

Sales Ledger and Purchase Ledger in GST

1. Sales Ledger (Output GST Ledger):

Definition:

The Sales Ledger, also known as the Output GST Ledger, is a detailed record of all sales transactions a business undertakes during a specific period. This ledger tracks the total taxable value of sales and the corresponding GST collected (Output GST) on those sales. The Sales Ledger includes details such as the invoice number, date, customer details, the value of the goods or services sold, and the GST charged (either CGST, SGST/UTGST, or IGST, depending on whether the sale is intrastate or interstate).

Purpose:

- **GST Calculation:** Helps in calculating the total GST liability for the period by summing up all the GST collected on sales.
- **Compliance:** Ensures that all sales transactions are accurately reported in GST returns (particularly in GSTR-1 and GSTR-3B).
- **Financial Tracking:** Provides a clear record of revenue earned and GST collected, which is essential for financial reporting and auditing.
- **Reconciliation:** Allows businesses to reconcile their sales figures with GST returns and rectify discrepancies, ensuring accurate tax filings.

2. Purchase Ledger (Input GST Ledger):

Definition:

The Purchase Ledger, also known as the Input GST Ledger, is a comprehensive record of all purchase transactions a business makes during a specific period. This ledger tracks the total taxable value of purchases and the corresponding GST paid (Input GST) on those purchases. The Purchase Ledger includes details such as the invoice number, date, supplier details, the value of goods or services purchased, and the GST paid (either CGST, SGST/UTGST, or IGST, depending on whether the purchase is intrastate or interstate).

Purpose:

- **ITC Calculation:** Helps in calculating the total Input Tax Credit (ITC) available by summing up all the GST paid on purchases. ITC is the credit a business can claim to offset its GST liability.
- **Compliance:** Ensures that all purchase transactions are accurately reported in GST returns (particularly in GSTR-2A/2B and GSTR-3B).



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- **Cost Management:** Provides a clear record of expenses incurred and GST paid, which is essential for financial reporting and controlling costs.
- **Reconciliation:** Allows businesses to reconcile their purchase figures with GST returns and rectify discrepancies, ensuring accurate ITC claims.

Update Sales and Purchase Ledgers for GST Compliance

If many items you sell have the same tax rate, specify the tax rate and other GST details in your sales ledger. Similarly, if the items you purchase have the same tax rates, update your purchase ledger.

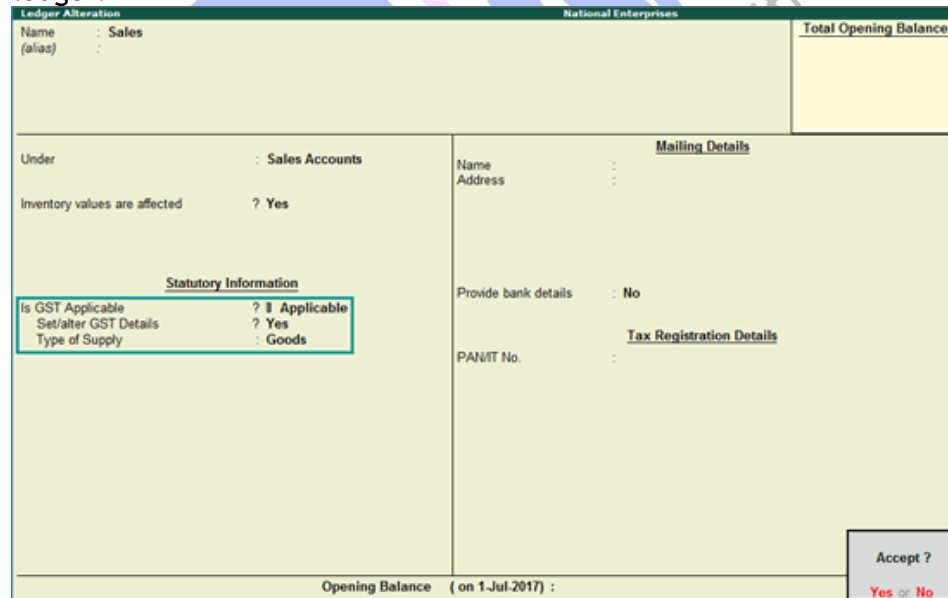
If you sell items with multiple tax rates, you can maintain a single sales ledger and record all GST details at the stock item or stock group level. Similarly, you can create a single purchase ledger.

The HSN details, tax rate, and type of supply selected in sales and purchase ledger will be applicable to all items or services selected in a transaction where these ledgers are applied. These details specified in the stock items will be overridden in the transaction with the details configured in the sales or purchase ledger.

Updating a Sales Ledger

To update a sales ledger

1. Go to Gateway of Tally > Accounts Info. > Ledgers > Alter > select the sales ledger.



Ledger Alteration		National Enterprises		Total Opening Balance
Name (alias)	Sales			
Under	Sales Accounts	Name	Mailing Details	
Inventory values are affected	? Yes	Address		
Statutory Information		Provide bank details	No	
Is GST Applicable	? Applicable	Tax Registration Details		
Set/alter GST Details	? Yes	PAN/IT No.		
Type of Supply	Goods			
Opening Balance (on 1-Jul-2017) :				Accept ? Yes or No

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2. Is GST Applicable - Applicable.

3. Set/alter GST Details - Yes , specify the details in the GST Details screen, and save. Alternatively, you can use a classification to use the tax details defined in the classification.

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GST Details

GST Details for Ledger:
Sales

Classification : **Undefined**

(Note: when the tax details are set using classification it ignores the direct tax information below)

HSN/SAC Details

Description :

HSN/SAC :

Nature of transaction : **Sales Taxable**

Tax Details

Taxability : **Taxable**

Tax Type	Rate
Integrated Tax	18 %
Central Tax	9 %
State Tax	9 %
Cess	0 %

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Taxability: Select Taxable , if sales ledger is used for supply of goods and services that are classified as taxable under GST. Select Exempt , if it is used for sale of type of supply that is exempted from tax under GST, or select Nil Rated , if it is used for sale of goods or services that attract 0% tax rate under GST.

To view the history of tax rate changes, press Alt + L .

To specify further GST-related details , click F12: Configure .

4. Select the Type of supply . By default the type of supply is set to Services .

5. Press Ctrl + A to save.

Updating a Purchase Ledger

To update a purchase ledger

- Follow the steps used for updating the sales ledger, with the nature of transaction and rates for purchase.

Ledger Alteration		National Enterprises		Total Opening Balance
Name	: Purchase			
(alias)	:			
Under	: Purchase Accounts	Name		
Inventory values are affected	? Yes	Address		
		Mailing Details		
		Provide bank details	: No	
		Tax Registration Details		
		PAN/IT No.		
Statutory Information Is GST Applicable ? <input type="checkbox"/> Applicable Set/alter GST Details ? <input type="checkbox"/> Yes Type of Supply : Goods				
Opening Balance (on 1-Jul-2017) :				Accept ? Yes or No

While recording a sale or purchase transaction, you can select the respective ledger.