMENT

Once the *Process Type* is set up in the **Company** basic data, the **Send E-invoice** command on the **Outgoing Tax Document** page will be enabled. Also, the new sub-section, **E-invoice Information**, in the **Outgoing Tax Document** page has been introduced and will be enabled.

Warehouse Management > Intracompany Tax Reporting > Tax Document > Outgoing Tax Document

Company: IP COMPANY INDIA

Outgoing Tax Document 39

Send E-Invoice Cancel Posting Analysis Shipment

Total Amounts

GENERAL LINES

Sender			Receiver		
Sender Type	Sender ID	Sender Description	Receiver Type	Receiver ID	Receiver Description
Site	IPIDS	IP India Demand Site	Site	IPISS	IP India Supply Site

Sender Address			Receiver Address		
Address Source	Address Source ID	Document Address ID	Address Source	Address Source ID	Document Address ID
Company	IP-CO-IN	AD1-DL	Company	IP-CO-IN	AD1-DL
Delivery Address ID	Branch	Sender Delivery Tax ID Number	Delivery Address ID	Receiver Delivery Address Name	Single Occurrence
AD1-DL			AD1-DL		No
			Receiver Delivery Tax ID Number		

India Specifics

Tax Document Text

E-Invoice Information

E-Invoice Status	E-Invoice Reference Number	E-Invoice Reference Date	Response Error Code
Response Error		Error	

Create an *Outgoing Tax Document*. Go to the created *Outgoing Tax Document* and enter the Tax-related information, then deliver the *Shipment*. Once the *Shipment*, connected to the *Outgoing Tax Document*, is delivered the **Send E-Invoice** command is enabled.

Note: In case, when GST should not be reported to the Tax Authorities (the *Outgoing Tax Document* is registered with 0% GST) the **Send E-Invoice** command is not enabled in the *Tax Document* upon delivering the shipment. The *Outgoing Tax Document* can be processed further by executing the **Print** command and postings of the Tax document are created. Upon executing the **Print** command, the Series ID and the Series No are generated from the **Default when 0& GST** Tax Document Series.

When execute the **Send E-Invoice** command an XML file in IFS style format is created and placed in IFS Connect out-folder. 3rd party service provider validates the file, converts it to the required JSON format and transfers the file to the Tax Authorities. The **E-Invoice status** will be updated to Pending. Upon executing the **Send E-Invoice** command the Series ID and the Series No are generated from the **Default** Tax Document Series.

(See [Chapter 15: Taxes in intracompany goods movement](#) for more information about the creation of the Outgoing Tax Document)

The *Outgoing Tax Document* is also added as an entry in the **E-invoice Process Monitoring** Page. Where the option **Set E-invoice Status to Rejected** and **Resend E-Invoice** is available. Status changes in the **E-invoice Process Monitoring** page will be updated in the *Outgoing Tax Document*, sub-section **E-invoice Information**. If the E-invoice is rejected, the user also has the possibility to cancel the Outgoing Tax Document and send a new E-invoice to the Tax Authority.

E-invoice Process Monitoring											
Document Type	Identity	Series ID	Document No	Document Status	Sent Time	E-invoice Status	E-invoice Reference Number	E-invoice Reference Date	Response Error	Respo	
Tax Document	IPI51	TD	29	Posted	2024-02-23 09:14	Accepted	e2948668b7126f1e27240fcec2e28d891347120b4445f9156a28b9fdc8be4b8	2024-02-01 ...			
Tax Document	IPI51	TD	28	Posted	2024-02-22 11:30	Accepted	e2948668b7126f1e27240fcec2e28d891347120b4445f9156a28b9fdc8be4b8	2024-02-01 ...			
Tax Document	IPI51	TD	27	Preliminary	2024-02-22 10:31	Accepted	e2948668b7126f1e27240fcec2e28d891347120b4445f9156a28b9fdc8be4b8	2024-02-01 ...			
Tax Document	IPI51	TD	26	Preliminary	2024-02-22 08:42	Rejected					
Tax Document	IPI51	TD	25	Preliminary	2024-02-22 07:27	Rejected					
Tax Document	IPI51	TD	24	Preliminary	2024-02-21 16:10	Accepted	e2948668b7126f1e27240fcec2e28d891347120b4445f9156a28b9fdc8be4b8	2024-02-01 ...			
Tax Document	IPI51	TD	22	Preliminary	2024-02-21 15:43	Rejected					
Tax Document	IPI51	TD	21	Posted	2024-02-21 15:09	Accepted	e2948668b7126f1e27240fcec2e28d891347120b4445f9156a28b9fdc8be4b8	2024-02-01 ...			

13.6.5 PRINT OUTGOING TAX DOCUMENT INCLUDING IRN AND QR CODE

Outgoing Tax Document with **E-Invoice status** Accepted can be printed and sent to the receiver which includes the IRN and QR-code. Upon printing the Outgoing Tax Document, the status will be updated to Posted and an **Incoming Tax Document** will be automatically created as a mirror image of the Outgoing Tax Document.

If the option, **Automatically Process Accepted Invoice**, in the connected Process Type is enabled. After receiving an Accepted response, the *Outgoing Tax Document* will continue the ordinary flow and be printed and posted automatically.

13.6.6 UPLOADING RESPONSE FILE

Response File received from the 3rd party service provider should be uploaded to the IN Folder.



ReceiveEInvoiceResp
onseSampleACCEPTED

13.7 Supplier Invoice

To facilitate tax reporting for incoming invoices, in the **New Manual Supplier Invoice assistant** and **Manual Supplier Invoice** page the IRN field is available under the 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: **IS** 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: **IRN**

Manual Supplier Invoice SI - SH-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	Net Amount	Tax Amount
1000.00	1000.00	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: **IRN**

13.8 Update General Ledger

Follow the IFS Cloud core process to update vouchers to General Ledger (Update GL Vouchers Assistant).

13.9 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 on 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	e2948668b7128f1e27240fcec2e28d891347120b4445f39156a28b9fdc3be4b8	

13.10 Delimitations

- Only invoices in local currency INR are supported.
- The solution does not support the following invoice types:
 - Manual Customer Invoice
 - Interest Invoice
 - External invoice
- No support for B2C (Business to Consumer) invoices.

13.11 Upgrade Handling

Following points to be considered in an upgrade.

- User responsibility to process all pending invoices before upgrade.
- If any customer was connected to the GETXML_IN message set up before upgrade, after upgrade the company will have the process type STD-IN added to the Company/ Invoice/ Process Type field.
- If the customer defined for Indian e-invoice message set up before the upgrade, the **Customer/Invoice** tab/ Message Set Up will have the message set up as E-invoice IN. The user is required to delete this when the company defines with process type as the compliance process will be based on the Process Type.
- E-invoices sent to the Tax Authority and depicted in the Sent Invoices window/page before the upgrade will be depicted in the **E-invoice Process Monitoring** page after the upgrade.

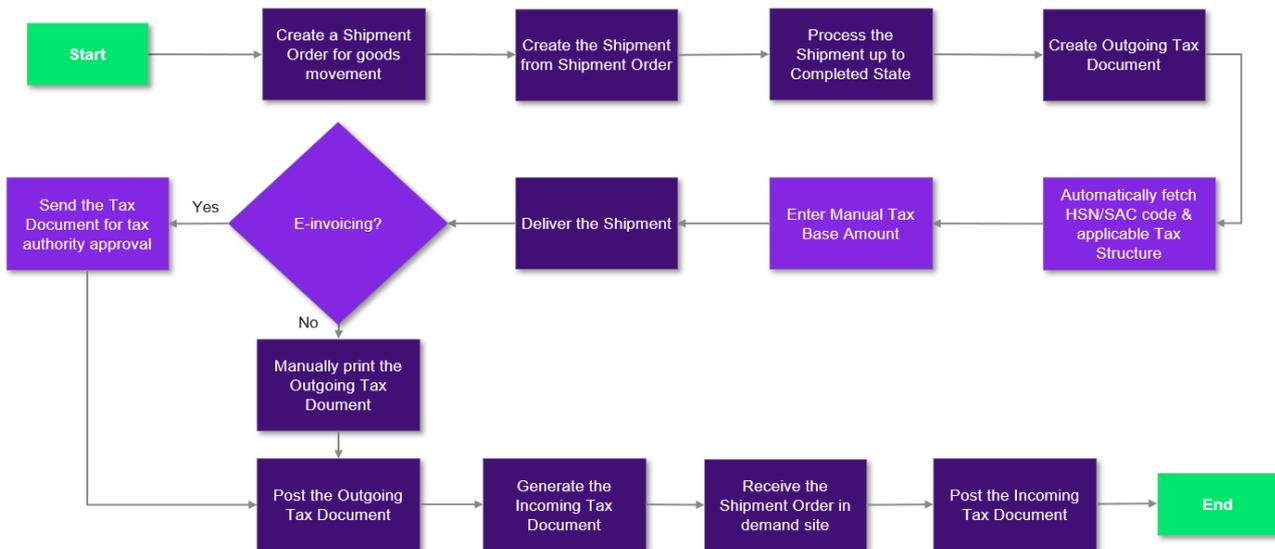
14 Taxes in intracompany goods movement

14.1 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 their own purposes.
- If goods are used for their purpose in the receiving site, the inventory cost at the demand site should be increased by the tax amount.
- Movement can be within the same state or between two different states.

14.2 Process Overview



**Note; E-invoicing is not supported in the IFS Cloud 23R2 release*

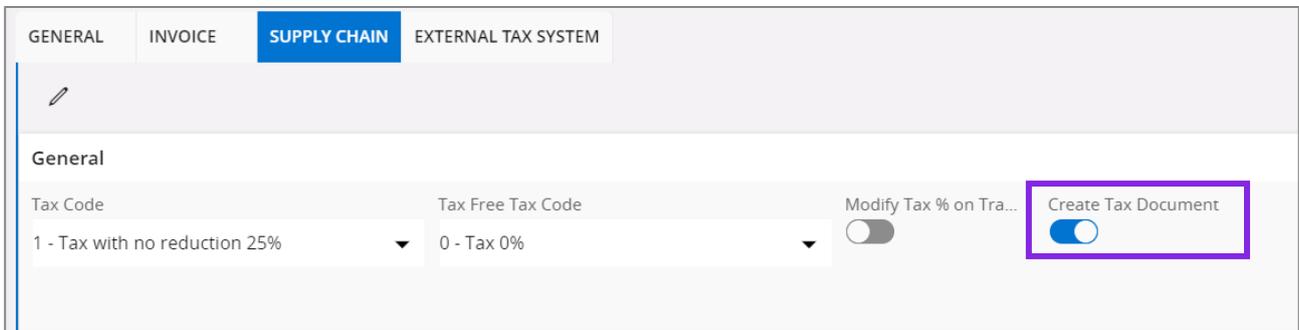
14.3 Solution Overview

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

14.4 Prerequisites

Go to the **Company/Tax Control/Supply Chain** page and enable the “Create Tax Document” parameter.



The screenshot shows 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 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/Interstate 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 i	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

14.5 Define Basic Data

HSN/SAC Codes and HSN/SAC Group basic data must be set up according to [Chapter 7](#). A default HSN/SAC can be added to an inventory part, see [chapter 7](#).

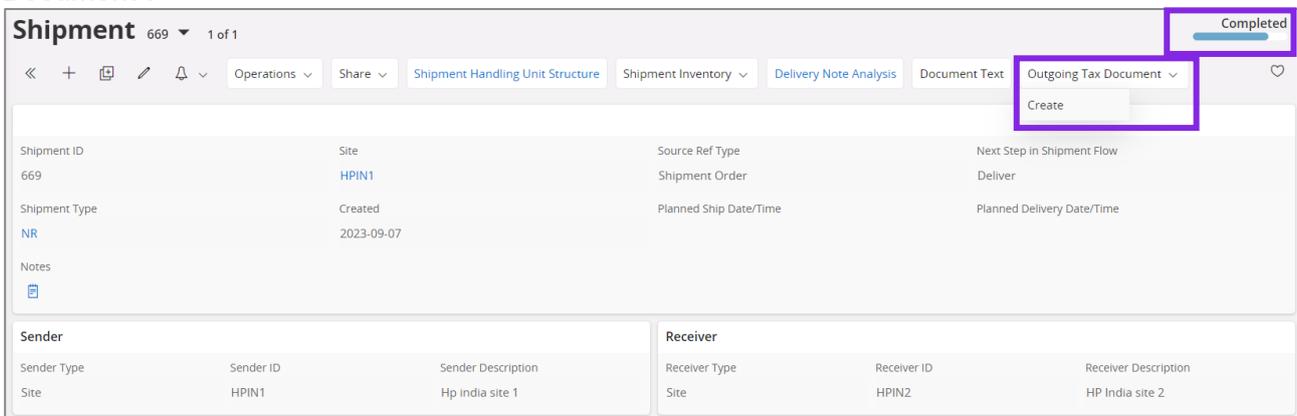
14.6 Create and process Shipment Order

Create a shipment order for any of the 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 the shipment header - "Create Outgoing Tax Document".



Shipment 669 1 of 1 Completed

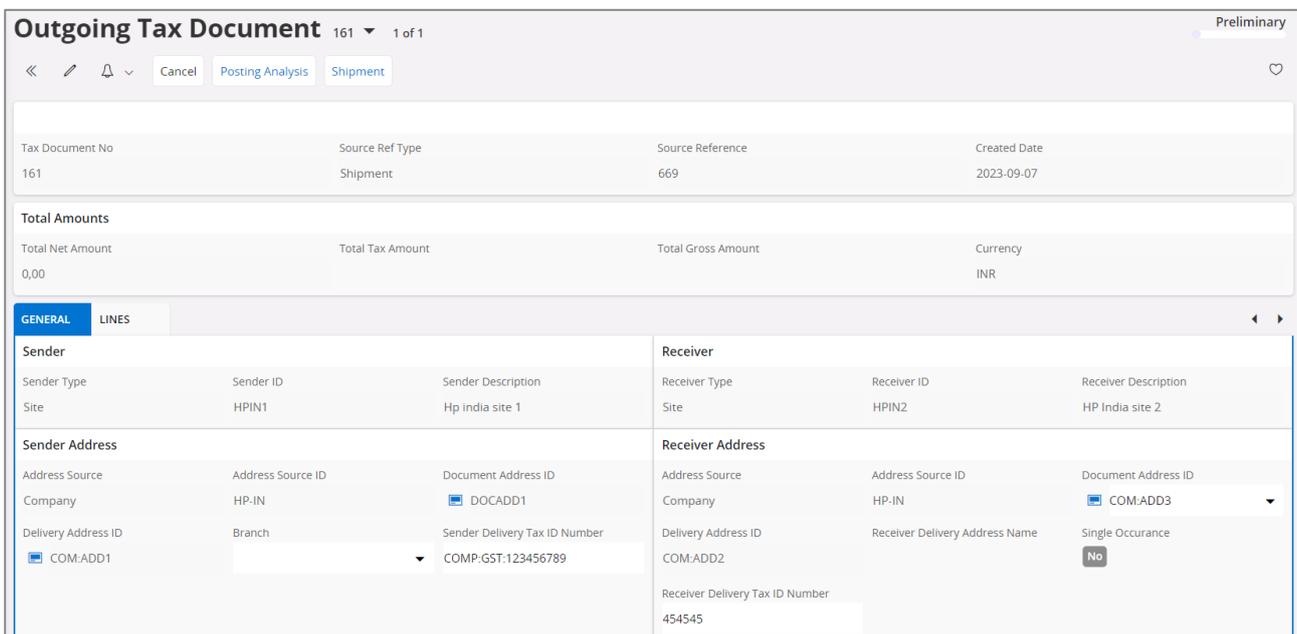
Operations | Share | Shipment Handling Unit Structure | Shipment Inventory | Delivery Note Analysis | Document Text | **Outgoing Tax Document** | Create

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 the 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 a 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		

14.7 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 a manual tax base, then it's possible to add a value in the **Manual Tax Base Amount** column. Editing on the outgoing tax document line is only allowed as long as the shipment has 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
<input type="checkbox"/>	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.

14.8 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.

14.9 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 Occurrence
COM.ADD1		COMP.GST:123456789	COM.ADD2		<input type="checkbox"/> No
			Receiver Delivery Tax ID Number		
			454545		

14.10 Postings

14.10.1 OUTGOING TAX DOCUMENT

The 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

14.10.2 INCOMING TAX DOCUMENT

The 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 the **tax document posting analysis** page, both successful and erroneous postings can be viewed. In case of erroneous postings, when the error, the posting can be rerun through the command “Post Tax Document” in both outgoing and incoming tax documents.

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"/>										
✓		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		

14.11 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**). On the **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 the 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 the Sender Delivery Tax ID Number

14.12 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 the demand site cannot take the input tax credit), then the 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

The 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 the 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		2699				
	M297	100	M298	100	M300	100

2641	
M299	100

Since there are no non-deductible taxes involved, nothing is to be posted under the 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		2699				
	M297	100	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. The 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

The 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	Total Tax	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 the two sites have different standard costs, still the taxes and non-deductible taxes should be calculated based on the cost of 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
--	------	----

Tax Document Postings

Supply Site	Outgoing TD		Dr	Cr
		M297		100
		M298	100	

Demand Site	Incoming TD		Dr	Cr
		M299	40	
		M300		40
		M304	60	
		M300		60

2610	2699								
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;"></td> <td style="width: 50%; text-align: right;">M297 100</td> </tr> </table>		M297 100	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: right;">M298 100</td> <td style="width: 50%;"></td> </tr> <tr> <td style="text-align: right;">M300 40</td> <td></td> </tr> <tr> <td style="text-align: right;">M300 60</td> <td></td> </tr> </table>	M298 100		M300 40		M300 60	
	M297 100								
M298 100									
M300 40									
M300 60									

2641			
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;"></td> <td style="width: 50%; text-align: right;">M299 40</td> </tr> </table>		M299 40	
	M299 40		

XXXX			
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;"></td> <td style="width: 50%; text-align: right;">M304 60</td> </tr> </table>		M304 60	
	M304 60		

Handling of Different Scenarios

The goods movement using shipment order can be done for different scenarios like Site to Site, Site to Remote Warehouse, Remote Warehouse to Remote Warehouse, etc. But the non-deductible tax handling should be done only for the goods movements between two sites. This means only for the scenarios where the following set of transactions are created.

- Supply Site: SHIPODSIT- - Deliver Shipment Orders to a site in the same company.
- Demand Site: INTORDTR - Move to Internal Order Transit due to Issue.
- Demand Site: SHIPODSIT+ - Receive Shipment Order from a site in the same company.

Some example scenarios where the above transactions are created:

- Movement between two sites of the same company
- Movement from a site to an RWH of another site of the same company
- Movement between two RWHs of two sites of the same company

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.

14.13 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.

15 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.

16 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.

17 Business Reporting Infrastructure for Tax Reporting

17.1 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.

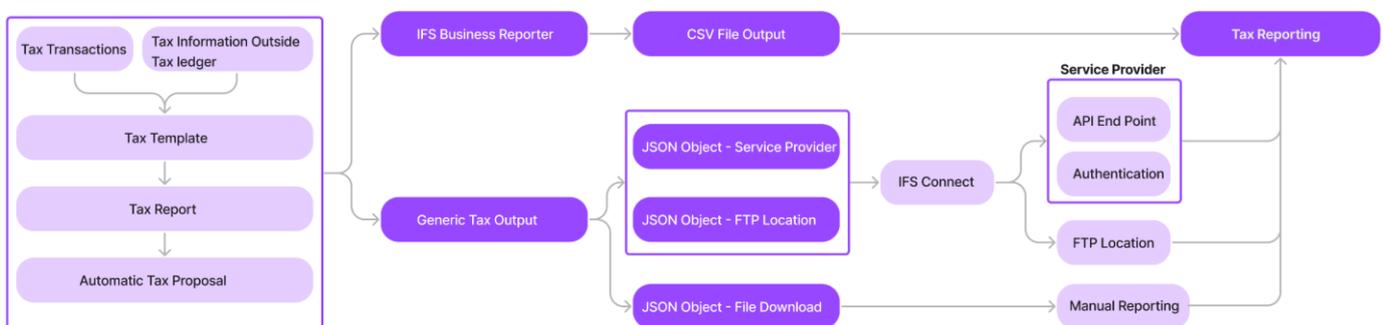
Return Form	Particulars	Frequency	Due Date
GSTR-1	Details of outward supplies of taxable goods and/or services effected	Monthly	10th of the next month
GSTR-2	Details of inward supplies of taxable goods and/or services effected claiming input tax credit.	Monthly	15th of the next month
GSTR-3	Monthly return 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 affected 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 the statement is filed

17.2 Process Overview



17.3 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 Sources, **Tax Ledger Item** and **Tax Ledger Proposal Transaction** are 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
- Tax Calculation Structure and Description
- Single Occurrence Behavior

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.

17.4 Prerequisites

- The company must be set up to use Indian localization, see the [Company Setup](#) chapter.
- IFS Business Reporter must have been installed.

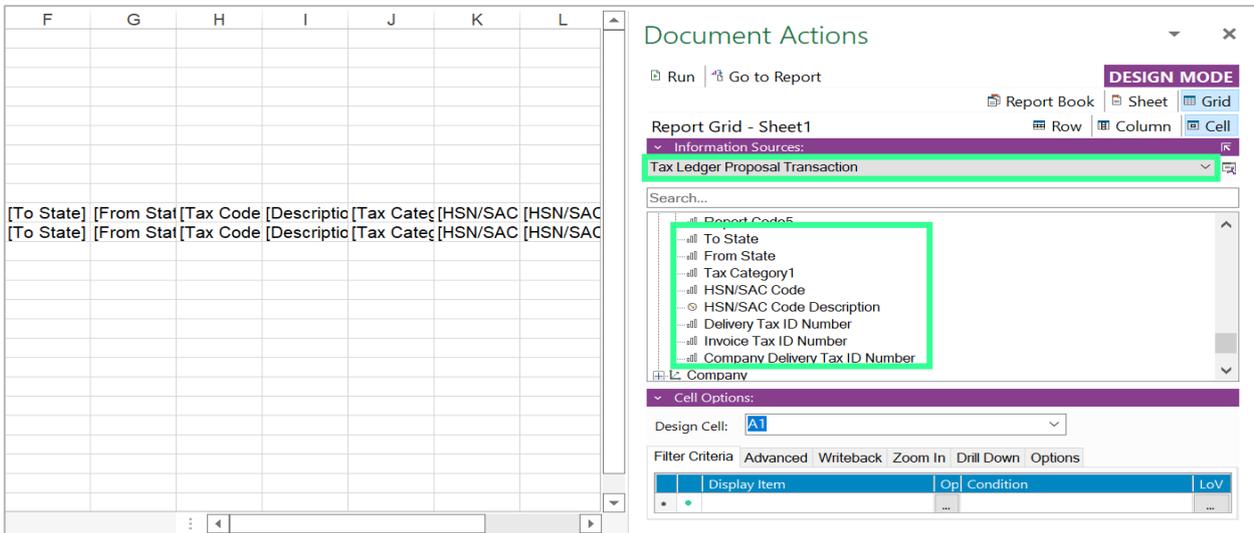
17.5 Create Tax Proposals

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.

17.6 Design Reports

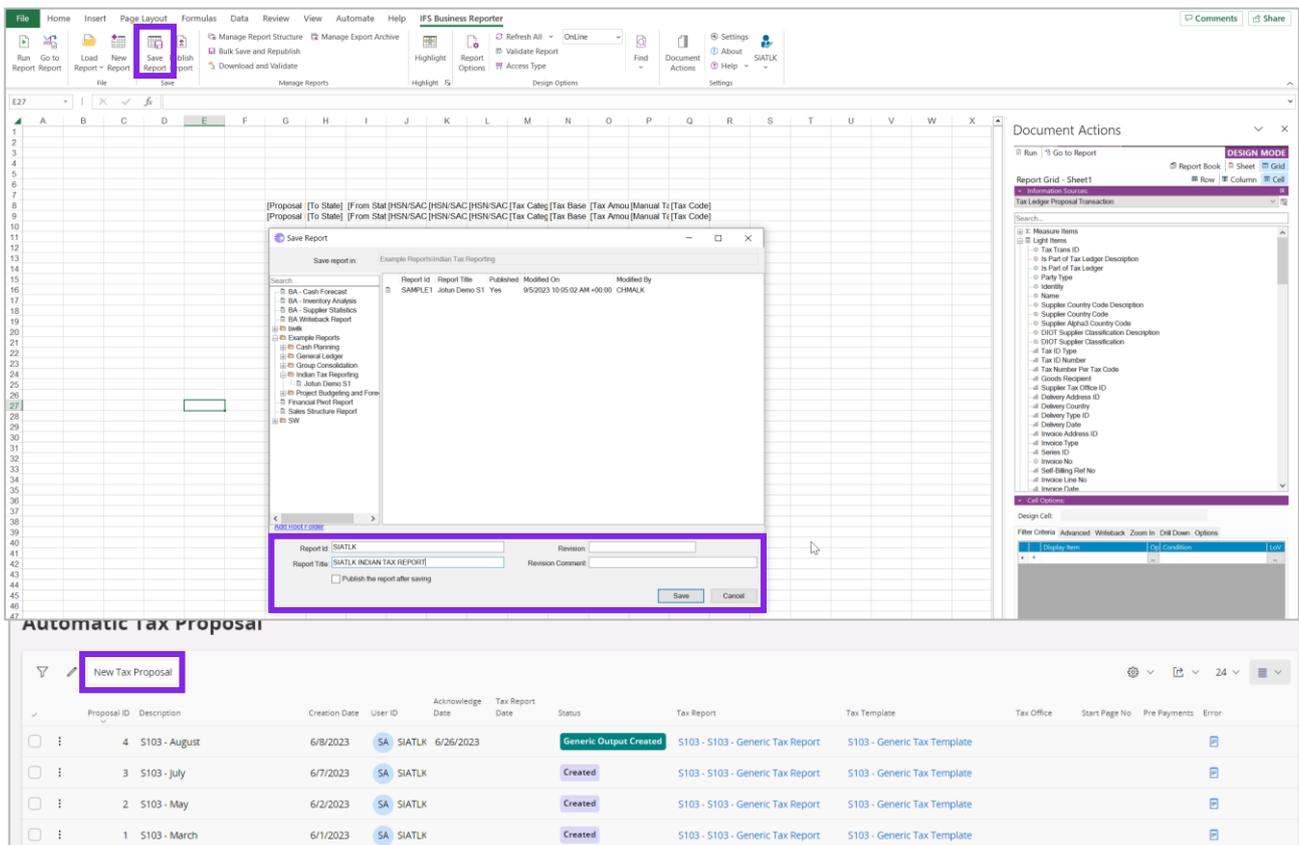
Tax Reports shall be created using IFS Business Reporter, utilizing the Information Source, **Tax Ledger Proposal Transaction**. The data in this information source are retrieved from the **Automatic Tax Proposals** page.



The screenshot displays the IFS Business Reporter interface. On the left, a report design grid is visible with columns labeled (To State), [From Stat], [Tax Code], [Descriptio], [Tax Cateç], [HSN/SAC], [HSN/SAC], [To State], [From Stat], [Tax Code], [Descriptio], [Tax Cateç], [HSN/SAC], [HSN/SAC]. On the right, the 'Document Actions' panel is open, showing 'DESIGN MODE' and 'Report Grid - Sheet1'. The 'Information Sources' dropdown is set to 'Tax Ledger Proposal Transaction'. A search box contains 'To State' and 'From State'. The 'Cell Options' section shows 'Design Cell: A1'. The 'Filter Criteria' section includes 'Display Item', 'Op', 'Condition', and 'LoV'.

17.7 Save Reports

The user can save the designed reports for future reference in IFS Business Reporter.

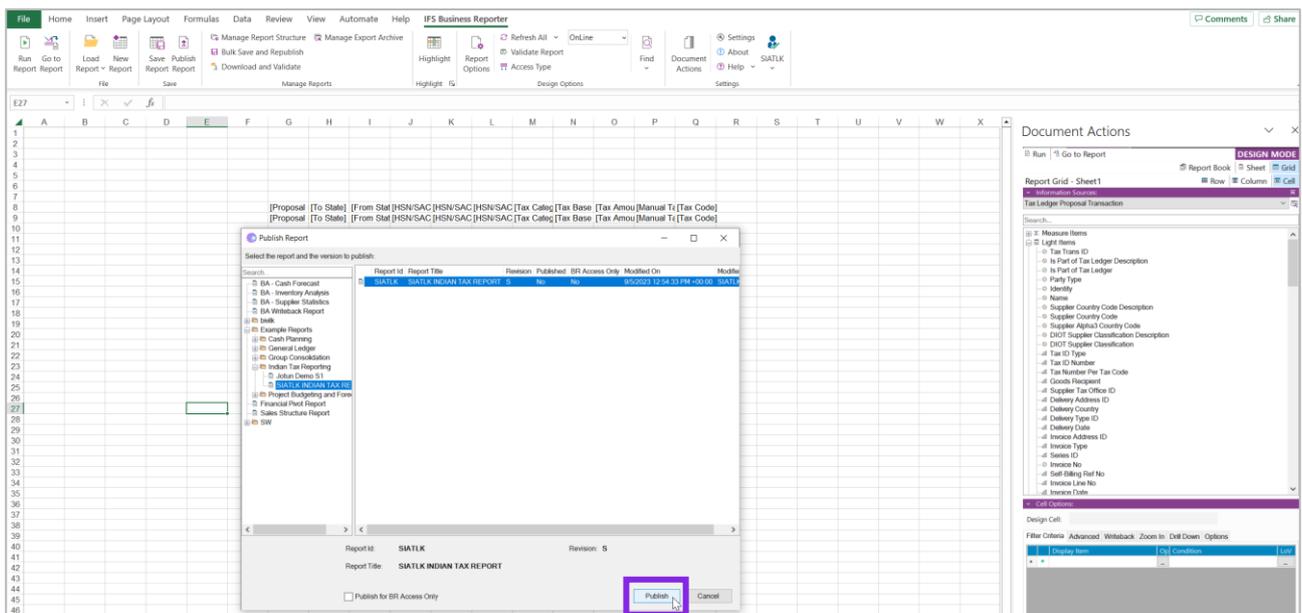
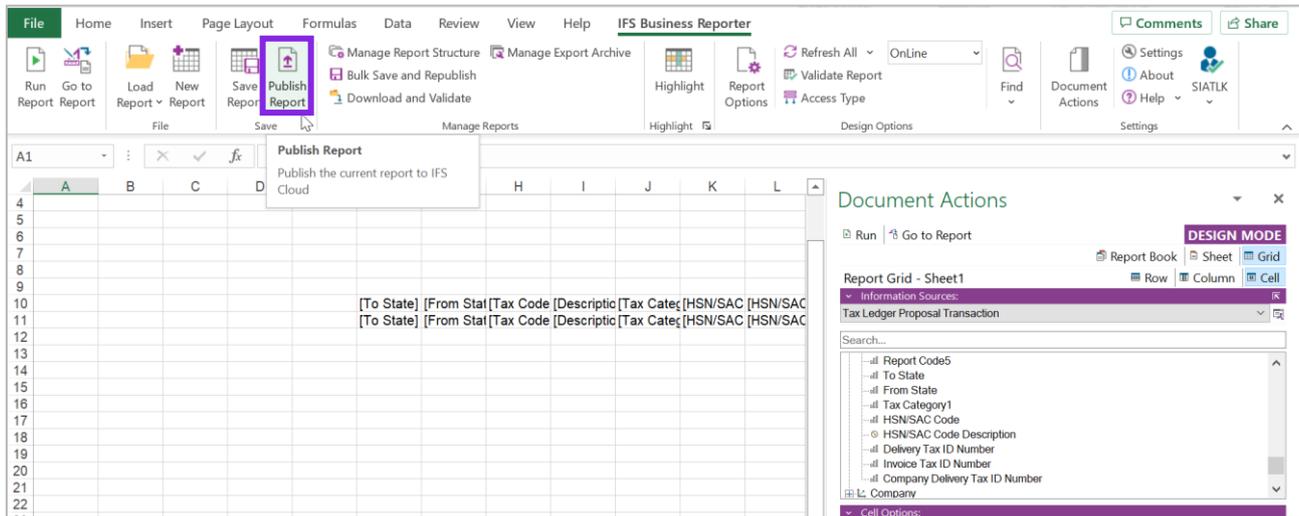


The screenshot shows the IFS Business Reporter interface with the 'Save Report' dialog box open. The dialog box contains a list of reports, including 'SIATLK INDIAN TAX REPORT'. Below the list, there are fields for 'Report ID' (SIATLK), 'Report Title' (SIATLK INDIAN TAX REPORT), and 'Revision Comment'. The 'Automatic Tax Proposal' table is visible at the bottom of the screen, showing a list of tax 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				

17.8 Publish Reports

It is possible to publish the designed reports in the 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.

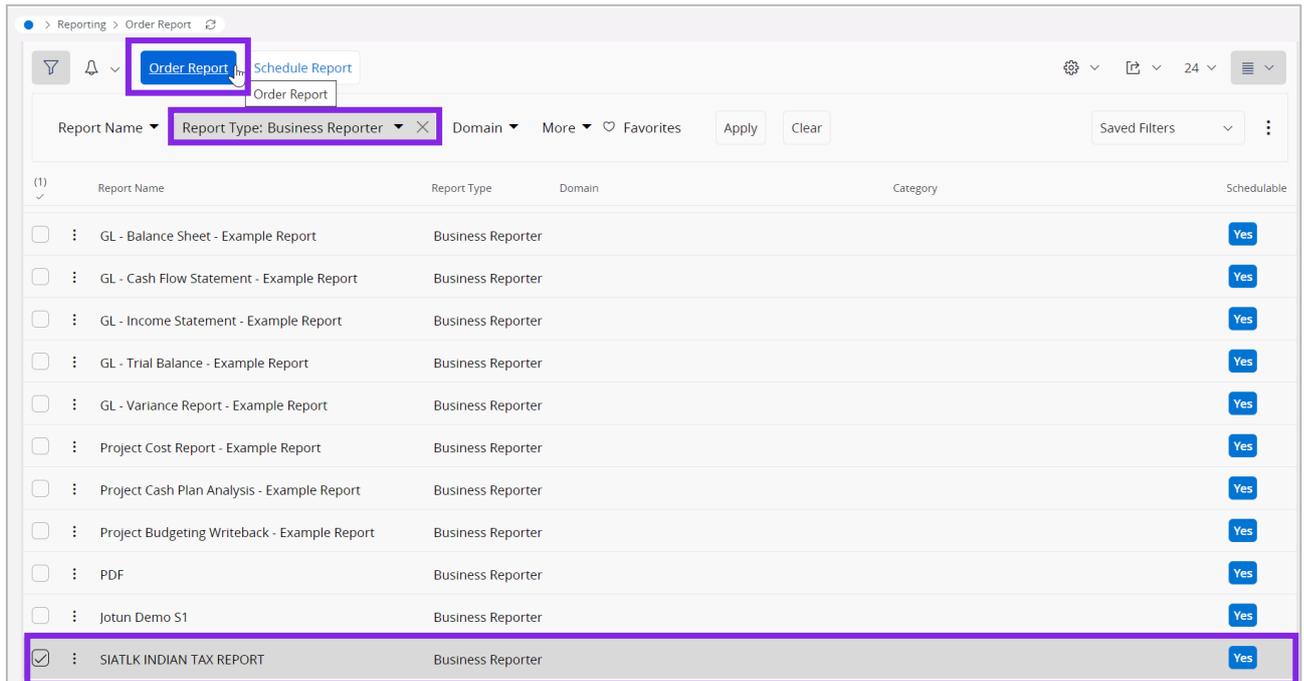


17.9 Order Report

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 search bar shows 'Report Name' and 'Report Type: Business Reporter'. A table lists various reports, with 'SIATLK INDIAN TAX REPORT' highlighted at the bottom. The table has columns for Report Name, Report Type, Domain, Category, and a 'Schedulable' checkbox.

Report Name	Report Type	Domain	Category	Schedulable
GL - Balance Sheet - Example Report	Business Reporter			Yes
GL - Cash Flow Statement - Example Report	Business Reporter			Yes
GL - Income Statement - Example Report	Business Reporter			Yes
GL - Trial Balance - Example Report	Business Reporter			Yes
GL - Variance Report - Example Report	Business Reporter			Yes
Project Cost Report - Example Report	Business Reporter			Yes
Project Cash Plan Analysis - Example Report	Business Reporter			Yes
Project Budgeting Writeback - Example Report	Business Reporter			Yes
PDF	Business Reporter			Yes
Jotun Demo S1	Business Reporter			Yes
SIATLK INDIAN TAX REPORT	Business Reporter			Yes

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. It has a progress indicator with 'Parameters' selected. Below, there is a 'Report Parameters' section. At the bottom, there are navigation buttons: 'Previous', 'Next', 'Finish', and 'Cancel'. The 'Finish' button is highlighted with a mouse cursor.



The screenshot shows the 'Order Report - SIATLK INDIAN TAX REPORT' dialog after execution. A 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 are buttons for 'Run Again' and 'Show in Background Jobs'.

17.10 Delimitations

N/A

18 Support Handling of HSN/SAC Codes in External Invoice for Customer and Supplier

18.1 Overview Legal Requirement

Enabling the use of HSN/SAC code in External Supplier Invoices and External Customer Invoices.

18.2 Process Overview



18.3 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.

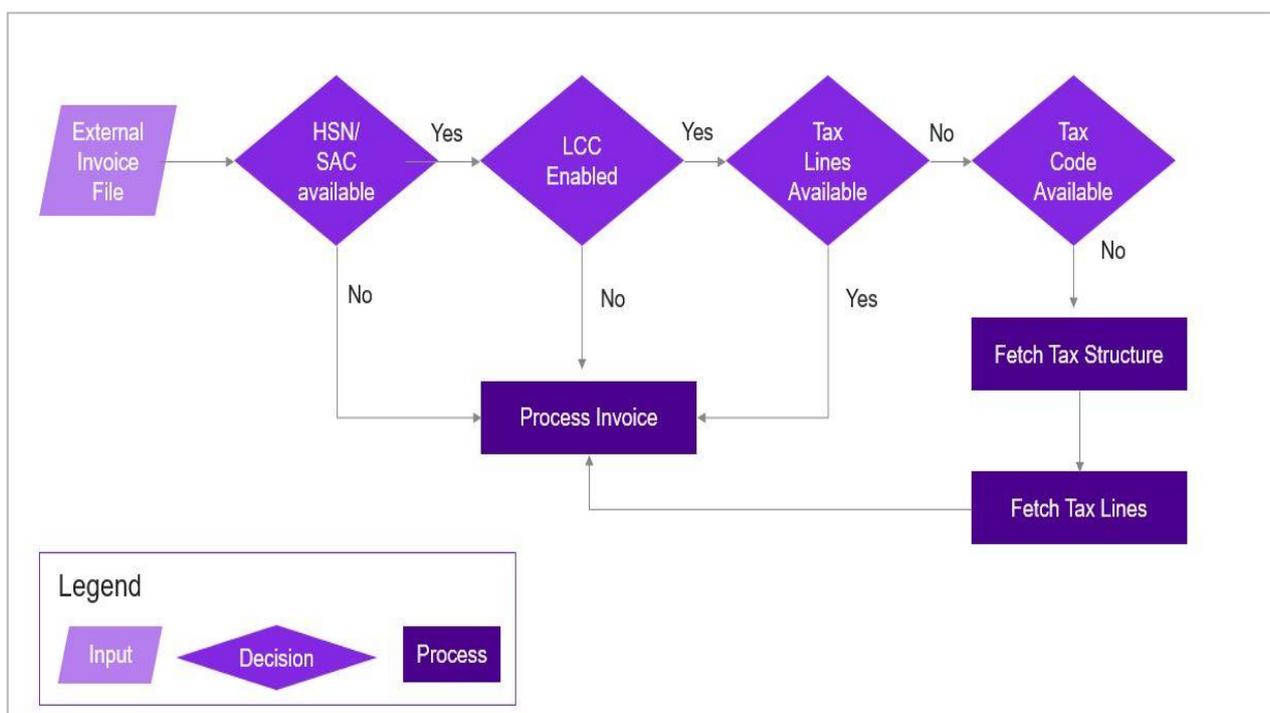
In Standard Template 1 (STDSIN1, STDCIN1) it is added at the line level which is record type I.

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.

18.4 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.

18.5 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;2023-06-20;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
  
```

18.6 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;2023-06-20;2023-06-20;2023-06-
20;0;INR;;*;I;;;2023-06-20;2023-06-20;2023-06-20;2023-06-20;2023-06-20;
I;NIWA:IND:SUP;NIWA-
P101;1;;1000;1000;110;110;89011010.VESSEL
  
```

18.7 Check if there is a 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
  
```

18.8 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 394 - Z1 - SUPPEXT ▾ 1 of 1

⏪ ✎ 🔔 ▾

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

🔍 + ✎

<input checked="" type="checkbox"/>	HSN/SAC Code	Tax Calculation Structure	Line ID	Income Type Identity	Delivery Type	Tax Code
<input type="checkbox"/>	89011010.VESSEL - vessel	INTRA_STATE	1			

18.9 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 394 - Z1 - SUPPEXT 1 of 1

⏪ 🔔 ⌵

Load ID	Invoice No	Invoice Type	Supplier
394	Z1	SUPPEXT	 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.

18.10 Delimitations

- Works for text files
- Not handled for IFS message handling such as EDI/MHS
- Not handled for e-Invoice flow

19 Subcontractor Name and Subcontractor GST Number in Supplier Invoice

19.1 Overview Legal Requirement

Some companies in India want to record information of sub-contractors in the supplier invoice in order to identify the GST credit when reimbursing the sub-contractor's invoice to the main supplier. That means it is possible for any of the main supplier / main-contractor to opt for sub-contracting activities and thereby provide invoices to the Buyer with sub-contracting invoices. In such case, the company takes **credit of tax** from the sub-contractor's invoice.

Example:

YYY - Main Contractor took Subcontractor activity from XXX on behalf of the buyer.				
	HSN	Net Amount	Tax	Gross Amount
XXX Subcontractor	13455	1,000.00	100	1,100.00

YYY - The Main Supplier is sending the Invoice to the Buyer. The buyer is entering the Invoice as follows.						
	HSN	Net Amount	Tax	Gross Amount	Subcontractor Name	Subcontractor Tax ID Number
Line 1	13455	1,000.00	100.00	1,100.00	XXX	GSTIN:123456
Line 2	45557	500.00	50.00	550.00		
				1,650.00		

Buyer can claim the Tax Credit of 100 (Line 1) when filing their Tax Liability.

19.2 Process Overview



19.3 Solution Overview

To handle this requirement, **two new editable columns** are implemented in the **Manual Supplier Invoice line level** and those columns are visible in **the Tax Transaction Page** for getting GST credit when there is a reimbursement of sub-contractor's invoice to the main supplier/main contractor.

1. Subcontractor Name
2. Subcontractor Tax ID Number

19.4 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 the **Company / Localization Control Center**.

19.5 Enter the Subcontractor Name and Subcontractor Tax ID Number in the Manual Supplier Invoice

Enter a supplier invoice following the standard process and enter the Subcontractor Name and Subcontractor Tax ID Number whenever applicable.

New Manual Supplier Invoice

○ Header Information
● Line Information
 ○ Posting Information

Invoice							
Company	Supplier	Series ID	Invoice No	Currency	Gross Amount	Net Amount	Tax Amount
CHBELK INDIA PVT LTD	CHBELK SUP IN	SI	INV 001	INR			

Line Information				
Gross Amount	Net Amount	Tax Amount	Non-deductible Tax Amo...	Cost Amount
81000.00	60000.00	21000.00	0.00	60000.00

Lines

+ Tax Lines

 24

(1) ✓	Line ID	Description	HSN/SAC Code	Tax Calculation Structure	Net Amount	Subcontractor Name	Subcontractor Tax ID Number	Multiple Tax Lines	Tax Code
<input checked="" type="checkbox"/>	1	Premium Tire	TIRE - TIRE-99000	INTER TS	10000.00			Yes	
<input type="checkbox"/>	2	Super Tires	TIRE - TIRE-99000	INTER TS	50000.00	XXX PVT LTD	GST8899636363	Yes	

Subcontractor Name and Subcontractor TAX ID Number columns are implemented in the below pages.

- Manual Supplier Invoice Assistance
- Manual Supplier Invoice Page
- Posting Proposal Page

Note: The user can edit these fields when the invoice is in a Preliminary State.

- Supplier Invoice Analysis
- Posting Proposal Analysis
- Tax Transactions Page

19.6 Update General Ledger

Follow the IFS Cloud core process to update vouchers to General Ledger (*Update GL Vouchers Assistant*).

19.7 Fetch Tax Ledger Information

Follow the IFS Cloud core process to fetch tax ledger information (*Fetch Tax Ledger Information Assistant*).

Users can check the details related to the invoices which are connected to the subcontractor Name and Subcontractor Tax ID Number via the **Tax Transaction** Page and create the Tax Reports to claim Tax Credits applicable.

Tax Transactions							
<input type="text" value="Validate Tax ID Number"/> <input type="text" value="Voucher Details"/> <input type="text" value="Modify Tax Transactions"/> <input type="text" value="Include Tax Proposal Item"/> <input type="text" value="Calculate Income Amount"/>							
(1) ✓	Invoice No	Subcontractor Name	Subcontractor Tax ID Number	Tax Trans ID	Identity	Party Type	
<input type="checkbox"/>	INV 001	XXX PVT LTD	GST8899636363	333237	CS CHBELK SUP IN - CHBELK SUP IN	Supplier	
<input type="checkbox"/>	INV 001	XXX PVT LTD	GST8899636363	333239	CS CHBELK SUP IN - CHBELK SUP IN	Supplier	
<input type="checkbox"/>	INV 001	XXX PVT LTD	GST8899636363	333240	CS CHBELK SUP IN - CHBELK SUP IN	Supplier	
<input type="checkbox"/>	INV 001			333236	CS CHBELK SUP IN - CHBELK SUP IN	Supplier	
<input type="checkbox"/>	INV 001			333238	CS CHBELK SUP IN - CHBELK SUP IN	Supplier	
<input checked="" type="checkbox"/>	INV 001			333241	CS CHBELK SUP IN - CHBELK SUP IN	Supplier	

19.8 Delimitations

N/A

20 Appendix

20.1 E-invoice Format

The below attached Excel file describes the mapping of the Indian GST e-invoice format and the IFS e-invoice format. Note that only mandatory tags are mapped.



E_Invoice_India_Mapping_Document.xlsx

20.2 Response file



ReceiveEInvoiceResponseSampleACCEPTED