

## Stat Adjustment Entries under GST in Tally.ERP9

Sl No	Stat adjustment - Primary flag	Stat adjustment - Secondary flag	Journal entry	Purpose
1	Decrease of tax liability	Adjustment Against Credit	Dr. Output CGST/SGST/IGST Cr. Input CGST/SGST/IGST	The tax credits of central tax, integrated tax and state tax can be used to set-off the liability of central tax, state tax/UT tax and integrated tax in the order specified under GST.
2	Decrease of tax liability	Cancellation of Advance Payments under Reverse Charge	Dr. Input CGST Dr. Input SGST Cr. Tax on Advance (Current Assets, Direct/Indirect Expenses , Party)	When the advance being received from the party is refunded on account of cancellation, to that extent of tax liability being already paid can be reversed.
3	Decrease of tax liability	Cancellation of Advance Receipts	Dr. Output CGST Dr. Output SGST Cr. Tax on Advance (Current Assets, Direct/Indirect Expenses , Party)	When the advance being received from the party is refunded on account of cancellation of sale agreement, to that extent of tax liability being already paid can be reversed.
4	Decrease of tax liability	Cancellation of Advance Receipts for Exports / SEZ Sales	Dr. Output CGST Dr. Output SGST Cr. Tax on Advance (Current Assets, Direct/Indirect Expenses , Party)	When the advance being received from the party is refunded on account of cancellation of sale agreement, to that extent of tax liability being already paid can be reversed.
5	Decrease of tax liability	Purchase Against Advance Payment	Dr. Input CGST Dr. Input SGST Cr. Tax on Advance Paid (Current Assets)	When the advance being received from the party is refunded on account of cancellation of sale agreement, to that extent of tax liability being already paid can be reversed.
6	Decrease of tax liability	Sales Against Advance Receipts	Dr. Output CGST Dr. Output SGST Cr. Tax on Advance (Current Assets, Direct/Indirect Expenses , Party)	When the advance being received from the party is adjusted against sales, to that extent of tax liability being already paid can be reversed.
7	Decrease of tax liability	Sales Against Advance Receipts of Exports / SEZ sales	Dr. Output CGST Dr. Output SGST Cr. Tax on Advance (Current Assets, Direct/Indirect Expenses , Party)	When the advance being received from the party is adjusted against export / sez sales, to that extent of tax liability being already paid can be reversed.
8	Increase of Input Tax Credit	Imports of Goods	Dr. Input IGST Cr. Tax on Imports. (Current Assets)	When tax liability on Imports is already paid during clearance of goods and want to account only availment ITC.
9	Increase of Input Tax Credit	Imports of Services	Dr. Input IGST Cr. Tax on Imports. (Current Assets)	When tax liability on Imports is already paid during clearance of goods and want to account only availment ITC.

10	Increase of Input Tax Credit	Imports of Capital Goods	Dr. Input IGST Cr. Tax on Imports. (Current Assets)	When tax liability on Imports(Capital Goods) is already paid during clearance of goods and want to account only availment ITC.
11	Increase of Input Tax Credit	ISD transfer	Dr. Input CGST Dr. Input SGST Dr. Input IGST Cr. Head Office (ISD)	When multiple services are received for businesses operating under a single registration, against a single tax invoice, the tax credit of such services can be distributed amongst each business as Input Service Distributor (ISD) credit.
12	Increase of Input Tax Credit	Purchase under Reverse charge	Dr. Input CGST Dr. Input SGST Cr. Tax on RCM or Expense (Current Assets)	When tax liability is already paid during advance payment and want to account only availment ITC.
13	Increase of Input Tax Credit	Purchases from Unregisterd Dealer	Dr. Input CGST Dr. Input SGST Cr. Tax on RCM or Expense (Current Assets)	When tax liability is already paid during advance payment and want to account only availment ITC.
14	Increase of Input Tax Credit	TCS Adjustment	Dr. CGST Dr. SGST Cr. Party (Current Assets)	While making payment to the vendor by the e-commerce operator, the ecommerce operator will have to collect tax at source @ ....% including GST component. The amount deposited as TCS will be reflected in the electronic cash ledger of the vendor so as to claim Input credit.
15	Increase of Input Tax Credit	TDS Adjustment	Dr. CGST Dr. SGST Cr. Party (Current Assets)	While making payment of contract, TDS has to be deducted @ 1% if the value is above 10 lakhs excluding GST component. The deductors have to deduct tax at the rate of 1% from the payment made or credited to the supplier of taxable goods and/or services i.e., deductee. The amount deposited as TDS to the department will be reflected in the electronic cash ledger of the supplier so as to claim Input credit.
16	Increase of Input Tax Credit	Transitional Credit	Dr CGST Cr Service Tax Cr CENVAT  OR  Dr SGST/UTGST Cr VAT Cr Additional Tax Cr Cess Cr TDS Cr Entry Tax	The input tax credit available as a part of any of the current taxation regime, can be availed as ITC under GST as and when the clearance of stock takes place within a period of 6 months. Hence, the user should have a provision to have journal be recorded for this purpose.
17	Increase of Input Tax Credit	Purchase from SEZ	Dr. Input IGST Cr. Tax on SEZ Purchases. (Current Assets)	When tax liability on SEZ Purchases is already paid during purchase of goods and want to account only availment ITC.

18	Increase of tax liability	Advances paid under Reverse charge	Dr. Tax on Advance (Current Assets, Direct/Indirect Expenses) Cr. CGST Cr. SGST	When the advance payment remains unadjusted as on end of the return then, the liability has to be booked and paid to the department.
19	Increase of tax liability	Imports of Goods	Dr. Expenses/Purchase Cost (Direct/Indirect Expenses & Purchase Account) Cr. IGST	In case of Imports the tax liability is generated and paid on clearance of goods and then ITC shall be availed
20	Increase of tax liability	Imports of Services	Dr. Expenses/Purchase Cost (Direct/Indirect Expenses & Purchase Account) Cr. IGST	In case of Imports the tax liability is generated and paid on receipt of services and then ITC shall be availed
21	Increase of tax liability	Imports of Capital Goods	Dr. Expenses/Purchase Cost (Current Asset, Direct/Indirect Expenses & Purchase Account) Cr. IGST	In case of Imports(Capital goods) the tax liability is generated and paid on clearance of goods and then ITC shall be availed
22	Increase of tax liability	Interest	Dr. Int on GST (Expense) Cr. Int on GST (Current Liabilities)	Creating liability for Interest under GST heads
23	Increase of tax liability	Late Fees	Dr. Late fees on GST (Expense) Cr. Late Fees on GST (Current Liabilities)	Creating liability for Late fees under GST heads
24	Increase of tax liability	On Account of advance receipts	Dr. Tax on Advance (Current Assets) Cr. CGST Cr. SGST	The user can book the tax liability using a Journal Voucher when he/she does not want to book the same in advance receipts
25	Increase of tax liability	Others	Dr Expense Cr Current Liabilities	Creating liability for Others under GST heads
26	Increase of tax liability	Penalty	Dr. Penalty on GST (Expense) Cr. Penalty on GST (Current Liabilities)	Creating liability for Penalty under GST heads
27	Increase of tax liability	Purchase under Reverse charge	Dr. Tax on RCM or Expenses (Current Assets, Direct/Indirect Expenses & Purchase Account) Cr. Input CGST Cr. Input SGST	When businesses are partial/fully ineligible for ITC, then to the extent of ineligible ITC the user has to be book the tax liability.
28	Increase of tax liability	Purchases from Unregisterd Dealer	Dr. Tax on RCM or Expenses (Current Assets, Direct/Indirect Expenses & Purchase Account) Cr. Input CGST Cr. Input SGST	When businesses are partial/fully ineligible for ITC, then to the extent of ineligible ITC the user has to be book the tax liability.
29	Increase of Tax Liability	Advance receipt for Export SEZ sales	Dr. Tax on Advance (Current Assets) Cr. IGST	In case of Exports/SEZ Sales the tax liability is generated on receipt of advance from Export/SEZ Party

30	Opening balance		Dr. SGST Cr. Input VAT	Transfer of excess credit of VAT/Excise/Service Tax as GST (CGST/SGST) opening balance (fully entitled)
31			Dr. SGST Dr. Purchase cost (Direct/Indirect Expenses/Purchase Account) Cr. Input VAT	Transfer of excess credit of VAT/Excise/Service Tax as GST (CGST/SGST) opening balance (partially entitled)
32			Dr. CGST Dr. SGST Cr. Purchase cost (Direct/Indirect Expenses & Purchase Account)	Switch over from Composition to Regular - If the turnover of the tax payer reaches the threshold limit (rupees fifty lakhs) at any time during the year, he is entitled to the input tax credit on the purchases made from the date, and on the stock available as well. Therefore the existing liability has to be paid and claim input credit on the stock held.
33	Refund	Not Applicable	Dr Bank Cr IGST (Current Asset/Duties & Taxes) Cr CGST (Current Asset/Duties & Taxes) Cr SGST/UTGST (Current Asset/Duties & Taxes)	Refund can happen for any of the following reasons: 1) Excess balance in Cash ledger 2) Exports of goods/services 3) Supply of goods/services to SEZ/EOU 4) Assessment/provisional assessment/ Appeal/ Order No 5) ITC accumulated due to inverted duty structure Refund can be done from e-Cash ledger and can be transferred by the user to the bank account that is furnished with GST. This journal entry is for refund of tax in above cases.
34	Refund	Interest	Dr Bank Cr IGST (Current Asset/Duties & Taxes) Cr CGST (Current Asset/Duties & Taxes) Cr SGST/UTGST (Current Asset/Duties & Taxes)	Refund of interest
35	Refund	Late Fees	Dr Bank Cr IGST (Current Asset/Duties & Taxes) Cr CGST (Current Asset/Duties & Taxes) Cr SGST/UTGST (Current Asset/Duties & Taxes)	Refund of Late Fees
36	Refund	Penalty	Dr Bank Cr IGST (Current Asset/Duties & Taxes) Cr CGST (Current Asset/Duties & Taxes) Cr SGST/UTGST (Current Asset/Duties & Taxes)	Refund of Penalty

37	Refund	Others	Dr Bank Cr IGST (Current Asset/Duties & Taxes) Cr CGST (Current Asset/Duties & Taxes) Cr SGST/UTGST (Current Asset/Duties & Taxes)	Refund of Others
38	Reversal of Input Tax Credit	Capital credit due to exempted supplies - Rule 43(1)(h)	Dr. Expense / Party Cr. Input IGST Cr. Input CGST Cr. Input SGST/UTGST	ITC on capital goods used for the supply of exempt supplies and non-business purposes will also be reversed. The calculation will be similar to the calculation for ITC on inputs used for exempt supplies and personal use.
39	Reversal of Input Tax Credit	Exempt and non-business supplies - Rule 42(1)(m)	Dr. Expense / Party Cr. Input IGST Cr. Input CGST Cr. Input SGST/UTGST	The ITC used for exempt supplies and personal purpose has to be reversed in GSTR 2.
40	Reversal of Input Tax Credit	Import of Services	Dr. Expense / Party Cr. Input IGST	To be passed when you have wrongly taken input credit in case of Import of Services
41	Reversal of Input Tax Credit	Ineligible Credit	Dr. Expense / Party Cr. Input IGST Cr. Input CGST Cr. Input SGST/UTGST	Input tax credit is to be reversed when the credit taken is ineligible credit.
42	Reversal of Input Tax Credit	ISD Credit Note - Rule 39(1)(j)(ii)	Dr. Head Office (ISD) Cr. Input CGST Cr. Input SGST Cr. Input IGST	When an ISD receives a Credit Note from a supplier the ITC distributed previously has to be reversed. The dealers to whom the credit was distributed also have to reverse this ITC. This reversal of input tax credit shall be in the same proportion as in the original ITC distribution by the ISD.
43	Reversal of Input Tax Credit	Non Payment to buyer - Rule 42(2)(a)	Dr. Expense / Party Cr. Input IGST Cr. Input CGST Cr. Input SGST/UTGST	After filing GSTR 9 – Annual Return the total ITC on inputs used for non-business or exempt supplies can be more than the total ITC reversed during the year in the GSTR 2. In that case, the differential amount must be reversed in the GSTR 2. The difference will be added to output tax liability.
44	Reversal of Input Tax Credit	On account of claiming more - Rule 42(2)(a)	Dr. Expense / Party Cr. Input IGST Cr. Input CGST Cr. Input SGST/UTGST	On account of claiming more than actual Input Credit. In that case, the differential amount must be reversed in the GSTR 2. The difference will be added to output tax liability.
45	Reversal of Input Tax Credit	Others	Dr. Expense / Party Cr. Input IGST Cr. Input CGST Cr. Input SGST/UTGST	Any Other Reason
46	Reversal of Input Tax Credit	Purchase from Unregistered dealer	Dr. Tax on RCM or Expense (Current Assets) Cr. Input CGST Cr. Input SGST	To be passed when you have wrongly taken input credit of URD

47	Reversal of Input Tax Credit	Purchase under Reverse charge	Dr. Tax on RCM or Expense (Current Assets) Cr. Input CGST Cr. Input SGST	To be passed when you have wrongly taken input credit of RCM
48	Reversal of Tax Liability	Purchase under Reverse charge	Dr. Input CGST Dr. Input SGST Cr. Tax on RCM or Expenses (Current Assets, Direct/Indirect Expenses & Purchase Account)	To be passed when you have wrongly increased tax liability for purchases under RCM
49	Reversal of Tax Liability	Purchase from Unregistered dealer	Dr. Input CGST Dr. Input SGST Cr. Tax on RCM or Expenses (Current Assets, Direct/Indirect Expenses & Purchase Account)	To be passed when you have wrongly increased tax liability for purchases from URD
50	Reversal of Tax Liability	Import of Services	Dr. Input IGST Cr. Expenses (Direct/Indirect Expense & Purchase Account)	To be passed when you have wrongly increased tax liability for Import Purchases

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