

## IMPORT ENTRY CASE STUDY

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- \*Entries - Purchase of Goods
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  - Payment of Tax Duty
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  - Other Exp of service by other service provider
  - Passing entry against debit note given by CHA

### Example

Purchase of below Goods

Stock A - 100 Qty@1000 Rs per No's=100000 Rs (IGST Rate 18%)

Stock B- 120Qty@1500 Rs Per No's = 180000 Rs (IGST Rate 12%)

At Custom House they add 1% Insurance Charges to arrive its assessable value So Bill of Entry becomes as

Stock A Total Value = 100000 Rs+1% Insurance Charges = 101000

Stock B Total Value = 180000 Rs +1% Insurance Charges = 181800

Now They Charge Custom Duty i.e. 12% BCD, 2% E Cess, 1% SH E Cess on each stock item

Stock	Value	1% Ins	BCD	E Cess	S E Cess	Assessable	IGST
Stock A	100000	1000	12120	242.4	121.2	113483.6	20427.04
Stock B	180000	1800	21816	436.32	218.16	204270.4	24512.46

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After above Bill of Entry we used to get several other exp bill from different service provider as below

CHA - For Agency Bill (with GST Invoice)

Transporter - For Transport (GST ON RCM Basis)

ABC Party - for any kind of service obtain with GST

Other exp without GST

Above expenses with GST we need to pass separately as we need to claim ITC on that.

At ultimate for all this expenses we get a reimbursement note or debit note from CHA.

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How to derive landed cost?

Few of us arrives landed cost of product by adding custom duty and other charges and some of us just add custom duty to arrive landed cost.

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We will discuss both scenario

Lets See how to Process with Import Entry

### **Entry 1- Purchase of Goods (Import Purchase)**

#### **Case A : Where only custom duty has been added to landed cost**

To Pass the entry Make Proper Configuration for following ledger

Party Ledger : Your Party should be configure with Proper Country

Purchase Ledger : Import Purchase ledger under Purchase Accounts enable GST but option for set alter GST details do not mention anything there and select type of supply a goods

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**Ledger Alteration (Secondary)**

Name : **IMPORT PURCHASE**

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Under : **Purchase Accounts**

Behave as Duties & Taxes ledger ? **No**

Inventory values are affected ? **Yes**

**Statutory Information**

Is GST Applicable ? **↓ Applicable**

Set/alter GST Details ? **No**

Type of Supply : **Goods**

Is TDS applicable ? **↓ Not Applicable**

Stock Item : Mention GST Applicability HSN Code and Rate

Now Pass the entry as below

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**Accounting Voucher Alteration**    **Gst**    **Ctrl + M**

**Purchase** No. 1    **1-Jul-2017**

Supplier invoice no.: 00125    Date : 1-Jul-2017    Saturday

Party A/c name : **IMPORT PARTY**

Current balance : **2,80,000.00 Cr**

Purchase ledger : **IMPORT PURCHASE**

Name of Item	Quantity	Rate per	Amount
Stock A	100 mos	1,000.00 mos	1,00,000.00
Stock B	120 mos	1,500.00 mos	1,80,000.00
			2,80,000.00
Custom Duty			34,954.08
Custom Payable			(-)34,954.08

Provide GST details : **No**

Narration:    220 mos    2,80,000.00

Note : Explanation of above Purchase

\* As soon as stock item rate and amounts get selected a pop up box appear to mention Taxable value please mention your assessable value derive (Please check above table for assessable value)

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**Tax Classification Details**

Taxable Value : **1,13,483.60** ( 1,00,000.00 )

\* Custom Duty need to be added to stock item cost hence customer duty ledger has been configure as

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**Ledger Alteration (Secondary)**

Name : **Custom Duty**

Under : **Additional Cost**  
(Direct Expenses)

Behave as Duties & Taxes ledger ? **No**

Inventory values are affected ? **No**

**Statutory Information**

Is GST Applicable ? **Not Applicable**  
Set/alter GST Details ? **No**

Is TDS applicable ? **Not Applicable**

Include in assessable value calculation for: **Not Applicable**

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**Group Alteration (Secondary)** Gst

Name : **Additional Cost**

Under : **Direct Expenses**

Group behaves like a sub-ledger ? **No**

Nett Debit/Credit Balances for Reporting ? **No**

Used for calculation (for example: taxes, discounts) (for sales invoice entries) ? **No**

Method to allocate when used in purchase invoice ? **Appropriate by Value**

Set/alter GST Details ? **No**

Set/Alter TDS details ? **No**

\*Custom Payable ledger under Current liabilities to pay off the liability

**Case B : Where Other expenses has been also added to Landed Cost along with custom duty**

Now in above case few of us try to add further expenses to arrive exact landed cost of product so can

So we can pass the same entry in below manner

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Accounting Voucher Alteration (Secondary) Gst Ctrl + M

**Purchase** No. 1 1-Jul-2017  
 Supplier invoice no.: 00125 Date : 1-Jul-2017 Saturday

Party A/c name : IMPORT PARTY  
 Current balance : 2,80,000.00 Cr  
 Purchase ledger : IMPORT PURCHASE

Name of Item	Quantity	Rate per	Amount
Stock A	100 mos	1,000.00 mos	1,00,000.00
Stock B	120 mos	1,500.00 mos	1,80,000.00
			2,80,000.00
Custom Duty			34,954.08
Custom Payable			(-)34,954.08
Other Additional Cost			20,000.00
Other Addition Cost Adjsutable			(-)20,000.00

Other additional cost ledger has been configure same as custom duty

Other additional cost adjustable has been configure as custom duty payable

How additional cost has been arrives - You have to make total of all the expenses without GST amount and mention on club basis.

Following this case we need to pass one further JV entry to knock off Other cost adjustable amount

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Accounting Voucher Creation (Secondary) Gst Ctrl + M

**Journal** No. 1 1-Jul-2017  
 Saturday

Particulars	Debit	Credit
Dr Other Addition Cost Adjsutable Cur Bal: 0.00 Dr	20,000.00	
Cr IMPORT PURCHASE Cur Bal: 3,14,954.08 Dr		20,000.00

This entry shows amount which was added to Import Purchase ledger should be adjusted with the amount of cost adjustable.

This entry will be shown in your GSTR error report but exclude this entry from there.

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## Entry 2: Raising of Tax Liability IGST on Import

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Accounting Voucher Alteration Gst		
Journal No. 2	1-Jul-2017 Saturday	
Used for: Increase of Tax Liability (Additional Details: Import of Goods)		
Particulars	Debit	Credit
Dr TAX PAID ON IMPORT Cur Bal: 44,939.50 Dr	44,939.50	
Cr IGST Cur Bal: 44,939.50 Cr		44,939.50

This entry has been passed using adjustment flag to show the liability in books of account

Tax Paid on Import Ledger has been configured under Current Assets

## Entry 3 : Payment of Tax - IGST + Custom

### Case A - In case if we make direct payment of Duty without giving to CHA

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Accounting Voucher Alteration Gst		
Payment No. 1	1-Jul-2017 Saturday	
Account: Bank Cur Bal: 79,893.58 Cr		
Particulars	Amount	
Custom Payable Cur Bal: 0.00 Dr	34,954.08	
IGST Cur Bal: 0.00 Dr	44,939.50	

In case where we do not make direct payment of duty and we use service of CHA and hand over this amount CHA in his debit note then we will not pass this payment entry

In case if we make advance Custom duty payment pass the entry same way by selecting above ledgers only

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**Entry 4 : Claiming ITC Of IGST on Import. This entry will affect your ITC report (GSTR3B)**

Particulars	Debit	Credit
Dr IGST <i>Cur Bal: 44,939.50 Dr</i>	44,939.50	
Cr TAX PAID ON IMPORT <i>Cur Bal: 0.00 Cr</i>		44,939.50

**Now other Expense entry**

**Agency Service Entry :**

Particulars	Rate per	Amount
AGENCY EXP		10,000.00
CGST		900.00
Sgst		900.00

**Transport/Freight entry (GTA Reverse Charge)**

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Particulars	Rate per	Amount
TRANSPORT CHARGES		10,000.00

**Please make sure Reverse Charge option has been configured**

Similarly other GST Invoice we need to Pass

**Passing of Reimbursement or Debit Note raised by CHA**

**Case A : Where CHA collect all expenses amount other than Custom and IGST**

Particulars	Debit	Credit
Dr TRANSPORTER Cur Bal: 0.00 Dr Agst Ref 3	10,000.00	
Dr CHA Cur Bal: 22,300.00 Cr Agst Ref 2	11,800.00	
Dr SUNDRY EXP Cur Bal: 500.00 Dr	500.00	
Cr CHA Cur Bal: 22,300.00 Cr New Ref DEBIT NOTE 1		22,300.00

Transporter and CHA has been debited against Invoice raised by them and debit note has been given.

Sundry exp is exp for which no separate Invoice has been received

**Case 2 : Where all exp collected by CHA including custom and IGST**

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<b>Accounting Voucher Creation</b>		<b>Gst</b>
<b>Journal</b>	No. 4	1-Jul-2017 Saturday
<b>Particulars</b>	<b>Debit</b>	<b>Credit</b>
Dr <b>Custom Payable</b>	<b>34,954.08</b>	
<i>Cur Bal: 0.00 Dr</i>		
Dr <b>IGST</b>	<b>44,939.50</b>	
<i>Cur Bal: 44,939.50 Dr</i>		
Dr <b>TRANSPORTER</b>	<b>10,000.00</b>	
<i>Cur Bal: 0.00 Dr</i>		
Agst Ref 3	10,000.00 Dr	
Dr <b>CHA</b>	<b>11,800.00</b>	
<i>Cur Bal: 1,02,193.58 Cr</i>		
Agst Ref 2	11,800.00 Dr	
Dr <b>SUNDRY EXP</b>	<b>500.00</b>	
<i>Cur Bal: 500.00 Dr</i>		
Cr <b>CHA</b>		<b>1,02,193.58</b>
<i>Cur Bal: 1,02,193.58 Cr</i>		
New Ref DEBIT NOTE 1	1,02,193.58 Cr	

Now make payment to CHA for amount against his debit note

Now your Import entry has been completed and please check your report as well.

Note : This is an example entry related to your scenario and it will cover your 90% business scenario. So it is better to please practice the same in Demo Company.

**Incase 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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