

## CANCELLATION OF ADVANCE RECEIPT

This document will explain you to about cancellation entry of

1. Advance Receipt
2. Advance Payment done to Unregistered dealer (URD)

Advance Receipt and Advance Payment to URD 2 different concept we will understand each

### 1. Cancellation of Advance Receipt

Example : ON 1<sup>st</sup> July 2017 an advance amount of 100000+18000 Rs total 1,18,000 has been received including GST@18%

Pass the entry of Advance Receipt as below

Accounting Voucher Creation		Reverse Charge	Ctrl + M
<b>Receipt</b>	No. 1		1-Aug-2017 Tuesday
<i>Used for: Advance Receipt</i>			
Account: <b>HDFC BANK</b>			
Cur Bal: 1,18,000.00 Dr			
Particulars		Amount	
<b>Customer</b>		1,18,000.00	
Cur Bal: 1,18,000.00 Cr			
Advance Adv 001	1,18,000.00 Cr		

(Detail explanation about how to Pass the entry and configuration has been explained in other document)

Keeping in Mind above example multiple scenario can be created for cancellation of advance

Scenario 1 - If Sales bill has been raised for Rs 6000+ Tax in same month and rest of amount need to be refunded

Scenario 2 - If No Sales bill done in same month and full amount of advance has been refunded

Scenario 3- If Sales made in Next month for 60000+Tax and rest of amount has been refunded

Scenario 4- If No sales bill made till 31<sup>st</sup> July (month end) and advance amount refunded in full in next month

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**Scenario 1** - If Sales bill has been raised for Rs 6000+ Tax in same month and rest of amount need to be refunded

Entry : Sales of 60000+Tax

The screenshot shows the 'Accounting Voucher Creation' window in Tally ERP 9. The voucher type is 'Sales' with reference number '001' and date '11-Jul-2017'. The party is 'CUSTOMER' with a current balance of 1,18,000.00 Cr. The sales ledger is 'SALES ACCOUNT'. The item list includes 'Stock' (100 NOS at 600.00 NOS = 60,000.00), 'CGST' (5,400.00), and 'SGST' (5,400.00).

Name of Item	Quantity	Rate per	Amount
Stock	100 NOS	600.00 NOS	60,000.00
CGST			5,400.00
SGST			5,400.00

While saving this entry please select advance reference

The screenshot shows the 'Bill-wise Details for : CUSTOMER' window. The total amount is ₹ 70,800.00 Dr. A 'Pending Bills' popup is displayed, showing a bill 'Adv001' dated '1-Jul-2017' with a balance of 1,18,000.00 Cr and a final balance of 1,18,000.00 Cr.

Type of Ref	Name	Due Date, or Credit Days	Amount	Dr/ Cr
Agst Ref	Adv001			

Pending Bills			
Name	Date	Balance	Final Balance
Adv001	1-Jul-2017	1,18,000.00 Cr	1,18,000.00 Cr

(If this option does not appear than please at sales entry Level Press F12>>Set No to default for bill allocation)

Now balance amount = 1,18,000 less 70800 = 47200

Now balance amount 47200 is including Tax. If we are refunding that much of amount in same month then No further liability arise on 47200 we have to pay only Tax liability for Sales bill Raise

Now Pass the Entry for Refund of Advance Receipt

Pass Payment Entry >> Click on ALT+F (Refund of Adv Recvd)

The screenshot shows the 'Accounting Voucher Creation' window in Tally ERP 9. The voucher type is 'Payment' (No. 1) dated '12-Jul-2017' (Wednesday). The purpose is 'Used for: Refund of Advance Receipt'. The account is 'HDFC BANK' with a current balance of 70,800.00 Dr. The particular is 'CUSTOMER' with a current balance of 0.00 Dr and an advance receipt reference 'Adv001' for 47,200.00 Dr. The total amount is 47,200.00. The 'Provide GST details' option is set to 'No'. The narration field is empty. The right-hand side shows a list of function keys (F1-F10, S, V, E, T) for various voucher types.

**Track your amount against advance amount and mention GST Advance receipt number and date under the option for Provide GST details**

As soon as you will select Party >>

Refund Details								
Particulars	Refund Amount	Taxable Value	Central Tax		State Tax		Cess	
			Rate	Amount	Rate	Amount	Rate	Amount
Stock	47,200.00	40,000.00	9 %	3,600.00	9 %	3,600.00		
	47,200.00	40,000.00		3,600.00		3,600.00		

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Fill the above details as mention

**Scenario 2** - If No Sales bill done in same month and full amount of advance has been refunded

No Sales Bill made in same month hence we need to pass full amount of Refund as entry shown in Scenario 1

Accounting Voucher Creation

Payment No. 1

10-Jul-2017 Monday

Used for: Refund of Advance Receipt

Account - HDFC BANK  
Cur Bal: 0.00 Dr

Particulars	Amount
CUSTOMER Cur Bal: 0.00 Dr Agst Ref Adv001	1,18,000.00 Dr
	1,18,000.00

Provide GST details: Yes/No

Narration:

Cur Bal: 0.00 Dr

Refund Details								
Particulars	Refund Amount	Taxable Value	Central Tax		State Tax		Cess	
			Rate	Amount	Rate	Amount	Rate	Amount
Stock	1,18,000.00	1,00,000.00	9 %	9,000.00	9 %	9,000.00		
	1,18,000.00	1,00,000.00		9,000.00		9,000.00		

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**Scenario 3-** If Sales made in Next month for 60000+Tax and rest of amount has been refunded

Entry No 1 : Raising of Tax liability at month end on 31<sup>st</sup> July

(Detail explanation of this entry is in other document please refer that)

Particulars	Debit	Credit
Dr Tax Opn Advance <i>Cur Bal: 18,000.00 Dr</i>	18,000.00	
Cr CGST <i>Cur Bal: 14,400.00 Cr</i>		9,000.00
Cr SGST <i>Cur Bal: 14,400.00 Cr</i>		9,000.00
	<b>18,000.00</b>	<b>18,000.00</b>

Entry No 2 :

Pass Sales entry in next month for 60,000+ Tax as below (Shown in Scenario No 1)

Name of Item	Quantity	Rate per	Amount
Stock	100 NOS	600.00 NOS	60,000.00
CGST			5,400.00
SGST			5,400.00

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Bill-wise Details for : <b>CUSTOMER</b> Upto: ₹ 70,800.00 Dr				
Type of Ref	Name	Due Date, or Credit Days	Amount	Dr/ Cr
Agst Ref	<b>Adv001</b>			
<b>Pending Bills</b>				
	<b>Name</b>	<b>Date</b>	<b>Balance</b>	<b>Final Balance</b>
	Adv001	1-Jul-2017	47,200.00 Cr	47,200.00 Cr

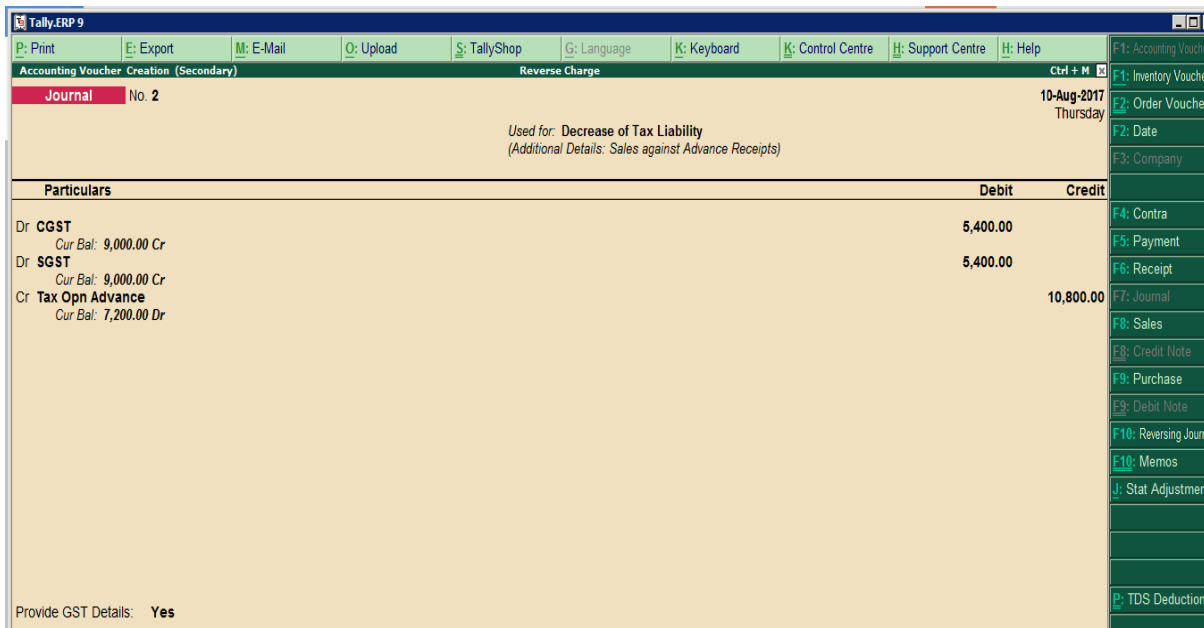
Now the Balance amount should be refunded

Total 1,18,000-70800=47200 (Including Tax need to be refunded)

Entry NO 3 :

Double Tax adjustment against sales bill made for 60000+Tax

(Detail explanation of this entry is in other document of advance receipt please refer the same)



Particulars	Debit	Credit
Dr <b>CGST</b> Cur Bal: 9,000.00 Cr	5,400.00	
Dr <b>SGST</b> Cur Bal: 9,000.00 Cr	5,400.00	
Cr <b>Tax Opn Advance</b> Cur Bal: 7,200.00 Dr		10,800.00

Only 10800 (5400 CGST + 5400 SGST) need to be adjusted for previous month

Rate	Taxable Value
<b>9 %</b>	60,000.00

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ENTRY NO: 4

Refund of balance amount (Same as Scenario 1)

Accounting Voucher Creation (Secondary)		Reverse Charge		Ctrl + M
Payment No. 1				10-Aug-2017 Thursday
Used for: Refund of Advance Receipt				
Account : HDFC BANK				
Cur Bal: 70,800.00 Dr				
Particulars				Amount
CUSTOMER				47,200.00
Cur Bal: 0.00 Dr				
Agst Ref Adv001		47,200.00	Dr	
Provide GST details : Yes				
Narration:				47,200.00

But the Tax amount of 47200 (40000 Taxable value and 3600 CGST AND 3600 SGST) is balance it will be shown in our ledger balance of Tax Paid on Advance for which we can claim refund.

For better view you can transfer that amount to new ledger for refund on advance rec cancle ledger

Ledger Vouchers						Reverse Charge	Ctrl + M
Ledger: Tax Opn Advance						1-Apr-2017 to 10-Aug-2017	
Date	Particulars	Vch Type	Vch No.	Debit	Credit		
31-7-2017	CGST	Journal	1	18,000.00			
10-8-2017	CGST	Journal	2		10,800.00		

**But amount recoverable will be shown in ledger only and not in any report of GSTR**

Scenario 4- If No sales bill made till 31<sup>st</sup> July (month end) and advance amount refunded in full in next month

Entry No 1 : Raising of Tax Liability

Refer Entry No 1 shown in Scenario 3

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Entry no 2 : No sales made hence Pass directly refund entry

The screenshot shows the 'Accounting Voucher: Creation' window in Tally ERP 9. The voucher type is 'Payment' (No. 1) dated '10-Aug-2017 Thursday'. The account is 'HDFC BANK' with a current balance of '0.00 Dr'. The voucher is used for 'Refund of Advance Receipt'. The 'Particulars' table shows a debit entry for 'CUSTOMER' (Cur Bal: 0.00 Dr, Agst Ref: Adv001) for an amount of 1,18,000.00. A 'Yes/No' dialog box is open for 'Provide GST details', with 'Yes' selected. The total amount is 1,18,000.00.

Particulars		Amount
CUSTOMER Cur Bal: 0.00 Dr Agst Ref: Adv001		1,18,000.00
		1,18,000.00

Tax paid on the advance we need to pay because it was liability in July and we can claim that amount from government which will be shown in "Tax on Advance Rec" Ledger.

**In case of any queries, please call us on 022-40864086 or mail us at [gst@antraweb.com](mailto:gst@antraweb.com). Watch GST related videos and documents on [www.tallyhelp.com](http://www.tallyhelp.com)**

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