

## Updating Stock Items and Stock Groups for GST Compliance

Stock Items and Stock Groups are integral parts of inventory management in a business. For GST compliance, it's crucial that these are correctly updated and maintained to ensure accurate tax calculations, reporting, and compliance with GST laws.

### 1. Understanding Stock Items and Stock Groups:

- **Stock Items:** These are the individual products or goods that a business buys, sells, or manufactures. Each stock item should have details like description, unit of measurement, tax rate, HSN/SAC code, and applicable GST rates.
- **Stock Groups:** These are categories under which stock items are grouped. Stock groups help in organizing inventory and applying common properties or GST rates to multiple items within the same group.

### 2. Why Update Stock Items and Stock Groups for GST Compliance?

- **Accurate GST Calculation:** Correctly updating stock items and groups ensures that the appropriate GST rates are applied to each transaction.
- **Efficient Reporting:** Helps in generating accurate GST returns (GSTR-1, GSTR-3B, etc.) by ensuring that the correct tax codes and rates are used.
- **Compliance with Laws:** Keeping stock details updated ensures compliance with GST regulations, reducing the risk of penalties or fines.
- **Streamlined Accounting:** Proper categorization and updating of stock items and groups make inventory management and financial reporting more efficient.

## Update Stock Items and Stock Groups for GST Compliance

On this page

- Updating a stock item
- Updating a stock group
- Setting MRP details in the stock item master
- Setting slab rates
- Mapping UoM to UQC

If the items have different tax rates, with or without slab rates, update your stock item masters or stock groups with the applicable GST rates, and select the type of supply, as applicable.

### Updating a stock item

In case you need different tax rates for different items, modify the stock items to include the applicable tax rates.

Banking &  
Insurance

Central Govt.  
Service

State Govt.  
Services

LAW  
Entrance

MBA  
Entrance

Railways & Metro  
Services

...many more

abhyasonline.in

**Course  
&  
Test Series**

**Computerised Accounting - Module 44**

1. Go to Gateway of Tally > Inventory Info. > Stock Items > Alter > select the item.

| Stock Item Alteration |  | National Enterprises   |           |                |  |                       |       |                |         |                     |     |
|-----------------------|--|--|-----------|----------------|--|-----------------------|-------|----------------|---------|---------------------|-----|
| Name                  | : Dell Personal Computer                         |  |           |                |  |                       |       |                |         |                     |     |
| (alias)               | :  |  |           |                |  |                       |       |                |         |                     |     |
| Under                 | : <input checked="" type="checkbox"/> Primary    | Statutory Information  |           |                |  |                       |       |                |         |                     |     |
| Units                 | : Nos  | <table border="1"> <tr> <td>GST Applicable</td> <td>: <input checked="" type="checkbox"/> Applicable</td> </tr> <tr> <td>Set/alter GST Details</td> <td>? Yes</td> </tr> <tr> <td>Type of Supply</td> <td>: Goods</td> </tr> <tr> <td>Rate of Duty (eg 5)</td> <td>: 0</td> </tr> </table> |           | GST Applicable | : <input checked="" type="checkbox"/> Applicable | Set/alter GST Details | ? Yes | Type of Supply | : Goods | Rate of Duty (eg 5) | : 0 |
| GST Applicable        | : <input checked="" type="checkbox"/> Applicable |  |           |                |  |                       |       |                |         |                     |     |
| Set/alter GST Details | ? Yes  |  |           |                |  |                       |       |                |         |                     |     |
| Type of Supply        | : Goods  |  |           |                |  |                       |       |                |         |                     |     |
| Rate of Duty (eg 5)   | : 0  |  |           |                |  |                       |       |                |         |                     |     |
| Opening Balance       |  | Quantity   | Rate per  |                |  |                       |       |                |         |                     |     |
|                       |  | Value  | Accept ?  |                |  |                       |       |                |         |                     |     |
|                       |  |  | Yes or No |                |  |                       |       |                |         |                     |     |

2. Set/alter GST Details : Yes to specify the details in the GST Details screen, and save.

| GST Details             |             | Na                               |
|-------------------------|-------------|----------------------------------|
| <u>Tax Rate Details</u> |             |                                  |
| <b>Tax Details</b>      |             |                                  |
| (From 1-Apr-2017)       |             |                                  |
| Calculation type        | :           | On Value                         |
| Taxability              | :           | Taxable                          |
| <b>Tax Type</b>         | <b>Rate</b> |                                  |
| Integrated Tax          |             | 18 %                             |
| Cess                    |             | <input type="text" value="0"/> % |

**Taxability:** Select Taxable for goods and services that are classified as taxable type of supply under GST. Select Exempt , if the type of supply is exempted from

...many more  
**abhyasonline.in**

**Course  
&  
Test Series**

**Computerised Accounting - Module 44**



**CBSE**



**ICSE**



**NTSE**



**Banking &  
Insurance**



**Central Govt.  
Service**



**State Govt.  
Services**



**LAW  
Entrance**



**MBA  
Entrance**



**Railways & Metro  
Services**

**...many more**

**abhyasonline.in**

tax under GST, or select Nil Rated , if the tax rate applicable to the type of supply is 0% under GST.

**Integrated Tax** : When you enter the integrated tax, state tax and central tax are calculated as half of the integrated tax specified. You can change state tax or central tax, and manage other GST details by using F12 configuration.

Note: If you have modified the tax rates before, press Alt+L to view the history of tax rate changes.

3. Select the Type of supply .

4. Press Ctrl+A to save.

The type of supply selected for a stock item is applicable only for that item. If multiple items with varying type of supply configuration are selected in an invoice, the type of supply configured for one item is not inferred for another.

**Updating a stock group**

In case you need the same tax rates for the items in a stock group, modify the group to include tax applicability and rates.

1. Go to Gateway of Tally > Inventory Info. > Stock Groups > Alter > select the group.

| Stock Group Alteration              |                    |
|-------------------------------------|--------------------|
| Name                                | : <b>Computers</b> |
| (alias)                             | :                  |
| Under                               | : <b>Primary</b>   |
| Should quantities of items be added | ? Yes              |
| Set/alter GST Details               | ? <b>Yes</b>       |

2. Set/alter GST Details: Yes to specify the details in the GST Details screen , and save.



Course  
&  
Test Series

Computerised Accounting - Module 44

- CBSE
- ICSE
- NTSE
- Banking & Insurance
- Central Govt. Service
- State Govt. Services
- LAW Entrance
- MBA Entrance
- Railways & Metro Services
- ...many more

| GST Details                             |             |
|---|-------------|
| Tax Rate Details                        |             |
| <b>Tax Details</b><br>(From 1-Jul-2017) |             |
| Taxability                              | : Taxable   |
| <b>Tax Type</b>                         | <b>Rate</b> |
| Integrated Tax                          | 18 %        |
| Cess                                    | 0 %         |

**Taxability:** Select Taxable for goods and services that are classified as taxable type of supply under GST. Select Exempt, if the type of supply is exempted from tax under GST, or select Nil Rated, if the tax rate applicable to the type of supply is 0% under GST.

**Integrated Tax :** When you enter the integrated tax, state tax and central tax are calculated as half of the integrated tax specified. You can change state tax or central tax by using F12 configuration.

3. Press Ctrl+A to save.

**Non-GST Goods**

Some goods such as petroleum crude, high-speed diesel, motor spirit (petrol), natural gas, aviation turbine fuel, and liquor fit for human consumption, are not covered under GST and hence are classified as non-GST goods. In Tally.ERP 9, items can be set as non-GST goods.

1. In the GST Details screen of the stock item or stock group, click F12: Configure.
2. Enable the option Set type of goods?
3. Press Ctrl+A to accept.
4. In the GST Details screen, set the option Is non-GST goods? to Yes to configure the item/group as non-gst.
5. Press Ctrl+A to accept.
6. Save the item or group master.

**Setting MRP details**

To capture the MRP of stock items in the invoice, you have to enter the MRP details in the stock item master.

1. Click F12: Configure in the Stock Item Alteration screen.
2. Allow MRP/Marginal for stock item? - Yes .
3. Press Ctrl+A to accept.



**Course  
&  
Test Series**

**Computerised Accounting - Module 44**

-  **CBSE**
-  **ICSE**
-  **NTSE**
-  **Banking & Insurance**
-  **Central Govt. Service**
-  **State Govt. Services**
-  **LAW Entrance**
-  **MBA Entrance**
-  **Railways & Metro Services**
- ...many more**

To enter the MRP for the stock item

1. In the Stock Item Alteration screen, enable Set/alter MRP details?

| Stock Item Alteration |                          | National Enterprises               |  |
|-----------------------|--------------------------|------------------------------------|--|
| Name                  | : Dell Personal Computer |                                    |  |
| (alias)               | :                        |                                    |  |
| Under                 | : Computers              | <b>Statutory Information</b>       |  |
| Units                 | : Nos                    | GST Applicable                     | : <input checked="" type="checkbox"/> Applicable |
|                       |                          | Set/alter GST Details              | ? No   |
|                       |                          | Type of Supply                     | : Goods  |
|                       |                          | Set/Alter MRP details              | ? <input checked="" type="checkbox"/> Yes        |
|                       |                          | Is inclusive of duties and taxes ? | No   |
|                       |                          | Rate of Duty (eg 5)                | :  |
| Opening Balance       |                          | Quantity                           | Rate per Value                                   |

2. In the MRP Details screen:

- o Allow MRP modification in voucher? - Yes , if you want to modify the MRP during the transaction.
- o Consider MRP for calculation of GST rate in Slab rate? - Set this to Yes if you want the MRP of a stock item to be considered for GST rate calculation when slab rates are applicable. In this case, the tax amount still gets calculated on the selling price of the item.
- o Enter the MRP Rate/Margin .

| MRP Details   |       | Nat           |
|---|-------|---------------|
| MRP details for : Dell Personal Computer                |       |               |
| Allow MRP modification in voucher                       | ? Yes |               |
| Consider MRP for calculation of GST rate in Slab rate ? | No    |               |
| <b>MRP Rate / Margin</b><br>(from 1-Apr-2017)           |       |               |
| MRP Rate  | :     | 26,200.00/Nos |

**Course  
&  
Test Series**

**Computerised Accounting - Module 44**

 **CBSE**

 **ICSE**

 **NTSE**

 **Banking &  
Insurance**

 **Central Govt.  
Service**

 **State Govt.  
Services**

 **LAW  
Entrance**

 **MBA  
Entrance**

 **Railways & Metro  
Services**

**...many more**

**abhyasonline.in**

o Press Ctrl+A to accept.

3. In the Stock Item Alteration screen, press Enter to save.

**To enter state-wise MRP for the stock item**

1. In the MRP Details screen, click F12: Configure .

2. Allow state-wise MRP? - Yes .

3. In the MRP Details screen:

o Enter the Applicable From date.

o Select the State Name from the List of States .

o Enter the MRP Rate .

| MRP details for : Dell Personal Computer              |                |           |     |
|---|----------------|-----------|-----|
| Allow MRP modification in voucher                     |                | ? Yes     |     |
| Consider MRP for calculation of GST rate in Slab rate |                | ? No      |     |
| Applicable From                                       | State Name     | MRP Rate  | Per |
| 1-7-2017  | Karnataka      | 26,000.00 | Nos |
|   | Andhra Pradesh | 26,300.00 | Nos |
|   | Kerala         | 26,500.00 | Nos |
|   | Tamil Nadu     | 26,200.00 | Nos |

o Press Ctrl+A to accept.

4. Press Enter to save.

**Note :** Ladakh is listed in the State field in Release 6.5.5 and later versions.

If the invoice is configured to **Allow entry of rate inclusive of tax for stock item?**:

o The **MRP defined** in the stock item appears as Rate (Incl. of Tax) . The MRP appears even when, Standard Selling Price is defined in the stock item master, or Rate per unit is defined in the Price List .

o You can enter the MRP (if not defined in the stock item) in the column Rate (Incl. of Tax) .

When the option **Allow entry of rate inclusive of tax for stock item? is disabled** in the invoice, the Rate appears:

**Course  
&  
Test Series**

**Computerised Accounting - Module 44**

 **CBSE**

 **ICSE**

 **NTSE**

 **Banking & Insurance**

 **Central Govt. Service**

 **State Govt. Services**

 **LAW Entrance**

 **MBA Entrance**

 **Railways & Metro Services**

**...many more**

**abhyasonline.in**

o As defined in the Price List .

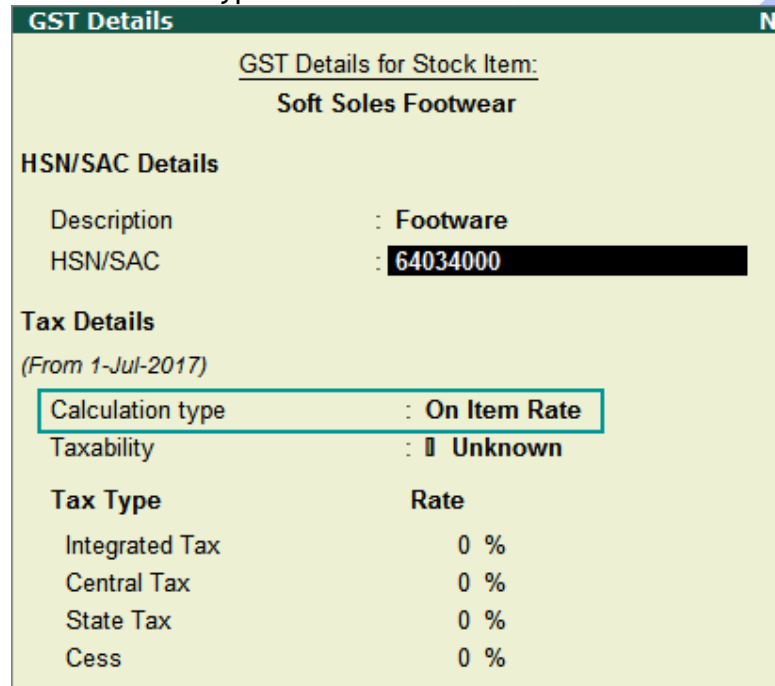
o As per the Standard Selling Price , if price list is not selected.

o As entered in the last voucher recorded on the same or previous date, in the absence of Standard Selling Price or Price List . If you have selected the stock item for the first time, you have to enter the Rate per unit.

**Note:** Ladakh is listed in the State field in Release 6.5.5 and later versions.

**Setting slab-wise GST details (tax on item rate)**

1. Go to Gateway of Tally > Inventory Info. > Stock Items > Alter > select the item.
2. Set/alter GST Details - Yes .
3. Calculation type - On Item Rate .



| GST Details  |                                    |
|--|------------------------------------|
| GST Details for Stock Item:<br>Soft Soles Footwear |                                    |
| <b>HSN/SAC Details</b>                             |                                    |
| Description  | : Footware                         |
| HSN/SAC  | : 64034000                         |
| <b>Tax Details</b><br>(From 1-Jul-2017)            |                                    |
| Calculation type                                   | : On Item Rate                     |
| Taxability   | : <input type="checkbox"/> Unknown |
| <b>Tax Type</b>                                    | <b>Rate</b>                        |
| Integrated Tax                                     | 0 %                                |
| Central Tax  | 0 %                                |
| State Tax  | 0 %                                |
| Cess   | 0 %                                |

The Tax on Item Rates screen appears.

o Consider additional expense/income ledger for slab rate calculation - Set this option to Yes when you want to apportion additional expenses in slab rate calculation for a stock item.

**Course  
&  
Test Series**

**Computerised Accounting - Module 44**

 **CBSE**

 **ICSE**

 **NTSE**

 **Banking & Insurance**

 **Central Govt. Service**

 **State Govt. Services**

 **LAW Entrance**

 **MBA Entrance**

 **Railways & Metro Services**

**...many more**

**abhyasonline.in**

o Under Rate , set the slab rates in Greater than and Up to .

o Set the Tax Type and Integrated Tax Rate . The Central Tax Rate and State Tax Rate will get automatically calculated.

| Stock Item : Soft Soles Footwear   |          |                     |                  |                |                |      |  |  |
|--|----------|---------------------|------------------|----------------|----------------|------|--|--|
| Consider additional expense/income ledger for slab rate calculation : No |          |                     |                  |                |                |      |  |  |
| Rate   | Tax Type | Integrated Tax Rate | Central Tax Rate | State Tax Rate | Cess           |      |  |  |
| Greater than   | Up to    |                     |                  |                | Valuation Type | Rate |  |  |
| 0  | 500      | Taxable             | 5 %              | 2.50 %         | Based on Value | 0 %  |  |  |
| 500  |          | Taxable             | 18 %             | 9 %            | Based on Value | 0 %  |  |  |

o Press Ctrl+A to accept.

4. Press Ctrl+A to accept the GST Details screen.

5. Save the details in the Stock Item Alteration screen.

**Mapping UoM to UQC**

1. Go to Gateway of Tally > Inventory Info. > Stock Items > Alter > select the item.

| Stock Item Alteration |   | National Enterprises               |  |
|-----------------------|---|------------------------------------|--|
| Name                  | : Banana Robusta                              |                                    |  |
| (alias)               | :   |                                    |  |
| Under                 | : <input checked="" type="checkbox"/> Primary | <b>Statutory Information</b>       |  |
| Units                 | : Nos   | GST Applicable                     | : <input checked="" type="checkbox"/> Applicable |
| Alternate units       | : Doz   | Set/alter GST Details              | ? No   |
| where                 | : 1 Doz = 12 Nos                              | Type of Supply                     | : Goods  |
|                       |   | Reporting UQC                      | : DOZ-DOZENS                                     |
|                       |   | Set/Alter MRP details              | ? No   |
|                       |   | Is inclusive of duties and taxes ? | No   |
|                       |   | Rate of Duty (eg 5)                | : 0  |
| Opening Balance       | :   | Quantity                           | Rate per   |
|                       |   | Value                              | Accept ?   |
|                       |   |                                    | Yes or No  |

Course  
&  
Test Series

Computerised Accounting - Module 44

 CBSE

 ICSE

 NTSE

 Banking & Insurance

 Central Govt. Service

 State Govt. Services

 LAW Entrance

 MBA Entrance

 Railways & Metro Services

...many more

abhyasonline.in

2. Press F12 , and set the option Use alternate units for stock items? to Yes , so that you can map alternate units to the reporting UQC.

3. Select the unit.

4. In Alternate units , select the unit or press Alt+C to create a new unit.

o In the Unit Creation screen, select the Unit Quantity Code (UQC) from the List of UQCs .

| Unit Creation (Secondary) |                   |
|---------------------------|-------------------|
| Type                      | : Simple          |
| Symbol                    | : Doz             |
| Formal name               | : Dozen           |
| Unit Quantity Code (UQC): | <b>DOZ-DOZENS</b> |
| Number of decimal places: | 0                 |

o Press Ctrl+A to accept.

5. In the Stock Item Alteration screen, select the Reporting UQC .

6. Press Ctrl+A to accept.