

Oracle® Financials for India

Implementation Guide

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Preface

Intended Audience

Welcome to Release 12 of the *Oracle Financials for India Implementation Guide*.

This guide assumes you have a working knowledge of the following:

- The principles and customary practices of your business area.
- Computer desktop application usage and terminology

If you have never used Oracle Applications, we suggest you attend one or more of the Oracle Applications training classes available through Oracle University.

See Related Information Sources on page viii for more Oracle Applications product information.

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Structure

- 1 Overview of Setting Up Oracle India Localization
- 2 Frequently Asked Questions

Related Information Sources

This document is included on the Oracle Applications Document Library, which is supplied in the Release 12 DVD Pack. You can download soft-copy documentation as PDF files from the Oracle Technology Network at <http://otn.oracle.com/documentation>, or you can purchase hard-copy documentation from the Oracle Store at <http://oraclestore.oracle.com>. The Oracle E-Business Suite Documentation Library Release 12 contains the latest information, including any documents that have changed significantly between releases. If substantial changes to this book are necessary, a revised version will be made available on the online documentation CD on Oracle *MetaLink*.

If this guide refers you to other Oracle Applications documentation, use only the Release 12 versions of those guides.

For a full list of documentation resources for Oracle Applications Release 12, see Oracle Applications Documentation Resources, Release 12, Oracle *MetaLink* Document 394692.1.

Online Documentation

All Oracle Applications documentation is available online (HTML or PDF).

- **PDF** - PDF documentation is available for download from the Oracle Technology Network at <http://otn.oracle.com/documentation>.
- **Oracle MetaLink Knowledge Browser** - The Oracle *MetaLink* Knowledge Browser lets you browse the knowledge base, from a single product page, to find all

documents for that product area. Use the Knowledge Browser to search for release-specific information, such as FAQs, recent patches, alerts, white papers, troubleshooting tips, and other archived documents.

- **Oracle eBusiness Suite Electronic Technical Reference Manuals** - Each Electronic Technical Reference Manual (eTRM) contains database diagrams and a detailed description of database tables, forms, reports, and programs for a specific Oracle Applications product. This information helps you convert data from your existing applications and integrate Oracle Applications data with non-Oracle applications, and write custom reports for Oracle Applications products. Oracle eTRM is available on *OracleMetaLink*.

Related Guides

You should have the following related books on hand. Depending on the requirements of your particular installation, you may also need additional manuals or guides.

Oracle Applications Installation Guide: Using Rapid Install:

This book is intended for use by anyone who is responsible for installing or upgrading Oracle Applications. It provides instructions for running Rapid Install either to carry out a fresh installation of Oracle Applications Release 12, or as part of an upgrade from Release 11i to Release 12. The book also describes the steps needed to install the technology stack components only, for the special situations where this is applicable.

Oracle Applications Upgrade Guide: Release 11i to Release 12:

This guide provides information for DBAs and Applications Specialists who are responsible for upgrading a Release 11i Oracle Applications system (techstack and products) to Release 12. In addition to information about applying the upgrade driver, it outlines pre-upgrade steps and post-upgrade steps, and provides descriptions of product-specific functional changes and suggestions for verifying the upgrade and reducing downtime.

Oracle Applications Patching Procedures:

This guide describes how to patch the Oracle Applications file system and database using AutoPatch, and how to use other patching-related tools like AD Merge Patch, OAM Patch Wizard, and OAM Registered Flagged Files. Describes patch types and structure, and outlines some of the most commonly used patching procedures. Part of *Maintaining Oracle Applications*, a 3-book set that also includes *Oracle Applications Maintenance Utilities* and *Oracle Applications Maintenance Procedures*.

Oracle Applications Maintenance Utilities:

This guide describes how to run utilities, such as AD Administration and AD Controller, used to maintain the Oracle Applications file system and database. Outlines the actions performed by these utilities, such as monitoring parallel processes, generating Applications files, and maintaining Applications database entities. Part of *Maintaining Oracle Applications*, a 3-book set that also includes *Oracle Applications Patching Procedures* and *Oracle Applications Maintenance Procedures*.

Oracle Applications Maintenance Procedures:

This guide describes how to use AD maintenance utilities to complete tasks such as compiling invalid objects, managing parallel processing jobs, and maintaining snapshot information. Part of Maintaining Oracle Applications, a 3-book set that also includes Oracle Applications Patching Procedures and Oracle Applications Maintenance Utilities.

Oracle Applications Concepts:

This book is intended for all those planning to deploy Oracle E-Business Suite Release 12, or contemplating significant changes to a configuration. After describing the Oracle Applications architecture and technology stack, it focuses on strategic topics, giving a broad outline of the actions needed to achieve a particular goal, plus the installation and configuration choices that may be available.

Oracle Applications Multiple Organizations Implementation Guide:

This guide describes the multiple organizations concepts in Oracle Applications. It describes in detail on setting up and working effectively with multiple organizations in Oracle Applications.

Oracle Assets User Guide:

This guide provides you with information on how to implement and use Oracle Assets. Use this guide to understand the implementation steps required for application use, including defining depreciation books, depreciation method, and asset categories. It also contains information on setting up assets in the system, maintaining assets, retiring and reinstating assets, depreciation, group depreciation, accounting and tax accounting, budgeting, online inquiries, impairment processing, and Oracle Assets reporting. The guide explains using Oracle Assets with Multiple Reporting Currencies (MRC). This guide also includes a comprehensive list of profile options that you can set to customize application behavior.

Oracle Bills of Material User's Guide:

This guide describes how Oracle Manufacturing and Oracle Order Management use bills of material to store lists of items that are associated with a parent item and information about how each item is related to its parent. Oracle Manufacturing supports standard, model, option class, and planning bills of material.

Oracle Cash Management User Guide:

This guide describes how to use Oracle Cash Management to clear your receipts, as well as reconcile bank statements with your outstanding balances and transactions. This manual also explains how to effectively manage and control your cash cycle. It provides comprehensive bank reconciliation and flexible cash forecasting.

Oracle E-Business Tax User Guide:

This guide describes the entire process of setting up and maintaining tax configuration data, as well as applying tax data to the transaction line. It describes the entire regime-to-rate setup flow of tax regimes, taxes, statuses, rates, recovery rates, tax

jurisdictions, and tax rules. It also describes setting up and maintaining tax reporting codes, fiscal classifications, tax profiles, tax registrations, configuration options, and third party service provider subscriptions. You also use this manual to maintain migrated tax data for use with E-Business Tax.

Oracle E-Business Tax Implementation Guide:

This guide provides a conceptual overview of the E-Business Tax, tax engine, and describes the prerequisite implementation steps to complete in other applications in order to set up and use E-Business Tax. The guide also includes extensive examples of setting up country-specific tax requirements.

Oracle Financials and Oracle Procurement Functional Upgrade Guide: Release 11i to Release 12:

This guides provides detailed information about the functional impacts of upgrading Oracle Financials and Oracle Procurement products from Release 11i to Release 12. This guide supplements the Oracle Applications Upgrade Guide: Release 11i to Release 12.

Oracle Financials Concepts Guide:

This guide describes the fundamental concepts of Oracle Financials. The guide is intended to introduce readers to the concepts used in the applications, and help them compare their real world business, organization, and processes to those used in the applications.

Oracle Financials Country-Specific Installation Supplement:

This guide provides general country information, such as responsibilities and report security groups, as well as any post-install steps required by some countries.

Oracle Financials for India User Guide:

This guide provides information on how to use Oracle Financials for India. Use this guide to learn how to create and maintain setup related to India taxes, defaulting and calculation of taxes on transactions. This guide also includes information about accounting and reporting of taxes related to India.

Oracle Financials Glossary:

The glossary includes definitions of common terms that are shared by all Oracle Financials products. In some cases, there may be different definitions of the same term for different Financials products. If you are unsure of the meaning of a term you see in an Oracle Financials guide, please refer to the glossary for clarification. You can find the glossary in the online help or in the *Oracle Financials Implementation Guide*.

Oracle General Ledger Implementation Guide:

This guide provides information on how to implement Oracle General Ledger. Use this guide to understand the implementation steps required for application use, including how to set up Accounting Flexfields, Accounts, and Calendars.

Oracle General Ledger Reference Guide:

This guide provides detailed information about setting up General Ledger Profile

Options and Applications Desktop Integrator (ADI) Profile Options.

Oracle General Ledger User's Guide:

This guide provides information on how to use Oracle General Ledger. Use this guide to learn how to create and maintain ledgers, ledger currencies, budgets, and journal entries. This guide also includes information about running financial reports.

Oracle HRMS Implementation Guide

This guide includes modular implementation flowcharts and checklists to assist with our project planning. It contains a summary of the sequence of recommended steps for implementing Oracle HRMS. The Oracle Human Resources and Oracle Payroll User's Guides contains full instructions for each implementation step.

Oracle Inventory User's Guide:

This guide describes how to define items and item information, perform receiving and inventory transactions, maintain cost control, plan items, perform cycle counting and physical inventories, and set up Oracle Inventory.

Oracle Order Management User's Guide:

This guide describes how to enter and process various types of orders in Order Management. It also provides information on the key integration points like workflow, pricing, shipping, receivables. Order Management receives detailed item information from the Inventory application and price list information from the Pricing application. Orders and returns can be entered manually or imported through an EDI, CRM, or external source. Once in the system the order is ready to be pick released and shipped, if needed by the Shipping application. It can then proceed through the AutoInvoice program into the Oracle Receivables application to be invoiced. All of the accounting information is transferred to the General Ledger by the Inventory and Receivables applications.

Oracle Order Management Implementation Manual:

The Oracle Order Management Suite enables you to capture orders from multiple channels, price orders, check product availability, schedule fulfillment, plan shipments, ship deliveries, and track shipments. The Oracle Order Management Suite consists of: a) Oracle Order Management; b) Oracle Shipping Execution; c) Basic Pricing.

Oracle Payables User Guide:

This guide describes how to use Oracle Payables to create invoices and make payments. In addition, it describes how to enter and manage suppliers, import invoices using the Payables open interface, manage purchase order and receipt matching, apply holds to invoices, and validate invoices. It contains information on managing expense reporting, procurement cards, and credit cards. This guide also explains the accounting for Payables transactions.

Oracle Payables Implementation Guide:

This guide provides you with information on how to implement Oracle Payables. Use this guide to understand the implementation steps required for how to set up suppliers,

payments, accounting, and tax.

Oracle Payables Reference Guide:

This guide provides you with detailed information about the Oracle Payables open interfaces, such as the Invoice open interface, which lets you import invoices. It also includes reference information on purchase order matching and purging purchasing information.

Oracle Payments Implementation Guide:

This guide describes how Oracle Payments, as the central payment engine for the Oracle E-Business Suite, processes transactions, such as invoice payments from Oracle Payables, bank account transfers from Oracle Cash Management, and settlements against credit cards and bank accounts from Oracle Receivables. This guide also describes how Oracle Payments is integrated with financial institutions and payment systems for receipt and payment processing, known as funds capture and funds disbursement, respectively. Additionally, the guide explains to the implementer how to plan the implementation of Oracle Payments, how to configure it, set it up, test transactions, and how use it with external payment systems.

Oracle Payments User Guide:

This guide describes how Oracle Payments, as the central payment engine for the Oracle E-Business Suite, processes transactions, such as invoice payments from Oracle Payables, bank account transfers from Oracle Cash Management, and settlements against credit cards and bank accounts from Oracle Receivables. This guide also describes to the Payment Administrator how to monitor the funds capture and funds disbursement processes, as well as how to remedy any errors that may arise.

Oracle Process Manufacturing Process Execution User's Guide:

The OPM Process Execution application lets you track firm planned orders and production batches from incoming materials through finished goods. Seamlessly integrated to the Product Development application, Process Execution lets you convert firm planned orders to single or multiple production batches allocate ingredients, record actual ingredient usage, and then complete and close production batches. Production inquiries and preformatted reports help you optimize inventory costs while maintaining a high level of customer satisfaction with on time Delivery of high quality products. The OPM Process Execution User's Guide presents overviews of the tasks and responsibilities for the Production Supervisor and the Production Operator. It provides prerequisite setup in other applications, and details the windows, features, and functionality of the OPM Process Execution application.

Oracle Purchasing User's Guide:

This guide describes how to create and approve purchasing documents, including requisitions, different types of purchase orders, quotations, RFQs, and receipts. This guide also describes how to manage your supply base through agreements, sourcing rules, and approved supplier lists. In addition, this guide explains how you can automatically create purchasing documents based on business rules through integration with Oracle Workflow technology, which automates many of the key procurement

processes.

Oracle Receivables User Guide:

This guide provides you with information on how to use Oracle Receivables. Use this guide to learn how to create and maintain transactions and bills receivable, enter and apply receipts, enter customer information, and manage revenue. This guide also includes information about accounting in Receivables. Use the Standard Navigation Paths appendix to find out how to access each Receivables window.

Oracle Receivables Implementation Guide:

This guide provides you with information on how to implement Oracle Receivables. Use this guide to understand the implementation steps required for application use, including how to set up customers, transactions, receipts, accounting, tax, and collections. This guide also includes a comprehensive list of profile options that you can set to customize application behavior.

Oracle Receivables Reference Guide:

This guide provides you with detailed information about all public application programming interfaces (APIs) that you can use to extend Oracle Receivables functionality. This guide also describes the Oracle Receivables open interfaces, such as AutoLockbox which lets you create and apply receipts and AutoInvoice which you can use to import and validate transactions from other systems. Archiving and purging Receivables data is also discussed in this guide.

Oracle Shipping Execution User's Guide:

This guide describes how to set up Oracle Shipping Execution to process and plan your trips, stops and deliveries, ship confirmation, query shipments, determine freight cost and charges to meet your business needs.

Oracle Trading Community Architecture User Guide:

This guide describes the Oracle Trading Community Architecture (TCA) and how to use features from the Trading Community Manager responsibility to create, update, enrich, and cleanse the data in the TCA Registry. It also describes how to use Resource Manager to define and manage resources.

Oracle Trading Community Architecture Administration Guide:

This guide describes how to administer and implement Oracle Trading Community Architecture (TCA). You set up, control, and manage functionality that affects data in the TCA Registry. It also describes how to set up and use Resource Manager to manage resources.

Oracle Trading Community Architecture Reference Guide:

This guide contains seeded relationship types, seeded Data Quality Management data, D&B data elements, Bulk Import interface table fields and validations, and a comprehensive glossary. This guide supplements the documentation for Oracle Trading Community Architecture and all products in the Oracle Customer Data Management family.

Oracle Trading Community Architecture Technical Implementation Guide:

This guide explains how to use the public Oracle Trading Community Architecture application programming interfaces (APIs) and develop callouts based on Oracle Workflow Business Events System (BES). For each API, this guide provides a description of the API, the PL/SQL procedure, and the Java method, as well as a table of the parameter descriptions and validations. For each BES callout, this guide provides the name of the logical entity, its description, and the ID parameter name. Also included are setup instructions and sample code.

Integration Repository

The Oracle Integration Repository is a compilation of information about the service endpoints exposed by the Oracle E-Business Suite of applications. It provides a complete catalog of Oracle E-Business Suite's business service interfaces. The tool lets users easily discover and deploy the appropriate business service interface for integration with any system, application, or business partner.

The Oracle Integration Repository is shipped as part of the E-Business Suite. As your instance is patched, the repository is automatically updated with content appropriate for the precise revisions of interfaces in your environment.

Do Not Use Database Tools to Modify Oracle Applications Data

Oracle **STRONGLY RECOMMENDS** that you never use SQL*Plus, Oracle Data Browser, database triggers, or any other tool to modify Oracle Applications data unless otherwise instructed.

Oracle provides powerful tools you can use to create, store, change, retrieve, and maintain information in an Oracle database. But if you use Oracle tools such as SQL*Plus to modify Oracle Applications data, you risk destroying the integrity of your data and you lose the ability to audit changes to your data.

Because Oracle Applications tables are interrelated, any change you make using an Oracle Applications form can update many tables at once. But when you modify Oracle Applications data using anything other than Oracle Applications, you may change a row in one table without making corresponding changes in related tables. If your tables get out of synchronization with each other, you risk retrieving erroneous information and you risk unpredictable results throughout Oracle Applications.

When you use Oracle Applications to modify your data, Oracle Applications automatically checks that your changes are valid. Oracle Applications also keeps track of who changes information. If you enter information into database tables using database tools, you may store invalid information. You also lose the ability to track who has changed your information because SQL*Plus and other database tools do not keep a record of changes.

Overview of Setting Up Oracle India Localization

Introduction

Implementing a Tax solution for India for each regime has specific needs. Oracle India Localization helps you to meet the Tax defaulting, calculation and accounting requirement arising from the Central Excise, Customs, Sales Tax and Income Tax (restricted to TDS and generation of FA schedule) regimes. India Localization also provides you with valuable information which can be used both for statutory and management reporting. However, it is very important to know how to implement the solution, in order to meet the requirements of your organization and Tax Authorities, effectively.

This section contains a checklist that includes tasks to be performed to complete the implementation of Oracle India Localization. It lists the steps required to implement Oracle India Localization along with advanced implementation topics for you to consider.

Before you set up Oracle India Localization, you should have completed relevant Base Application Setup.

Oracle India Localization provides following responsibilities. Each of them is associated with a Standard Application Responsibility

Oracle Inventory - India Local Inventory

Oracle Purchasing - India Local Purchasing

Oracle Payables - India Local Payables

Oracle Order Management - India Local Order Management

Oracle Receivables - India Local Receivables

Oracle Fixed Assets - India Local Fixed Assets

To further help you implement Oracle India Localization; the next chapter walks you

through a sample implementation for Vision India Limited, a fictitious manufacturing organization. For each implementation step, we explain how Vision India implements Oracle India Localization. By studying Vision India's implementation, you can learn more about how to implement your own policies, practices, and procedures using Oracle India Localization.

See: About Vision India Ltd: An Example of Setting Up Oracle India Localization.

Vision India may not have implemented all of the features available in this release of Oracle India Localization.

Important: This is an example and not a part of Vision Database. The mentioned setups need to be carried out by an implementation partner to demonstrate features of India Localization product.

Setup Flowchart

To assist you to easily setup your India Localization application, a setup checklist is provided. Some of the steps outlined in this checklist are **required** and some are **Optional**. Required step with **Defaults** means that the setup functionality comes with pre-seeded, default values in the database. However, to ensure a successful setup, you need to review those defaults and decide whether to change them to suit your business needs. If you need to change the default values, you should perform the corresponding setup step. You need to perform **Optional** steps only if you plan to use the related feature or complete certain business functions.

Since some implementation steps are built upon information you define in other implementation steps, you should perform the steps in the order listed.

Setup Checklist

The following tables lists setup steps and a reference to their location within the Application. After you log on to Oracle Applications, complete these steps to implement Oracle India Localization:

Oracle India Inventory

Step No	Required	Step Title
Step 1	Required	Define Organization Additional Information
Step 2	Optional	Define Trading Registration Details
Step 3	Required	Define Accounts Information for Organization

Step No	Required	Step Title
Step 4	Required	Define Tax Calendar
Step 5	Optional	Define Excise Invoice Generation
Step 6	Required	Define Sub Inventory Locations
Step 7	Required	Define Item Localization Information
Step 8	Required	Define Tax Codes
Step 9	Required	Define Tax Categories
Step 10	Required	Define Item Categories
Step 11	Required	Define VAT Regime
Step 12	Required	Define Claim Terms
Step 13	Required	Define VAT Invoice generation sequence
Step 14	Required	Enable India Localization Triggers

Oracle India Purchasing

Step No	Required	Step Title
Step 15	Required	Define Supplier Additional Information

Oracle India Payables

Step No	Required	Step Title
Step 16	Required	Define TDS Related Information for the Organization
Step 17	Required	Define Income Tax Authority

Step No	Required	Step Title
Step 18	Required	Define TDS Sections
Step 19	Required	Define TDS Tax Codes
Step 20	Required	Defining TDS year Information
Step 21	Required	Define TDS Details for Suppliers
Step 22	Required	Define Customs Authority
Step 23	Required	Defining BOE Agent
Step 24	Required	Define Excise Authorities
Step 25	Required	Define VAT Authority
Step 26	Required	Enable GDF Segment

Oracle India Order Management

Step No	Required	Step Title
Step 27	Required	Define Bond Registers
Step 28	Optional	Define Assessable Price Lists

Oracle India Receivables

Step No	Required	Step Title
Step 29	Required	Customer Additional Information
Step 30	Required	Setup E-Business Tax Regime to Rate Setup

Setup Steps

Following are the setup steps explained in brief:

Step 1: Define Organization Additional Information

You must define the structure of your Inventory organizations and locations, which you would be reporting to the Local Tax Authorities. The information defined at this level would be the basis for Recording, Reporting and Accounting of the location taxes. Apart from this the user would also define the organization registration details with Excise, Customs, Sales Tax and TDS authorities.

Information available in 'Additional Organization Information' is the basic data for all India Localization activities and accounting. The Organization and Locations defined through Common Application would be available for setup. While creating the additional organization information, it is mandatory to create two sets of records, one at null location level and another with location.

The master child relationship among the Organization and Location would be used only for consolidation of Excise Registers at Master Organization level. Master Org flag should be checked only for an Organization- Location record. It is also to be ensured that the Master Organization-Location is maintained only as a Reporting entity and no direct receipt/shipment transactions are done in this Organization.

See Also: Defining Organization Additional Information, India Local Inventory Chapter of India Localization User's Reference Manual.

Step 2: Define Organization Trading Information

You would enter the information of the Organizations registered under the Central Excise Rules as a Dealer/Depot. Navigate to Trading Information Tab of the Additional Organization Information to enter Excise Registration details of a Dealer.

The information entered here would be printed on all relevant reports and invoices raised from this Organization.

You would ensure that no values are entered in any of the fields falling under the Excise region of the Tax Information tab of the Additional Organization Information. Any value entered in this region would categorize this Organization as a Manufacturing Organization.

SeeAlso: Defining Trading Registration Details, India Local Inventory Chapter of India Localization User's Reference Manual

Step 3: Define Organization Accounting Information

You would assign the appropriate General Ledger Accounts to which the Localization Taxes have to be posted in the Account Information tab of the Organization Additional

Information screen. The values entered in the Parameters region would determine the behavior of localization taxes calculated for certain transactions.

You will have to enter the register preferences. The Excise Register that should be hit when you ship excisable goods would depend on the preferences assigned against each Register. The Register with the lowest value would be considered first. The next Register would be considered only when the excise liability arising from the transaction exceeds the current register balance.

The only deviation from this logic would be when you check the 'Allow -ve balances in PLA' field. If this field is checked, then the PLA, when preferred, would be hit, even though the duty liability is higher than the available balance in PLA.

See Also: Defining Accounting Information for Organization, India Local Inventory Chapter of India Localization User's Reference Manual.

Step 4: Define Tax Calendar

Localization taxes would be calculated only when the transaction falls within the active year. You can keep only one Year active at a time. The Tax Calendar defined for an Organization NULL location would be defaulted to the other Organization Additional Information records created for the Locations with this Organization.

See Also: Defining Tax Calendar, India Local Inventory Chapter of India Localization User's Reference Manual.

Step 5: Define Excise Invoice Generation

This feature can be used to automate the Excise Invoice document sequence generation. You can setup a document sequence for the combination of Transaction Type, Order/Invoice Type and Register Type. You can define an alpha numeric value which would be prefixed to the number series generated for each Excise Invoice. The setup would be restricted to the Order/Invoice Types for which it is created. For all other Excise Invoices which are created using Order/Invoice Types for which setup has not been made, the system uses default number series. This would be a numeric series, starting with 1, incremental by one. The sequence would be different for each Organization/Location and the nature of clearance. Within the Organization, the sequence would be different for Domestic clearances and Export Clearances.

Before defining the user definable prefixes and Excise Invoice Numbers, setups have to be done in Define Bond Register window where the user needs to associate an Order type for all transactions Order Management module and Transaction source for all manual transactions from Accounts Receivable Module. The Order Type and transaction source will be associated with different type of excise removals (like domestic with excise, Bond, Export with excise etc.). Only after associating an Order Type/Transaction source with an excise related transaction type, user should define the user definable prefixes and Excise Invoice Numbers in this region.

See Also: Defining Excise Invoice Generation, India Local Inventory Chapter of India

Step 6: Define Sub-Inventory Locations

As a part of Localization setup, the sub-inventories have to be associated to a combination of Organization/Location. Excise related transactions and records would be updated only for those Sub inventories that are identified as bonded for Manufacturing Organizations and as traded for Trading Organizations. This setup is MANDATORY for all Sub inventories in your Organizations irrespective of whether these are Bonded/Trading from the Excise perspective. This is to ensure that non-excise India Localization taxes are considered for Costing and accounting for transactions done in such Sub inventories. A record has to be added for the Sub inventory in this window even if it is neither Bonded/Trading. In such cases, both the Bonded / Trading flag has to be left unchecked.

See Also: Defining Sub Inventory Locations, India Local Inventory Chapter of India Localization User's Reference Manual.

Step 7: Define Item Localization Information

The recording, recoverability and reporting of localization taxes would depend on the India Localization related information setup for the Item. Item attribute setup for Central Excise Regime has been made similar to the Item attribute setup in the Value Added Tax Regime.

These values have to be entered in the 'Template Assignment' form.

The update of the Dispatch transaction into the Excise Register would be considered only when the Excise Flag is set to 'YES'. Similarly, considering CENVAT Credit and updating the Excise Registers, for a Receiving transaction would be considered only when the 'Modvat' flag is set to 'Yes'. The option chosen in the Item Class attribute would be the basis on which, the type of excise credit register is hit. Items classified in the other classes (such as OTIN, OTEX) would not be considered for any excise record modification.

The Trading Flag would work together with the Organization Trading Information setup. RG23D Register would be hit only when the Trading Item is transacted in a Trading Organization.

Under VAT Regime, items have to be classified into Capital Goods, Raw Material and Finished Goods (Non-capital Goods). User has the facility to classify the items into these categories.

Along with classification of items, this feature also provides the user to specify VAT applicability, recoverability and Classification code for each Item.

User can setup templates with possible Item classifications. Multiple items can be assigned to templates at one go. This feature enhances usability and minimizes time required to complete this setup.

See Also: Item Definition, India Local Inventory Chapter of India Localization User's Reference Manual.

Step 8: Define Tax Codes

The Tax Definition is a localization feature to define taxes that are applicable to the transactions created in your Organization. The Taxes can be classified in different Types. The Type would be useful to recognize the relevance of the tax for the Excise Registers, Sales Tax form generation and TDS Certificate generation. The Type chosen would also have influence over the behavior of other fields in this form. You can specify the Tax Rate, Surcharge, Recoverability, Rounding rule, Expense account code, Tax (Third party) Vendor, Multi-currency and effective period for the Tax. In a Multi-Organization setup, Taxes defined would be specific to the Operating Unit. On choosing the Taxes Localized option from the menu, you would get the list of Inventory Organizations, to choose from. If the default Organization is already chosen for the session using 'Change Organization' window, this option shall not be available on opening the Tax Codes window. Tax records are created for the Operating Unit of the Organization chosen. The tax defined can be used only for the Operating Unit for which it is defined.

Taxes once saved, cannot be updated.

See Also: Defining Tax Codes, India Local Inventory Chapter of India Localization User's Reference Manual.

Step 9: Define Tax Categories

If you can identify your purchase and sales transactions into clear categories, for which a similar set of taxes with similar precedence and calculation are applicable, then you can group such taxes into a Tax Category. In a Tax Category you can choose the Taxes, along with the precedence order and calculation basis.

An Item Class can be identified for a Tax Category. These taxes would default for all the Items falling in this class. This would be useful, where the Item class drives the tax applicability. These taxes would default for the transactions created for the Items in the Item Class. You can however, manually add new tax lines and can change, delete, change precedence for the defaulted lines.

See Also: Defining Tax Categories, India Local Inventory Chapter of India Localization User's Reference Manual.

Step 10: Define Item Categories

Item Category allows you to assign Tax Categories to inventory items in an Organization. You can attach an item category to the Additional Customer/Supplier Information. The Taxes defaulted for a transaction line would be based on the Item Category attached to the Supplier/Customer and the Tax Category assigned to the Item in this category.

See Also: Defining Item Category List, India Local Inventory Chapter of India Localization User's Reference Manual.

Step 11: Define VAT and Service Tax Regime

Regime would be used to define rules that would be applicable to all Taxes assigned to it. You need to complete this setup step before you move ahead with other setups.

Setups made for a regime would be applicable to all transactions created from the organizations assigned to it. Information defined here would be generic unless you assign different properties at an organization level.

To create a VAT / Service Tax Regime, access Regime Registration screen from the following navigation path.

Regime Registration Details should include assigning Tax Types, Tax Accounts and Organizations to the respective Tax Regime.

India Local Purchasing - India VAT/Service Tax - Setup - Regime Registrations.

See Also: Defining Value Added Tax Regime section of this document.

Step 12: Define Claim Terms

VAT taxes applicable to a purchase of capital goods can be recovered over a period of time, as specified under the VAT Act. The VAT Claim terms enables users to define VAT Recovery Term. These terms can be assigned to the VAT Item Classes.

To define Claim Terms, access VAT - Claim Terms Definition window from the following navigation path.

India Local Purchasing - India VAT/Service Tax - Setup - VAT Claim Terms

See Also: Defining VAT Claim Terms section of this document

Step 13: Define VAT Invoice Sequence

VAT Invoice sequence can be defined for an Order/Invoice Type. The user can also specify prefixes for each series.

A default series would be defined automatically for the regime. This would be applicable to the transaction Types to which no series has been defined.

To define VAT Invoice sequence, access Document Series window from the following navigation path.

India Local Purchasing - India VAT/Service Tax - Setup - VAT Document Sequencing

See Also: Defining VAT Document Sequencing section of this document

Step 14: Enable Triggers (steps to be followed by new customers only)

Post R12 upgrade Oracle Financials for India triggers will be created in a disabled state.

Once the upgrade is completed run adpatch providing the driver as jai5188052.drv

Driver present in JA_TOP/patch/115/driver

This will enable Oracle Financials for India triggers.

For existing Oracle Financials for India customers, the triggers will be automatically created and enabled on completion of upgrade steps. Hence no manual post-upgrade steps are required for these customers.

Step 15: Define Supplier Additional Information

Before you start using the Supplier / Supplier Site for a localization transaction, it would be a necessary for you to define India Localization related information for the Supplier / Supplier Site. The Supplier Registration Information, with various Tax Authorities, Assessable Price List that would be the base for the calculation of the Excise Base Amount and default Item Category can be defined here. The definition can be for the Supplier NULL Site and for Supplier Site. The primarily Tax defaulting would be from the Supplier Site. In absence of any Tax Category at this level, the system would pickup the value from the NULL Site. If you are working on a Multi-org environment, then the Addition Supplier Information defined for a Supplier Site from one Organization cannot be accessed from any other Organization.

You will also have to enter the Income Tax and TDS related details applicable for the Supplier Site.

If your Supplier is located within the State where your Organization is located, then you should enter his Registration Number with the Local Sales Tax Authority in the LST Reg. No. Field. Else, you should be entering the CST Number in the CST Reg. No field. However, you would leave both the fields blank when the Supplier Site is not registered as dealer with any of the Sales Tax Authorities. This setup is mandatory for the generation of Sales Tax Reports provided by localization for transactions within the state, outside the state and transactions from unregistered dealers.

For detailed information, see Supplier Additional Information, *Oracle Financials for India User Guide*.

Step 16: Define Organization Income Tax Registration Info

If you plan to use the TDS functionality for an Organization, it would become mandatory for you to enter the Income Tax Registration details in Regime Registration form. The users will define this new Regime and capture all the setup information at the Organization level. This setup needs to be done either at the Legal Entity level or at the Operating Unit level. This setup cannot be done for Inventory Organizations.

See Also: Defining Organization TDS Information, India Local Payables Chapter of India Localization User's Reference Manual

Step 17: Define Income Tax Authority

The liability arising from the Income Tax Deducted at Source, while making Supplier payments needs to be accounted against an Income Tax Authority. You would create a Supplier and Site for this Authority. Additionally, in the Type field on the Classification tab, choose 'Tax Authority-IND'. On doing this, when defining a 'Tax Deduction at Source' Type of Tax, the Supplier Name would be listed in the 'Vendor' field LOV on the Tax Definition screen

See Also: Defining Income Tax Authority, India Local Payables Chapter of India Localization User's Reference Manual

Step 18: Define TDS Sections

India Localization comes with pre-seeded, default TDS Sections in the database. However, you should review these default sections and decide whether to change them to suit your business needs. If you want or need to change them, you should query on the 'TDS_Sections' from the Purchase Lookup Codes and add a new record, with the relevant descriptions and the effective period. As the same codes are also used for the Works Contract Tax applicable in your state, you might prefer to a new record for defining the relevant sections.

See Also: Defining TDS Sections, India Local Payables Chapter of India Localization User's Reference Manual

Step 19: Define TDS Tax Codes

You would use the Tax Definition screen to define the TDS Codes. Choose the 'Tax Deduction at Source' option in the Type LOV. Select the Vendor Name, Vendor Site, Account and TDS Section No. Enter the value in the Percentage and Rounding Factor fields. Enter the value in the Surcharge field, wherever necessary.

See Also: Defining TDS Tax Codes, India Local Payables Chapter of India Localization User's Reference Manual

Step 20: Define TDS Year

Before you start using the TDS functionality in an Organization, you will have to setup TDS Year Information. This year would be the Income Tax Reporting Year and is independent of the Tax Calendar defined in the Inventory Module. The TDS limits, TDS Reports and TDS Certificate would be based on the period. This year would be the Financial Year defined under the Income Tax Act. There can only be one TDS Year open at a time.

See Also: Defining TDS Year, India Local Payables Chapter of India Localization User's Reference Manual

Step 21: Define Supplier Additional Information - TDS Details

For the Supplier for whom the TDS has to be calculated, recorded and reported, you will have to define the 'TDS Details' in the Supplier Additional Information. You would define the Registration Details and the Applicable TDS Sections and TDS Tax Code that has to default for the transaction created for the Supplier.

Where the Registration and the Tax calculation details are the same for all Supplier Sites, you can define the 'TDS Details' for the Supplier NULL Site. The same details would be applicable for all transactions created at any of the Sites.

Where TDS Details are different for the Sites, you can define only the Registration Details at the Supplier NULL Site. For all the sites setup made for this Supplier, the TAN No and Ward Number defaults. You will have to enter the TAN No. and the TDS TAX Name and the relevant TDS Sections. If you have not entered the default TDS Tax Code in the TDS TAX Name field, for the Supplier Site, then the TDS TAX Name defined at the Supplier NULL Site would be considered for the Invoice.

The Approval of TDS related information would depend on the value in the 'Create Pre-Approved TDS Invoice & Credit Memo' Field.

See Also: Defining Supplier Additional Information, Local Payables Chapter of India Localization User's Reference Manual

Step 22: Define Customs Authority

The Duty advance paid to the Customs Authority has to be booked against a Customs Authority, through a Bill of Entry. Before you create a 'Bill of Entry' India Localization Transaction, you should have defined a Customs Authority. You would create a Supplier and Site for this Authority. Additionally, in the Type field on the Classification tab, choose 'Custom Authorities-IND'. On doing this, when defining a 'Bill of Entry' transaction, the Supplier Name would be listed in the 'Customs Authority' field LOV on the Bill of Entry India Localization screen.

See Also: Defining Customs Authority, India Local Payables Chapter of India Localization User's Reference Manual

Step 23: Define BOE Agent

It would be a pre-requisite to define a BOE Agent before you do a BOE Transaction. Navigate to the Payables Setup and define the Clearing & Forwarding agent information. The Agent Codes would appear in the LOV of 'Agent Code' field of the Bill of Entry screen.

See Also: Defining BOE Agent, India Local Payables Chapter of India Localization User's Reference Manual

Step 24: Define Excise Authority

The Excise advance/settlement paid to the Excise Authority has to be booked against an Excise Authority, through the 'Capture PLA Payments India Localization' screen. Before you create a PLA Payment Transaction, you should have defined an Excise Authority. You would create a Supplier and Site for this Authority. Additionally, in the Type field on the Classification tab, choose 'Excise Authorities-IND'. On doing this, when defining a PLA Payment transaction, the Supplier Name would be listed in the LOV of the 'Authority' field on the 'Capture PLA Payments India Localization' screen.

See Also: Defining Excise Authority, India Local Payables Chapter of India Localization User's Reference Manual

Step 25: Define VAT Authority

Ability to define VAT Authority is needed for settlement of VAT Taxes. User can identify a VAT authority by assigning the Supplier Type of "VAT Authority - IND".

To classify a supplier as a VAT Authority, access Supplier window from the following navigation path.

India Local Purchasing - Supply Base - Suppliers

Step 26: Enable India Distributions Global Descriptive Flexfield segment

Usage of earlier Invoice Distributions Descriptive Flexfield has been discontinued and the same functionality has been implemented through India Distributions Global Descriptive Flexfield.

The users should ensure that at least one segment of this India Distributions Global Descriptive Flexfield is marked as 'Enabled'. The users should not make any of the segments as 'Required'.

Following are the details of the Global Descriptive Flexfield:

Application: Regional Localizations

Title: JG_AP_INVOICE_DISTRIBUTIONS

Context Field Values:

Code: JA.IN.APXINWKB.DISTRIBUTIONS

Name: Invoice Distributions

Description: Asia/Pacific Invoice Distributions Information

Apart from the above, there are no changes from a user perspective in the TDS functionality due to migration of the Descriptive Flexfield to Global Descriptive Flexfield.

Step 27: Define Bond Registers

The calculation of Excise Duty and updation of Excise Registers are based on the setup made in the define Bond Register. Before making this set up the user need to define the Order Types and Transaction Sources.

Excise transactions are classified as:

- Domestic with Excise
- Domestic without Excise
- Export with Excise
- Bond Register (Export under Bond)

Excise transactions need to be identified based on the Organization/Location combination and against each excise transaction multiple Order Types and Transaction Sources can be assigned. Order Type need to be assigned to excise related transactions from Order Management Module and Transaction source need to be assigned for all excise related transactions through the Receivable Module. If the Organization/Location is of manufacturing type, excise related transactions for manufacturing set up need to be associated. Like wise, if the Organization/Location is 'trading' excise related transactions for trading need to be associated.

By associating the Order Types to the excise transactions for an Inventory Organization and Location, the related Excise Record entries will be passed based on the nature of goods cleared.

AR Manual Transaction Sources also can be assigned to the relevant Excise transaction using this window. This setup shall take care of the AR Manual Transactions done through the India Local Transactions window. Please note that no Imported AR Transaction source shall be available for assignment, as such transactions have to be assigned through the Order Type route.

SeeAlso: Define Bond Registers, India Local Order management Chapter of India Localization User's Reference Manual

Step 28: Define Assessable Price Lists

If the Taxable basis for the calculation of the Excise Duty or Value Added Tax is different from the Price at which the item is sold, then you will have to create additional Price Lists with the Item Excise Assessable Price.

This Price List has to be attached to the Customer/Customer Site and Supplier/Supplier Site. The assessable price would be considered only for the calculation of the Excise Duty.

Step 29: Define Customer Additional Information

Before you start creating transactions for the Customer, it would be pre-requisite to record the localization related information for the Customer Site. You would enter the Customer Registration details with the Excise, Sales Tax and Income Tax Authorities. You will also attach the Assessable Price List that should be considered for the calculation of Excise Duty and VAT. You would also define the Item Category list that would be basis for the defaulting of the localization taxes.

You will have to make this setup for each Customer Site.

You can enable the exempt flag for the Customer Sites exempted from excise duty.

For detailed information, refer Customer Additional Information, *Oracle Financials for India User Guide*.

Step 30 Define E-Business Tax Regime to Rates Setup

E-Business Tax Regime to Rates setup needs to be performed in order to use India Localization features in Order Management and Receivables. EbTax replaces the old Receivables tax engine. Please refer detailed description in this document on how to perform this setup step.

See Also: Define Customer Additional Information, India Local Order Management Chapter of India Localization User's Reference Manual

About Vision India Limited

A brief description of Vision India is given in the subsequent sections.

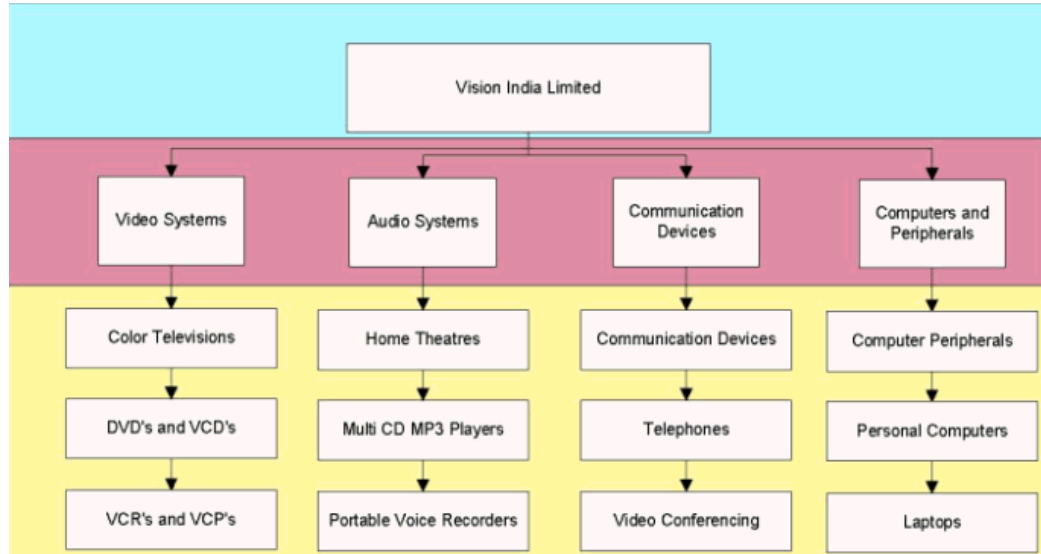
An Example of Setting up Oracle India Localization

Vision India is a fictitious company based in Pune, Maharashtra. Vision India is a leading manufacturer of Audio, Video, Communications, and Information Technology Products for the consumer markets.

Organization Structure

Vision India Limited is a Limited company having its registered office in New Delhi. It has four Divisions handling different products such as Video Division, Audio Division, Communication devices Division and Computers and Peripherals Division. Each of these division manufactures a Range of Products.

Following figure provides you an overview of the Organization Structure providing details on the Product Lines:



To integrate its accounting needs, Vision India Ltd implements other Oracle Applications products such as Oracle General Ledger, Oracle Receivables, Oracle Purchasing, Oracle Payables, and Oracle Assets.

Vision India being a company manufacturing and operating in India is subject to norms under the following regimes:

- Central Excise
- Customs
- Local Sales Tax - Kerala, Karnataka and Tamilnadu
- Central Sales Tax
- Octroi
- Income Tax Act
- Value Added Tax
- Service Tax

To handle the Tax calculation, defaulting and reporting requirements arising under these regimes, Vision India decides to implement Oracle India Localization. Vision India begins by forming an implementation team. This team, made up of managers who understand Vision India's operations and the impact of the above-mentioned regimes on these operations. They also define the policies, procedures, and requirements needed to complete the implementation.

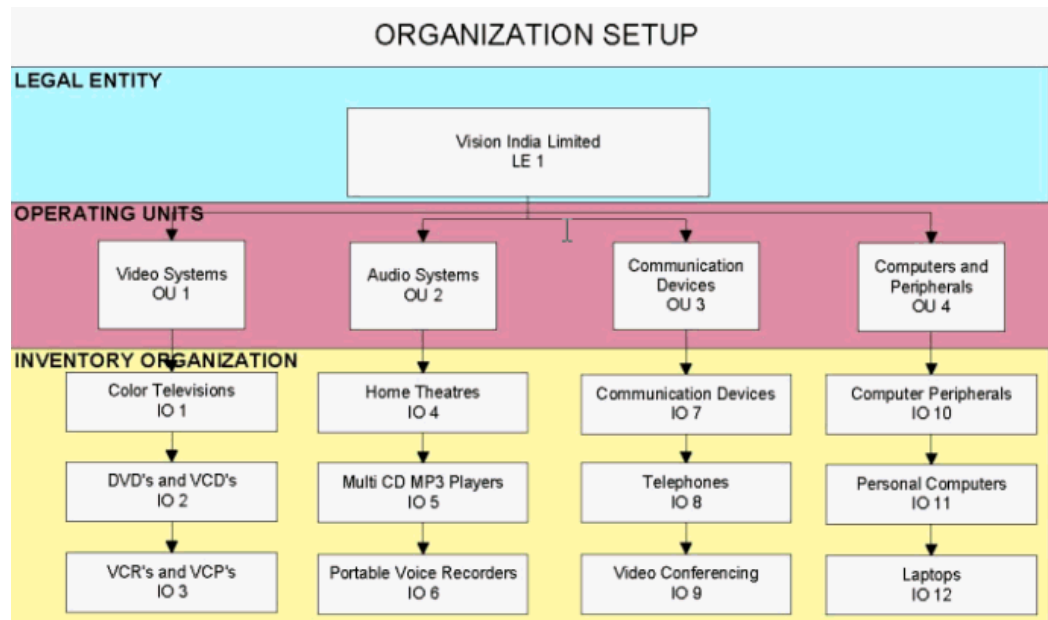
Throughout this guide, whenever we discuss a particular aspect of implementation, we discuss how Vision India's implementation team chooses to implement Oracle India

Localization. These examples are usually at the end of each implementation step and have a gray background.

Vision India may not have implemented all of the features available in this release of Oracle India Localization.

Vision India - Organization Mapping

This section provides details required for Base Apps Organization Setups. This information would be the basis for Localization Setups



Legend: LE - Legal Entity, OU - Operating Unit, IO - Inventory Organization

There would be a single Legal Entity with the Functional Currency as 'INR'. Each of the divisions is setup as a separate Operating Units. Each manufacturing unit will be setup as a separate Inventory Organization. As each of the products is manufactured at a single location, we suggest setting up a location for each of the Inventory Organizations.

The Tax Registration requirements and the corresponding setups in India Localization will be detailed in the subsequent sections of this document.

Vision India - Organization Structure under Income Tax Act

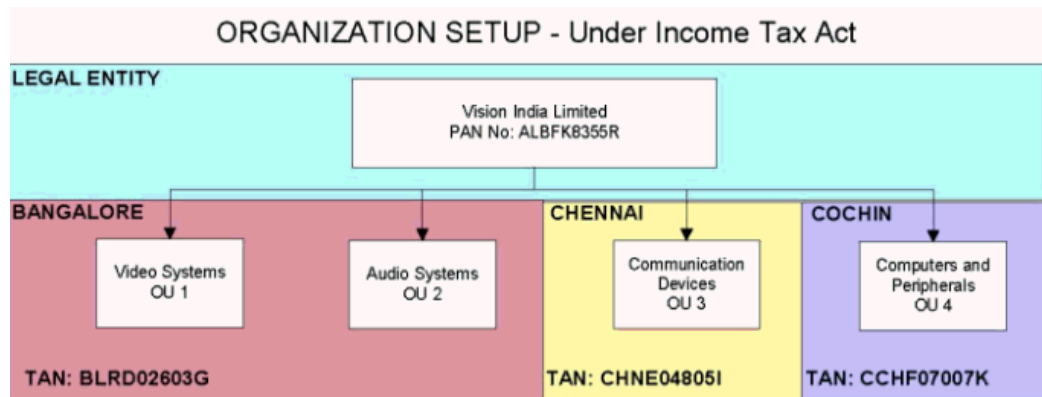
This section provides details of the structure of the Payables department and the registration requirements under the income Tax Act.

1. The head office of Vision India Limited located at New Delhi is registered with the Income Tax Commissioner, New Delhi. It is also registered with the Controller General of Foreign Trade. New Delhi Office has a PAN (Permanent Account Number) allotted by the Income Tax department. The PAN Number is ALBFK8355R.

- The Accounts payable departments located at Bangalore, Chennai and Cochin are registered with their jurisdictional Income Tax authorities for deducting tax at source (TDS) and possess Individual TAN (Tax Deduction Account Number). The payments for Video and Audio divisions are centralized and managed from the Accounts Payable office located at Bangalore. The regional office located in Cochin handles the payments of Communication Devices Division and Regional office located at Chennai handles the payments of the Information Technology division.

Following are the TAN Numbers allotted to each of Accounts Payables Departments by the Income Tax Assessing Officers.

Following will be the pictorial depiction of the registration under the Income Tax Act.



Division	TAN Number
BANGALORE	BLRD02603G
CHENNAI	CHNE04805I
COCHIN	CCHF07007K

India Localization Setups related to the Income Tax Act require registration information to be specified at Legal Entity and Operating Unit levels. These setups will impact the Threshold limits considered for TDS Tax deductions and the Sequence considered for Form 16A Report generated from India Localization.

Vision India - Organization Structure under Sales Tax and Value Added Tax Regimes

Sales tax is a state tax controlled by the respective state Sales Tax Department. Sales tax is classified into Central Sales Tax (CST) and Local Sales Tax (LST). A different tax registration is required for CST and LST.

Sales Tax, being a state administered tax, the registration requirements vary from state

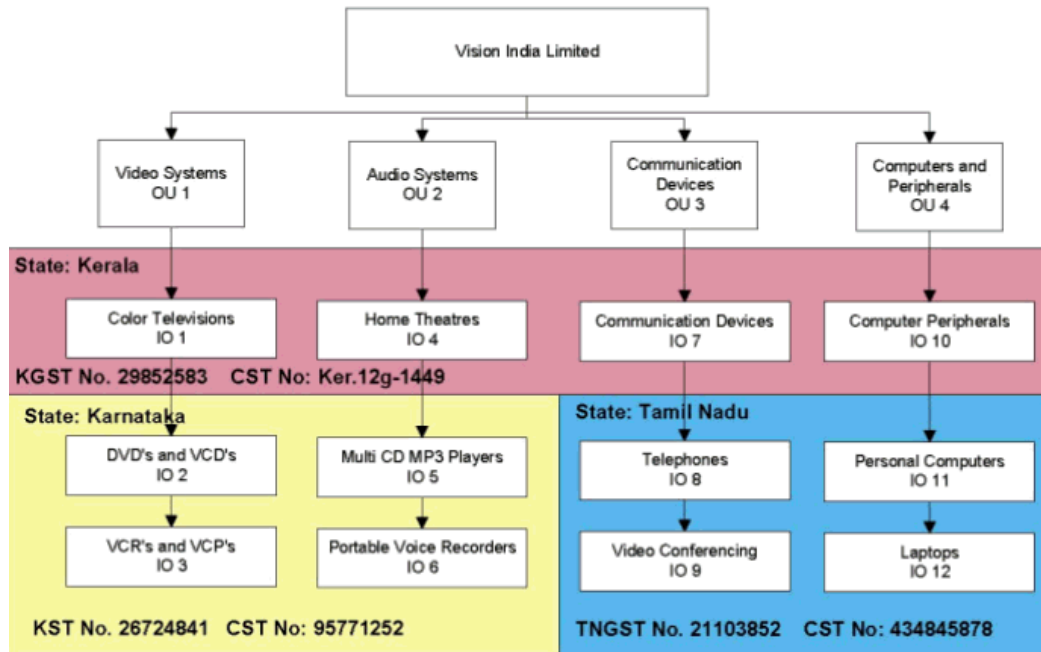
to state. As a general rule, there will be only one registration granted for organizations operating within the state. For Tax registration purpose, the primary business organization located in a specified state should be identified as the head office and others will be identified as branches. The head office organization would be responsible for tax settlement, accounting and reporting of all the organizations for which a tax registration is granted.

Following are the organization structure of Vision India from the perspective of Sales Tax. The organization is registered in three States in which it operates and under the Central Sales Tax Act.

1. Inventory Organization -1 (Color Televisions), Inventory Organization -4 (Home theaters), Inventory organization - 7 (Communication Devices) and Inventory organization -10 (Computers and Peripherals) are located in the state of Kerala (one state). All these inventory organization share the common Sales Tax Registration and KGST Registration Number.
2. Inventory Organization 2 (DVD's and VCD's), Inv. Org. 3 (VCR's and VCP's), Inv. Org.5 (Multi CD MP 3 Systems) and Inv. Org 6(Portable voice recorders) are located in the state of Karnataka.
3. Inventory organization 8 (Telephones), Inv. Org 9(Video Conferencing Devices), Inv. Org 11(Personal Computers) and Inv. Org 12 (Laptops) are located in the state of Tamil Nadu.

Following will be the pictorial depiction of the registration under the Sales Tax Regime.

ORGANIZATION SETUP - Under Sales Tax Regimes



The Sales Tax Registration details have to be specified in the Additional Organization Information setup for India Localization.

Vision India - Organization Structure under Central Excise Act and Service Tax

Central Excise is a federal tax controlled by the Central Excise Department and is only applicable for an excise-registered manufacturer or an excise-registered dealer. A Central Excise Registration is required for each physical location (licensed premises).

Excise registration is always based on a physical location. The Excise Department will identify each physical location with a unique Excise Control Code Number (ECC Number). For the purposes of tax reporting, the following information needs to be recorded. Each excise-registered location will be responsible for complying with excise regulations and need to maintain separate set of excise related records. Tax settlement, tax credit tracking, tax payments etc will have to be tracked based on the excise registration number.

- ECC Number (Excise control Code Number)
- Type of registration (manufacturer /1st stage dealer or 2nd stage dealer)
- Name and address of the Excise Range Office that has jurisdiction over the registered physical premises
- Name and address of the Excise Divisional Office that has jurisdiction over the registered physical premises

- Name and address of the Excise Commissionerate that has jurisdiction over the registered physical premises

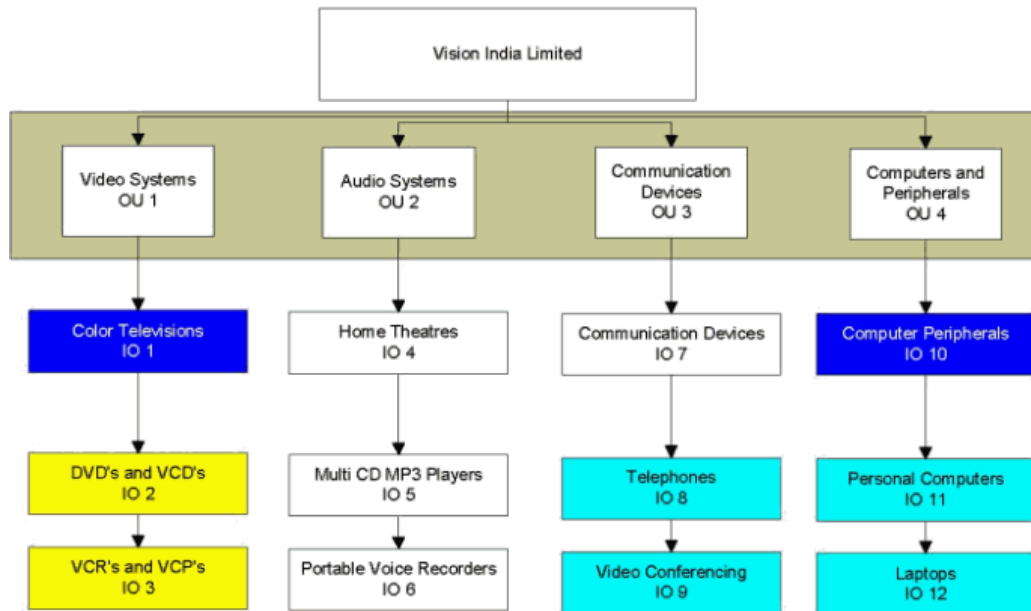
Vision India's has multiple manufacturing facilities located at different places. Multiple Product lines share some of the manufacturing facilities. All these units are registered under Central Excise.

Following are the details of the Manufacturing Locations and the corresponding Excise Registration details:

1. Inventory Organization 1 (Color Televisions) and Inventory Organization –10 (Computers Peripherals) are located in the same factory having common physical location and address.
2. Inventory Organization 2 (DVD's and VCD's) and Inventory organization 3 (VCR's and VCP's) are located in the same factory having common location and address.
3. Inventory Organization 8 (Telephones) and Inv. Org 9 (Video Conferencing Devices) Inventory organization 11 (Personal Computers) and Inventory org 12 (Laptops) are located in the same premises having common physical address
4. Inventory Organization – 4 (Home theaters) Inventory Organization – 5 (Multi CD MP 3 Systems), Inventory Organization-6 (Portable Voice recorders) and Inventory organization –7(Communication Devices) have distinct physical address and have separate excise registrations.
5. Inventory organization 4 (Home theaters) and Inv. Org. 7 (Communication Devices) are located in the same city (say Cochin) in different locations having different physical address. Each factory is having a separate excise registration. Octroi reporting need to be done together
6. Inventory organization 5 (Multi CD MP 3 Systems) and Inv. Org. 6 (Portable voice recorders) are located in the same city (say Bangalore), but located differently having different physical address. Each factory is having a separate excise registration. Octroi reporting needs to be done together (as both factories are located within the jurisdiction of the same local authority).

Following will be the pictorial depiction of the registration under the Central Excise.

ORGANIZATION SETUP - Under Central Excise



Organization	Location	EC Code	Commission erate	Division	Range
IO-1, IO-10	Trichur	ALBFK8355R XM001	Calicut	Thrissur	Trichur – II Range
IO-2, IO-3	Bangalore	ALBFK8355R XM002	Bangalore – I	Division II	Jigani
IO-8, IO-9, IO-11, IO-12	Chennai	ALBFK8355R XM003	Chennai – I	'E' Division	E1 Range
IO-4	Calicut	ALBFK8355R XM004	Calicut	Kozhikode	IV Range
IO-5	Udipi	ALBFK8355R XM005	Mangalore	Udipi	Range A
IO-6	Bangalore	ALBFK8355R XM006	Bangalore III	Kengeri	Range I
IO-7	Calicut	ALBFK8355R XM007	Calicut	Division I	Range A

Note: The Organization Setup has been completed for Inventory Organizations 2 and 3. The same steps have to be repeated to setup other set of Organizations.

Vision India - Organization Structure under Central Excise Act - Trading Warehouses

Vision India sells goods both from factories and from its centralized warehouses located at Bangalore and Chennai. Following are the details of these Organizations

1. Inventory Organization 13 is located at Bangalore and receives material from manufacturing units in Kerala and Karnataka.
2. Inventory Organization 14 is located at Chennai and receives material from manufacturing units in Tamilnadu and Kerala

Following are the registration details of these warehouses:

Organization	Location	EC Code	Commissionerate	Division	Range
IO-13	Bangalore	ALBFK8355RXD001	Bangalore I	Division II	Madiwala -I
IO-14	Chennai	ALBFK8355RXD002	Chennai IV	Perungudi	Perungudi Range II

Important: The Organization Setup has been completed for Inventory Organizations 13. The same steps have to be repeated to Inventory Organization 14.

Frequently Asked Questions

India Local Purchasing

Following are the frequently asked questions in Purchasing area.

Purchase Orders

1. How do I view India localization Taxes included in a PO that I would like to approve from Notification summary screen?

Notifications are generated by Workflow engine and India Localization taxes do not appear in notification summary screen.

In order to view the Purchase Order with the Tax Amount run 'India PO Printing report' for the Order.

2. How do I use Supplier Merge effectively with localization?

a. Setup 'Supplier Additional Information' screen for the new Supplier before running Supplier merge report.

b. After completing the setup Run Supplier Merge

If you do not do the above, Supplier Merge Report ends with an Error.

3. Which Localization tables are updated in the course of Purchase transaction created with Localization Taxes?

When PO is created with taxes attached, records are populated into

a. Jai_po_line_locations for Shipment level details and

b. Jai_po_taxes for tax related entries.

These tables will be updated on Insert, Update and Delete

On creating the receipt from Receipt Localized screen following tables are populated

a. Jai_rcv_lines for line level details and

b. Jai_Rcv_Line_Taxes for tax related entries.

When the Receipt localized form is closed "For Passing Accounting Entries " concurrent request is submitted. This would

a. Generate Accounting Entries by populating into Gl_Interface and

b. Populate JAI_RCV_JOURNAL_ENTRIES for Receipt Accounting entries.

If excise types of taxes are attached then JAI_CMN_RG_23AC_I_TRXS and JAI_CMN_RG_23AC_II_TRXS will get populated depending upon the item classification.

On Delivery to a Bonded Sub inventory Non cenvatable Taxes would be added to the item cost. This will insert records into

a. JAI_RCV_JOURNAL_ENTRIES for delivery entries and

b. Mtl_Material_Transactions_Temp for average cost update. The Tax amount will be populated into Value_Change field.

Inventory transfer worker fires and pushes the record from Mtl_Material_Transactions_Temp to mtl_material_transactions table.

When Average cost update worker fires for costing Mtl_Transaction_Accounts and mtl_cst_txn_cost_details tables will be populated.

4. What do we do when Taxes have not defaulted on PO created against the Quotation?

While Converting the Quotation to Purchase Order using Copy Document, taxes will not flow until you run "Concurrent request for defaulting taxes in PO when linked with quotation".

You can submit this request by navigating through

India Local Purchasing Reports Run.

This Program can be scheduled, if required.

5. How do taxes default on a Purchase Orders?

India Localization Tax Configuration follows 3-way defaulting methodology for Tax Defaulting. This feature automates defaulting of Taxes that would be applicable to the Transactions, Below are the actual setups required to default the taxes:

1. First two levels of tax defaulting are based on the Item Category list, where, for every Item in the list, a Tax Category is associated.

a. First level considers the Item Category list attached to the Supplier and Site.

b. In the absence of Item Category list for Supplier and Site combination, the Item Category for the null Site of the Supplier is considered.

2. If neither of the above returns any Tax Category, the same is fetched based on the Item Class assigned to the Item. Tax Category and Item Class relationship should be set in the Tax Category window.

In all the cases, after arriving at the Tax Category, the taxes defined thereof are defaulted. The user can make changes to the taxes that have been defaulted.

Where all levels of defaulting fail, the user would have an option to assign Taxes to the Shipment lines manually.

6. Can we change taxes on an Approved PO?

Taxes can be modified only before approving the Purchase Order. If you need to change the taxes on approval of the Purchase Order then, create a Purchase Order Revision by modifying the PO lines. Change Taxes on this modified PO.

7. What is the impact on taxes on changing quantity on a PO Release?

Whenever you change quantity on Releases (through the Base Application screen), you need to navigate to Releases (Localized) screen, open Tax Details by Clicking on the Taxes Button. Click the Apply button in Tax details screen to enable recalculation of taxes based on the revised Quantity.

Purchase Orders - Errors

8. How to avoid the Error: 'Currency conversion rate not defined in the system' when the PO was amended?

This error occurs when PO is created or updated.

This will happen only when Inventory Organization is not attached to the Ship To Location

To resolve this:

Attach the Inventory Organization to Ship To Location by navigating through India local Inventory - Setup - Organization - Location.

Quotations

9. How is Per landed cost calculated for a quote that includes localization taxes?

Per landed cost = Unit Price + [Sum (non cenvatable taxes) / qty]

You can view Per Landed Cost through Quote Analysis (localized) screen by navigating through

India Local Purchasing RFQ and Quotations Quote Analysis (localized)

10. How do we make the Supplier available in the Supplier LOV on a Quotation?

Please set 'HOLD_FLAG' attribute of the supplier to 'N' in Supplier screen.

Navigation - India Local Purchasing - Supply base - Supplier.

Receipts

11. What happens when I close the Receipts (Localized) Screen before the Receiving

Transaction Processor completes?

Receipt Localized screen does not Auto Query receipt transactions and tax details.

12. How does average costing work with localization taxes?

When material with non-cenvatable taxes are attached, non-cenvatable amount will be populated into Value_Change column of Mtl_Material_Transactions_Temp (MMTT).

Inventory transaction worker fires and pulls the record from Mtl_Material_Transactions_Temp and puts it into Mtl_Material_Transactions table.

You can identify this record where created_by = 1001 and Value_Change Column will be populated in MMTT for the Rcv_Transaction_Id.

The next Average cost update worker Request that is submitted picks up all the records from

Mtl_material_transactions that are not costed and add to the item cost.

These records will also be populated into JAI_RCV_JOURNAL_ENTRIES.

13. How do we handle third party taxes included in a Purchase transaction?

Pre-requisite Setup: Creating a Third Party Tax

- Create a Tax Code and Assign a 'Vendor Name' and 'Vendor Site'.
- In case you intend to change the Third Party Vendor while creating a Purchasing Transaction then, Check the 'Update Vendor' Flag.

Transaction

- Create a Purchase Order with above tax (Third Party Tax), attached.
- The Vendor information specified in the Tax Code would default. You can update this information by changing the Vendor Name Field in the Po Tax Details Screen.
- You can change the Vendor Site only through the Tax Details screen opened through 'Receipts (Localized)' screen.

After saving the receipt submit 'India Concurrent for 3rd party Invoices' concurrent program from India local Purchasing. This concurrent will in turn, submit Payable open interface to generate the third party Invoices.

14. What will be the impact of changing Taxes on Receipts?

The standard applications 'Receiving Transaction Processor' needs to be completed before the localization screen reflects the taxes.

On Receipt, all modifications are permitted to the tax lines provided that 'Allow Tax Change on Receipt' in Additional Organization Information screen is enabled.

Following changes are allowed:

- Deletion of a tax line

- Addition of a tax line
- Modification of tax amount
- Modification of the amount computed for any tax line.
- Changing the vendor on receipt for tax lines if allowed by tax definition.
- Changing the currency applicable to the particular tax line if allowed by tax definition.
 - These modification of tax lines can be done only before closing of Receipt (Localized) form, once the Receipts (localized) form is closed, the corresponding accounting entries will be passed and the System won't allow the user to modify the tax lines.
 - Also, changes made to a Tax Line will not re-calculate the dependent Tax Lines.

Once the Receipt localization screen is closed, concurrent for passing accounting entries program is submitted. This concurrent updates Excise Registers - RG 23A-C Part II, RG23D based on Manufacturing or Trading Organization respectively. In a Manufacturing Organization, these entries will be passed only when the Claim CENVAT on Receipts Flag is set to 'Y'.

This request also posts Delivery entries if the Receipt Routing is 'Direct Delivery'.

You can check for the successful completion of the above concurrent program by navigating through View - Request.

15. What do we do when we receive goods from a Third Party Excise Vendor?

In certain cases goods are received from a Third Party Excise Vendor i.e., Vendor different from the PO Vendor. The Third Party Excise Vendor also issues the Excise Invoice. In such cases, Excise Register should be updated with the Third Party Vendor details.

You can make this change by updating the Vendor Name in the 'Claim CENVAT on Receipts' screen. To make these changes,

- Set the Claim CENVAT flag on receipt to 'No'.
- Navigate to Claim CENVAT After Receipts screen and query for the Receipt.
- The Vendor details on these records would be that of PO. To update Vendor and Vendor Site, check the 'Update Vendor' flag. Select the appropriate Vendor and corresponding Vendor Site in Vendor Name and Vendor Site fields. On Claiming CENVAT for this record, the revised Vendor details would be recorded in corresponding CENVAT Registers.

16. Which Costing methods does India Localization support?

India Localization supports Average and Standard costing methods

17. What do we need to know about changes to Receipt Taxes?

On Receipt, all modifications are permitted to the tax lines provided the 'Receipt Modify' flag in Additional Organization Information screen is enabled.

These modification of tax lines can be done only before closing of Receipt (Localized) form, once the Receipts (localized) form is closed, the corresponding accounting entries will be passed and the System won't allow the user to modify the tax lines.

The total amount will get updated with the revised amounts on saving the screen. However, on change of the Tax Amount the dependent tax amounts would not be re-calculated.

Once the Receipt localization screen is closed, for passing accounting entries concurrent program is submitted. This concurrent updates Excise Registers and creates Accounting Entries. In case of a Trading Organization RG 23D Register entry and corresponding accounting entries are created by this concurrent request.

In case of a Manufacturing Organization, updates to Excise Registers and creation of Accounting Entries would be based on the Receipt Routing Type and the value entered for Claim CENVAT in the Receipt.

1. If Receipt Routing is Standard and Claim CENVAT on Receipts is 'Yes', Excise Quantity and Duty Registers are updated and Accounting entries are passed. None of the Excise Registers will be updated when Claim CENVAT is Set to 'N'.
2. If Receipt Routing is Direct Delivery and Claim CENVAT on Receipts is 'Yes', Excise Quantity and Duty Registers are updated and Accounting entries are passed. If the Claim CENVAT is Set to 'N' then, Receiving and Delivery Accounting entries will be passed but Excise Registers will not be updated.

18. What is the process to claim CENVAT included in Receipts created through 'Match Unordered Receipt' screen?

The Excise related information like Excise Invoice, Excise Invoice Date and Claim CENVAT on Receipts should be entered in the Receipts India Localization screen.

1. Though the Excise Invoice related details are entered in this screen, you will be able to claim CENVAT only through 'Claim CENVAT on Receipts' screen.
2. CENVAT credit cannot be taken for Unordered Receipt on Receipt of the goods. Credit can be taken only on matching the Unordered Receipts with a Purchase Order. The provision for tax corrections at the time of Receipt is not available for Unordered Receipts. Hence you need to ensure that the Purchase Order has the actual tax figures.

After ensuring above you can Claim CENVAT on Receipts

19. How does Receipt Quantity Corrections impact Localization Taxes?

You can correct Quantity Received through 'Corrections' screen provided by Base Application. This action will have impact on India Localization taxes only if the following conditions are satisfied.

1. Receipt Routing is 'Standard'
2. Item is Excisable
3. Receipt is created with claim CENVAT on receipt flag set as 'N'
4. CENVAT is not claimed through 'Claim CENVAT on Receipts Screen'
5. Quantity is corrected in Base Apps screen.

Using 'Receipt Quantity Corrections' to correct India Localization taxes.

1. Query the receipt from Claim CENVAT on Receipt screen.
2. Check the 'Modify' field for the Receipt Lines for which you have corrected quantity through Base Applications Receipt Correction Screen. A check in this field would make the Quantity field editable. You can enter appropriate value in the Quantity field. The CENVAT and also the dependent taxes are recalculated accordingly.
3. Claim CENVAT to generate correct Register entries, Receiving entries and the CENVAT entries.

20. How to handle Receipts for which Excise Invoice is not received or is missing?

In such cases, you cannot claim CENVAT nor perform the Return transaction. Use **Unclaim CENVAT** feature to handle such situations. To unclaim CENVAT

Navigate to 'Claim CENVAT on Receipts Screen'

Check 'Unclaim CENVAT' checkbox and Click Unclaim button for the Receipt.

This will load CENVAT amount to Item Cost if costing method for the Organization is Average and PPV when it is Standard Costing.

21. Is Partial CENVAT claim allowed?

CENVAT can be claimed partially only for CGIN items. 50% of CENVAT amount can be claimed in the year of purchase and the remaining the next year. However, the user will have the option to claim the remaining 50% later in the year of purchase.

22. Why are Receipts not appearing for claim CENVAT on receipt screen to avail CENVAT credit?

Receipts will be considered for CENVAT Credit only when the following conditions are satisfied.

1. Modvat Flag and Excise Flag for the Organization Item is set to 'Yes'
2. CENVAT able type of Excise tax is attached to Receipt.

You can verify this using the following queries:

- a. Select * from JAI_INV_ITM_SETUPS where inventory_item_id = & item_id and organization_id = & organization_id
- b. Select * from mtl_system_items where inventory_item_id = & item_id and organization_id = & organization_id

23. What conditions should be satisfied in order to claim Excise Credit?

Following conditions should be satisfied so as to claim CENVAT Credit:

1. Organization/Location should be defined as a Manufacturing Organization
2. 'Excise Flag & 'Modvat Flag' should be set to 'Yes' for the Organization Item in the item setup.
3. Goods should be received into a Bonded Sub inventory
4. The Receipt should carry Excise Type of Tax for which the Credit Percentage has been set to '100'. You can also use 'Additional Customs (CVD)' Taxes to claim CENVAT
5. 'Claim CENVAT on Receipt' Flag should be set to 'Yes' for the Receipt. Else, the CENVAT Claim will be deferred. CENVAT on such deferred receipts can be claimed through 'Claim CENVAT On Receipts' Screen.

24. Which Taxes are recoverable? How are such taxes accounted?

In the case of tax types other than Excise and Additional Customs, you can specify the percentage of tax that can be recovered. The recoverable portion will be accounted in the tax account defined. The non-recoverable portion will be added to the Item Cost.

25. What is the impact of delivering material to Non-bonded Sub Inventory?

Following will be the impact when you have claimed CENVAT before delivery.

Excise Quantity and Duty registers will get reversed

CENVAT Accounting Entries will get reversed

Excise Amount will be added to the Item Cost where the costing Method is 'Average'. Else, this amount will be debited to Purchase Price Variance Account.

In Case CENVAT Amount is not claimed before delivery, then CENVAT entries will not be reversed on Delivery.

Returns

26. How should we treat CENVAT on Capital Goods when these goods are returned in the year of purchase?

100% CENVAT credit has to be availed before carrying out the Return To Vendor transaction. This should be through the 'Claim CENVAT on Receipts' Screen.

In case you return the material without claiming CENVAT, the 'To Handle Deliver RTR RTV' runs into error. This will impact the reversal of Accounting and Excise Register Entries.

The error message would be

'ORA - 20010: The RTV Quantity is equal to Receipt Quantity and the remaining 50% CENVAT is not availed.'

In order to process these error records, run 'India Program to Execute Pending Records'. Please refer Note on "India Program to Execute Pending Records" in the India Local Purchasing Chapter of the India Localization User Reference Manual.

27. How can we setup a separate Excise Invoice Series for Purchase Returns Transaction?

Setup for Return To Vendor transaction type needs to be set in Additional Organization Info screen for a given Organization, Location combination. Else the default Excise Invoice Number sequence will be considered.

28. How are Duty Registers impacted on RTV?

Excise Registers will be updated on a Return transaction only when you set the 'Generate Excise Invoice' Flag to 'Yes' in the Existing Return to Vendor (Localized) screen in "Actions" columns. The user enters Yes / No each for Excise or VAT indicating whether he wants to generate Excise or VAT Invoice Numbers respectively.

Excise Register entries for RTV will be passed only when the User entered 'Yes' otherwise Excise Register entries will not be updated. By default this field will be 'No'

In case of Manufacturing Organizations, the Duty Registers selected depends upon the preferences set up done in the Additional Organization Info screen.

If PLA is set as the last preference and the item returned is a capital good (CGIN Item) then, balance in RG 23C Part II would be considered first. PLA would be updated only if there is no adequate balance in RG 23C Part II. However, balance in RG 23A Part II registers will not be considered.

RG 23D Register would be updated for Trading Organizations.

29. How to generate Excise Invoice for a Return Transaction?

Fill RMA Number in the field provided in "Returns" screen and select, generate Excise Invoice No = Y. Run India Return To Vendor report for the given RMA Number.

30. How do I ensure that PLA is debited on RTV when sufficient balances are not available in RG?

PLA register will be debited depending upon the 'Allow negative PLA' flag. If allow negative flag is 'N' and if the balance is not available in PLA then system will raise the application error as there are no available balances in registers, if sufficient balance is available in PLA then PLA Register will be debited.

31. How to return the material at different excise rate for Small-scale industry?

If you have to return the material received from SSI, then at excise rate of 16% though

the material is received at 9.6% rate.

In order to achieve this, please create the Return To Vendor transaction from Return to Vendor-India and change the excise rate from 9.6 to 16% in Return To Vendor-India taxes screen.

When the tax is applied the difference of 6.4% tax amount entries will be reversed.

Returns - Errors

32. Why does 'To Handle RTR/RTV ends with Error: 'RTV Expense account not found'?

This error occurs when the 'RTV Expense' Account is not defined in the 'Additional Organization Information'.

33. What should I do when 'To Handle RTR/RTV ends with Error: 'RTV Expense account not found'?

1. Define the 'RTV Expense' Account in 'Additional Organization Information'.
2. Run 'India Program to Execute Pending records' for this Receipt.

Accounting

34. Does localization support Accrual on Receipt or period end Accrual?

Localization supports only for Accrue on Receipt.

35. How do we pass Accounting/Register entries when they are not generated on Receipts, Claim CENVAT or on Return Transactions?

Schedule 'India program to execute pending records concurrent program' to generate accounting entries for all unprocessed records. You should ensure that there are no online receipt transactions when this program is submitted.

Optionally, you can submit it for a given Receipt Number. Submit this record by navigating through **(N)-India Local Purchasing Report Run** India program to execute pending records.

36. What journal categories populated into GL for Localization Tax entries?

- **Purchasing:** Receiving India
- **Manual Entries:** RG Register entry
- **Sales Orders:** RG Register entry
- **AR Invoices:** Receivables
- **Inventory:** RMA Receipts'

- **Payables:** BOE Write-off
- **Value Added Tax:** VAT

37. How do I track Localization Entries while reconciling Excise Registers with General Ledger?

Unposted Entries: Check the following fields in GL_Interface

- reference1: Organization Code
- reference10: Transaction Description
- reference22: 'India Localization Entry'
- reference23: Object Name
- reference24: Table Name
- reference25: Unique Reference of the Table
- reference26: Column of the Table for which the unique reference is populated.
- reference27: Organization ID

Posted Entries: Check the following fields in GL_JE_Lines

Description: Description

- reference2: India Localization Entry (Hard Coded Value)
- reference3: Object Name
- reference4: Table Name
- reference5: Value
- reference6: Column Name
- reference7: Organization ID

Period End

38. What caution should we take before I close the PO and AP Period?

- Ensure that CENVAT credit is availed on all receipts for which Receiving entries are generated.
- Ensure that none of the Receipts have 'N' as the value for the following fields in 'Jai_rcv_lines' table.

- Process Receiving flag,
- Process RG,
- Process Populate CENVAT,
- Process CENVAT flag
- Ensure that you have performed Service Tax and VAT Settlement

If there are any such Receipts then you need to run 'India Program to execute pending records' to clear these.

39. How do I Reconcile differences between the Excise Register Entries and General Ledger entries?

Reconciliation of the General Ledger with the Sub ledger data provided by India Localization shall be done as per the following process:

Please note that you need to have the Localization queries to complete the reconciliation process.

Step 1

Import all the records pending in interface table and ensure that there are no pending transactions in the interface. Compare the GL account balances with the India Localization sub-ledger balances to verify whether the balances are tallying. The following are the India Localization reports that could be used for this purpose:

- India Receiving Account Distribution Report.
- India Receiving Accounts Report.
- Accrual re-build Reconciliation Report.
- India CENVAT monthly return Inputs and Capital Goods.
- India CENVAT monthly Abstract Report.

Step 2

If any differences are observed in these balances, the queries provided by India Localization shall be run to find out the exceptions. The list of queries are given below:

Receiving Entries:

- MutlipleEntries_Receive.sqlQuery to identify multiple entries generated for receiving entries.
- SumofAmounts_Receive.sqlQuery to identify total tax amount to be passed for receiving entries.

Modvat Entries:

- SumofAmounts_Deliver.sqlQuery to identify total tax amount to be passed at the time of delivery
- SumofAmounts_Modvat.sqlQuery to identify total CENVAT amount to be passed for Modvat entries.

Delivery Entries:

- MultipleEntriesinMTA.sqlQuery to identify multiple entries populated into mtl_transaction_accounts when material is delivered.

Return to Receiving Entries:

- DuplicationRTR.sqlQuery to identify multiple entries generated for Return to receiving entries.
- SumofAmounts_RTR.sqlQuery to identify total tax amount to be passed at the time of Return to Receipt.

Return to Vendor Entries:

- MutlipleEntries_RTV.sqlQuery to identify multiple entries generated for Return to vendor entries.
- SumofAmounts_RTV.sql Query to identify total tax amount to be passed at the time of Return to Vendor.

AP Accrual:

1. APaccrualreconciliation.zipQuery to find the total tax amount to be passed for AP Accrual account generated for Receiving and Return to vendor transactions.
2. DuplicateRecieving_apaccrual.sqlQuery to identify multiple entries generated for receiving entries for AP Accrual account.
3. SumofAmounts_Receiving_APaccrual.sqlQuery to identify total tax amount to be passed to the AP Accrual account at the time of Receipt.
4. SumofAmounts_RTV_APaccrual.sqlQuery to identify total tax amount to be passed for AP Accrual at the time of Return to Vendor.
5. SumofCreditnotequaltoSumofDebit_RTV.sql
6. NoReceivingQueryAPAccrual.sqlQuery to give total tax amount for AP Accrual where the tax entries are not generated.
7. Discrepancy_invoices.sqlQuery to identify Cases of discrepancy, invoice distribution and the corresponding tax amount in Receipt/PO.

Query to find the transaction wise tax amount.:

1. SumofTaxesTransactionTypewise.sqlQuery to give total sum of the taxes based on transaction type from JAI_RCV_JOURNAL_ENTRIES.

The reconciliation shall be done based on the output of these exception queries. This shall be in the form of rectification entries, if the exception has proved to be a one-off case.

Step 3

If the exception thrown up in the earlier step is found to be of a repetitive / replicable nature, the issue has to be taken up with India Localization for a necessary code fix / data fix. India Localization shall treat such issues with highest priority so that the month closing activities are not hampered in any way.

India Local Inventory

Following are the frequently asked questions for Inventory module

Inventory Transactions

40. How to upload the opening balance Excise Quantity Registers?

Use Miscellaneous Issue (RG Update) and Miscellaneous Receipt (RG update) type of Inventory transactions to update RG23A/C part I Registers and RG 1.

41. How do we upload opening quantity to RG-1?

There are no interfaces available to upload Localization Data.

You can upload Quantity Balances to RG-I using 'RG 1 Register Entry' screen or using Miscellaneous Receipt (RG Update) Inventory transaction.

42. What Inventory transactions supported by localization in Inventory module?

Following Transaction Types are supported by localization in updating the excise registers:

- Inventory sub transfer / Replenish supply Sub inventory.
- Miscellaneous Issue (RG Update).
- Miscellaneous Receipt (RG Update).
- Move Order Issue.
- Inventory Delivery Adjustment
- Cycle Count Adjustment
- Physical Inventory Adjustment.

Setups

43. What basic Localization setup is required for a Manufacturing Organization?

Organization Setup

1. Additional info setup for Organization and Location should fall under Manufacturing and this can be achieved when Excise region with ECC CODE is filled.
2. Fill all the Accounting Info from Accounting Tab and make sure that the info is filled though not required in some cases as per business requirement. Example: If there are no BOE (export) related transactions, still you need to supply the BOE account.
3. Financial Year can be setup by clicking the Calendar button, fill the Fin Year that will compute the Actual Tax Calendar.
4. Fill the Excise Invoice Number if you require generating the predefined Excise Invoice Numbers depending upon the document.
5. Trading Info Tab is automatically grayed out since the Organization is falling under the Manufacturing Organization.
6. VAT and Service Tax Regime needs to be setup with appropriate Organizations assigned to the regimes.

Item Setup

1. Excise Flag = Y if the item is falling under excisable goods.
2. Modvat Flag = Y if the CENVAT credit on this item can be taken
3. Item class = RMIN / CGIN depending upon the classification of the item.
4. Trading flag = N this flag will identify whether the item is tradable or non tradable, since the Organization is manufacturing item cannot be trading and Localization does not have the concept of classifying the Organization to become Manufacturing and Trading.
5. VAT Item classification needs to be performed.

Sub inventory Locations Setup

1. Sub inventory should be bonded i.e., bonded flag is Y.
2. If the Sub inventory is Non-bonded or duty paid Sub inventory i.e., Bonded flag is N then all the cenvatable taxes will also get inventoried.

3. Trading Sub inventory Flag is grayed out.

44. What basic Localization setup is required for a Trading Organization?

Organization Setup:

1. EC Code and other Excise Registration details need to be filled in the Trading Tab of the Organization Tax Information India Localization screen.
2. Fill Accounting Info from Accounting Tab and make sure that the info is filled though not required in some cases as per business requirement. For example: if there are no BOE (export) related transactions, you need to supply the BOE account.
3. Financial Year can be setup by clicking the Calendar button,
4. Fill the Excise Invoice Numbero if you intend to generate predefined Excise Invoice Numbers depending upon the Order/Invoice Type.

Item Setup

1. Ensure that Excise Flag = Y and Modvat Flag = N
2. Item class = RMIN/CGIN depending on the item type.
3. Trading flag = Y. This flag would identify whether the item is a Trading Item

Sub inventory Locations Setup:

- Trading Sub inventory Flag is automatically checked.

45. What is the need to define Master Child Relationships among Organizations?

The master child relationship among the organization and location are used only to generate consolidated excise registers at Master Organization level. You need to submit 'India Master Org RG' request set in order to get Excise Registers consolidated at Master Organization.

46. What should we ensure while I am setting up Master/Child Organization?

In the Master Organization Information block you have to specify whether the Organization represents an Excise Licensed Organization or a Child Organization. If you select a Child Organization, you need to specify which is the Excise Licensed Organization under which the Child Organization belongs. For a Master Organization and Location combination you need to enable the Master Organization flag. This should be done for the Organization with Location specified. The ECC Number defined for the Master Organization would default to all Child Organizations when Master Organization is selected.

47. Is it necessary to define PAN No, TAN No in 'Organization Tax Information India Localization' screen?

These fields are only for information and will not be used anywhere else by India

Localization. India Localization uses the PAN and TAN Numbers defined in the Regime Registration screen for Reports.

48. What should be the functional currency for the Organization using India Localization?

The Functional Currency to 'INR' for the Legal Entity that would use India Localization.

49. Can we proceed to India Localization Organization setup as soon as I define Organizations in Base Applications?

You should have completed the following before you move to define Additional Organization Information through India Localization:

- Define Locations
- Assign Organizations to Locations

50. Can an Organization be defined both as Manufacturing and Trading Organization?

Through India Localization an Organization Location combination can either be a Manufacturing Organization or a Trading Organization.

If an Inventory Organization Location is a Manufacturing Unit (Not a Trading Unit) and you enter details in the Tax Info Block (On 'Organization Tax Information India Localization' screen), then you will not be allowed to enter any information in the Excise - Trading Information Block through Trading Information Button.

Similarly if an Inventory Organization Location is a Trading Unit (Not a Manufacturing Unit) then No Information should be entered in this Tax Info Block since this Excise Block is meant for entering Excise Registration details for a Manufacturing Inventory Organization/Location.

51. Can a different Tax Calendar be defined for different Locations of an Organization?

The Tax Calendar should be defined only at Organization level with Null Location. This Calendar will be defaulted for each Location falling under the Organization. The tax period in Localization is meant for setting up the serial numbers of Excise Registers and related localization reports.

52. Is it mandatory to complete setup in the 'Excise Generation India Localization' for generating Excise Invoices?

It is not mandatory for the user to define Excise Invoice Generation Serial Number. If the User does not define the Excise Invoice Generation Screen, then auto generated system numbers will be allotted to the Excise Invoice as stipulated under the Central Excise Rules (one sequence for Domestic transactions and another for Exports).

53. Can I skip the 'Assign Sub Inventories to Locations India Localization' for the Sub Inventories that I will not be using for Excise Transactions?

It is mandatory to complete this setup, irrespective of the fact that the Sub inventory is

not bonded. You can leave the 'Bonded' check box blank, if the Sub inventory is non-bonded. Else, this will impact Shipping transactions.

54. Is it necessary that the India Localization Item setup should be same for all Organizations?

India Items Context can be setup at an Organization level. An Item can be Excisable in one and non-excisable in another.

If an Item is tradable in one Inventory Organization but considered as Production Input in another Inventory Organization, then the user has to update its Item Template through the Item Template assignment form depending upon the nature of the business. If an item is defined as Trading Item, then the Modvat Flag has to be set to 'NO'. This would update only the RG 23D Registers and not the CENVAT Registers.

55. Can India Localization be used to define calculate and account for Negative Taxes?

India Localization provides flexibility to define negative taxes. You can use 'Any other Tax' type of taxes with negative Percentage or Unit Rate to handle such taxes. India Localization would also handle any other debit/credit that needs to be done for any transaction.

Work In Process

Following are the frequently asked questions in WIP module

56. What WIP transactions are supported by India localization? Which Excise Registers are updated for each of these transactions?

India Localization supports certain transactions in order to keep track of movement of Excisable Goods. Whenever there is a transaction using Excisable goods is created from the following features supported by Base Application, then India Localization updates Excise Quantity Registers. Following is a list of such transactions and their impact of Excise Registers:

Transaction Type	Impact on Excise Registers for Item Types: RMIN	Impact on Excise Registers for Item Types: CCIN	Impact on Excise Registers for Item Types: FGIN	Impact on Excise Registers for Item Types: CGIN	Impact on Excise Registers for Item Types: OTIN
Miscellaneous Receipt RG Update	RG 23A Part 1	RG 1	RG 1	RG 23C Part 1	NA
Miscellaneous Issue RG Update	RG 23A Part 1	First RG23A Part 1, then RG 1	RG 1	RG 23C Part 1	NA

Transaction Type	Impact on Excise Registers for Item Types: RMIN	Impact on Excise Registers for Item Types: CCIN	Impact on Excise Registers for Item Types: FGIN	Impact on Excise Registers for Item Types: CGIN	Impact on Excise Registers for Item Types: OTIN
Cycle Count Adjustment.	RG 23A Part 1	RG 23APart 1	RG 1	NA	NA
Physical Inventory Adjustment.	RG 23A Part 1	RG 23APart 1	RG 1	RG 23C Part 1	NA
Move Order Issue	RG 23A Part 1	RG1	RG 1	NA	NA
WIP Component Return.	RG 23A Part 1	RG 1	RG 1	NA	NA
WIP Assembly Completion.	RG 23A Part 1	RG 1	RG 1	NA	NA
WIP Assembly Return.	RG 23A Part 1	RG 1	RG 1	NA	NA
WIP Negative Component Issue.	RG 23A Part 1	RG 1	RG 1	NA	NA
WIP Negative Component Return.	RG 23A Part 1	RG 1	RG 1	NA	NA
WIP Scrap Transaction.	RG 23A Part 1	RG 1	RG 1	NA	NA
Staging transfer of a sales order	RG 23A Part 1	First RG23A Part 1, then RG 1	RG 1	NA	NA

India Local Payables

Following are the frequently asked questions in Payables module

India Local Payables Setup

57. What should be the Setup steps when I wish to implement TDS features only?

Setup only Step 16-21 of the India Localization Setups. Refer to the Setup Overview chapter of the India Localization User Guide.

Following India Localization Setups need to be completed:

- Define TDS Related Information for the Organization
- Define Income Tax Authority
- Define TDS Sections
- Define TDS Tax Codes
- Defining TDS year Information
- Define TDS Details for Suppliers

58. How should I define surcharge for a TDS Tax?

You need to enter (in the Surcharge field on the Tax Definition) exact percentage that has to be applied on the Invoice amount.

For example: In a case where TDS Tax Rate is 2% and a Surcharge of 10% is applicable for this Tax. You should specify 0.2 in the Surcharge field.

59. How would you define new Sections that would be required for WCT Taxes?

Navigate to India Local Payable --> Purchasing Lookups. Query for TDS_Section. Change the Access Level to User and add the WCT Section Code, Meaning and Description. Enter the Effective Dates and check the 'Enabled' field.

This section will be available when you create a Tax Deduction At Source Type of Taxes.

60. How would you define WCT Type of Taxes?

The Tax Definition will be similar to that of a TDS Type of Taxes. The TDS Section No. will be the differentiating factor. Here you should select the WCT section.

It is necessary that you select this code in the TDS Details tab of the Supplier Additional Information.

61. What should I do when there is a change in the TDS Rate or Surcharge rate?

Whenever, there is a change in the TDS Rates or Rates of Surcharge, user has to do the following to ensure that correct rate of TDS is applied to the transactions

- Close the existing Tax Code by entering the 'Effective To' date.
- Create a new Tax Code with the Revised Rates

- Navigate to Supplier Additional Information, query for the Supplier, Supplier Site.

Replace the Default TDS Tax Name with the new Tax Code.

62. What would be the impact of 'Create Pre-Approved TDS Invoices and Credit Memo's'?

- Checked for Supplier Null Site
- Supplier Site

The Setup made for the Supplier NULL Site will override the Setup's made for each Supplier Site. In case, you would like to control TDS Invoice Approval by Vendor Sites then, you should uncheck this field for the Supplier Null Site and check it only for those sites where you would like the TDS Invoice Approval to be Automated.

63. What impact does the Income Tax Registration details (entered in the Regime registration screen) have on my transactions?

The value entered in the TAN No. field would be of great importance to you. This would be the basis on which the TDS Threshold Limits would be calculated. If the TAN No. is defined only for the Legal Entity, then Invoices generated for all Supplier Sites defined under different Organizations would be considered for the calculation of Threshold limits. If TAN No. is defined for an Operating Unit, then only the Invoices defined for this Organization would be considered for the calculation of the Threshold Limits, unless the TAN No. for two Operating Units are the same. For Operating Units without TAN No, the TAN No. of the Legal Entity would be considered and the Invoices of all such Operating Units would be added to considered for the calculation of Threshold Limits.

Also, Organizations with same TAN Number shall share the document sequence followed for generation of TDS Certificates.

TAN No. once saved, should not be updated.

64. What setup should I check when the TDS Invoice/Credit Memo are not generated?

Check the following set up:

1. TAN Number is attached to the Operating Unit Or Legal entity in the Regime Registration screen.
2. Check whether the TDS Year Info is defined for the Legal Entity or not.
3. Check whether the TDS Sections are attached in the 'Additional Supplier Info Screen' or not
4. Check whether the Invoice Amount of the Invoice, which is approved ,has crossed the Invoice Amount limit set in the 'Additional Supplier Info Screen'
5. Check whether the concurrent request 'Payables Open Interface Import' is getting

triggered or not when the Standard/Prepayment invoice is approved

6. Check whether the TDS Invoice/Credit Memos are being rejected by the program 'Payables Open Interface Import'. For this, you can open the Out file of the report 'Payables Open Interface Import' and click the button 'Next', which will show the list of Invoices rejected by the import program

Tax Deduction At Source - Calculation, Accounting and Reporting

65. What is the impact of assigning a Default TDS Tax Name to the Supplier Site?

This would automate TDS Calculation for every Invoice created for the Supplier Site. This happens in spite of the fact that you override/ delete the TDS Tax Id before saving the Invoice Distribution.

66. How many TDS Invoices are created when multiple Invoice Distributions have the same TDS Tax Id?

Invoice created for the TDS Authority and the Credit Memo for the Supplier would be consolidated for all Invoice distributions having the same TDS Tax Id.

67. What will be a pre-requisite to assign WCT Type of Taxes on Invoice?

It is necessary to assign a TDS Tax Id before you specify a WCT Tax Id. However, if you only have WCT applicable to the Invoice, then, assign this code in the TDS Tax Id field.

For Supplier who does not have TDS Applicability but only have WCT calculated for services provided by them, then, assign the WCT Tax Id in the default TDS Tax Name field.

68. What will be impact on TDS Invoices when Prepayment Invoice with Single TDS Code, applied to Standard Invoice has different TDS Codes attached?

TDS calculated on the Standard Invoice would be reversed in proportion of the amount applied to the Total Amount Standard Invoice bearing TDS.

69. What happens when Standard Invoice having multiple TDS Codes is applied to a Prepayment Invoice with multiple TDS Code?

TDS calculated on the Prepayment Invoice distribution to which the Standard Invoice is applied is considered for reversal.

TDS Amount calculated on the applied Prepayment line would be reversed in proportion to the amount applied to the Total Amount Prepayment Invoice.

70. Why should the user define a Fin Year for TDS? What is the impact of creating such Fin Year? When should I close the current Fin Year?

This is mandatory for calculating TDS on Invoices. Also, the TDS Certificate Number would be re-set every Fin Year.

Once the current financial year-ends, you will have to navigate to the TDS Period India Localization screen and press 'New Financial Year' button.

71. What would be the Invoice Date and GL Date on the TDS related Invoice created on cancellation of a Base Invoice? What if the GL Date on the Invoice cancelled falls in a closed accounting period.

The Invoice Date and GL Date for the Standard Invoice created for Supplier on cancellation of the Original Invoice would bear the same date as the GL Date on the Reversal Distribution created for Cancelled Invoices.

In case, the cancelled Invoice falls in a closed period then, then the Invoice created will bear the first date of the subsequent Open Period.

72. How should you account for TDS calculated on Provision for Outstanding liability?

Create an Invoice with 'Zero' Amount. Create two distributions. The first with provision amount. Assign TDS Tax Id to this line.

The second line should be created negative of the provision amount. This should not have any TDS Tax Id.

The first line should have the GL Date of the last date in the current period and the second should GL Date as first day of the new period.

This will automate provision creation and reversal. At the same TDS would be calculated for the provisioned amount.

73. What caution should you take in assigning the TAN Numbers to the Legal Entities and Operating Units? What would be impact of changing the TAN Number?

TAN Number is the basis for Calculation of Threshold Limits for TDS Calculation and also for generation of TDS Certificates.

It is mandatory that you specify correct TAN Numbers before you define the TDS Fin Year. These should not be changed once you have created the Fin Year. Any change would hamper the TDS Certification creation and also the Threshold limits calculation.

74. What steps do you need to take when you observe that TDS Invoices are not created on Invoice Approval?

You should check if the 'Payables Open Interface' Audit Report and 'Payables Open Interface Rejection Report' generated for the Payables Open Interface request submitted for creation of the TDS Invoices.

Make corrections through to the Invoice or the Setups and then resubmit 'Payables Open Interface'.

In case you see that the Payables Open Interface is not submitted on validation of the Invoice, then you need to check the following:

- TDS Details Setup for the Supplier Site.
- Fin Year Setup for the Legal Entity

75. What should you do in case you have to change Invoice Amount or TDS Tax Code for a validated Invoice?

The TDS and WCT Amount will not be recalculated when you re-validate these Invoices. In case you would like to have TDS impacted for the revisions then, you should cancel the original Invoice and create a new one with the revised details.

76. TDS Invoices/Credit Memos are generated, even though the TDS Tax Code is not assigned in the 'Invoice Distributions' GDF. How do we avoid this?

Tax is deducted on an Invoice distribution is generated either

- At the Rate that is manually assigned by the user OR
- Based on the TDS Tax Code Attached in the 'Tax Name' field on the TDS Details tab of Supplier Additional Information record for the Supplier Site.
- If this code is not assigned to the Supplier Site, then, the code assigned to the Supplier Null Site will be considered.

Hence, if you do not intend to calculate TDS for a particular Supplier then, please remove the Tax Code attached in the 'Tax Name' field on the Supplier Additional Information.

77. What should we check when the RTN Invoice for the Supplier is not created on applying Prepayment Invoice?

In such cases, check the following:

1. Check whether the program 'India To Insert Prepayment Distributions' has been submitted. If the program checks in as 'Inactive No Manager' Status. Then, query for this program and make the following changes in the concurrent programs definition window:

- Uncheck the check box 'Run Alone' and
- Set the Format type = 'Text' and
- Save the record.

2. Check whether the 'Payables Open Interface Import' is rejecting the RTN Invoices

3. Check whether the TDS Tax code is attached both to standard invoice and prepayment invoice. Check if TDS is generated on both these Invoices.

78. How do we ensure that the TDS Invoices/Credit Memos are always generated with 'Approved' Status?

Ensure that the check box 'Create Pre approved TDS Invoices and Credit Memos' is checked in the 'Additional Supplier Information Screen' for the Vendor/Vendor Site code, for whom TDS is deducted.

Alternatively, you can check this flag for the Vendor Null Site. This would be applicable to all sites unless you have assigned a different value for the Vendor Site.

Reports

79. What can be the reason for TDS Deductions not appearing in 'India - TDS Prescribed Rates Report' and 'India - TDS Lower Rates Report'?

It is a pre-requisite to run the 'Generate TDS Certificates' to view the data in 'India - TDS Prescribed Rates Report' and 'India - TDS Lower Rates Report'.

80. Is there a report where I can see all TDS related Invoices and Credit Memos created for an Invoice?

You can run 'India - TDS Related Invoices' Report to view details of all TDS related Invoices created for an Invoice. This report has to be run for a specific period.

81. Is there a report where I can view Tax Deduction for a Supplier for a particular period?

You can run 'India - TDS Prescribed Rate Report' to view details of all Tax Deductions for a particular TDS section.

This report will provide you information by Supplier.

82. What is a pre-requisite for generating TDS Certificates?

1. Invoice created for TDS Authority should be paid.
2. There should not be any change in the Organization TAN Number

83. How should I generate TDS Certificates when the 'Generate TDS Certificates' Program ends with the error 'NO Withheld invoices found for TDS Certificate(s) Generation'?

Only the Invoices to TDS Authority that have been paid will be considered for generation of TDS Certificates. Hence, you need to ensure that TDS Invoices for the TDS Authority are paid before you generate the Certificates.

84. What can be the reason when the 'Payables Open Interface Import' program rejects the Invoice for TDS Authority with the reason as 'Invalid Vendor Site'?

Remove the TDS Tax name attached in the 'Additional Supplier Information screen' at the Null Site level of the Supplier. Attach the TDS tax name at Supplier / Site Level and save the record and do the transactions.

85. Where do we enter Date of Deposit and Bank Name details for payments made to TDS Authorities?

To capture additional information related to payment made to TDS Authority, a new UI has been created with the name 'TDS Challan Details'.

A user should complete the payment transaction first and then navigate to this UI to enter the additional details. A query finds window has been provided to search payments made to TDS Authority.

PO - AP Localization Tax Flow

86. How would the Localization Taxes be carried forward to AP for ERS Invoices?

You need to schedule 'India - To insert taxes for Pay On Receipt' to carry forward Localization Taxes from PO to AP. This program captures localization taxes in Receipts and inserts Tax lines in Invoice Distributions, for the ERS Invoice created for the Receipt.

You have to schedule the concurrent to submit requests at suitable intervals.

The concurrent 'India - To Insert Tax Distributions' would run to Insert Tax lines in Invoice Distributions, on matching Invoice to PO or Receipt.

87. How do we create Invoices for 3rd party taxes included in receipts?

You need to submit 'India Concurrent for 3rd Party Invoices' concurrent request to create AP Invoices for Third Party Taxes.

You can schedule the concurrent from India Local Purchasing to submit requests at suitable intervals.

88. Which Vendor Site would be considered for Invoices created for Third Party Tax?

Vendor Site specified in the Tax definition would be considered. In the absence of such information, you need to Specify Vendor Site for the Tax line, before saving the Receipt.

The system would pop-up following error message if Vendor Site is not specified for a Third Party Tax.

'Please note that the Vendor Site does not belong to the specified Vendor cannot proceed'.

89. What is the impact of a Return to Vendor (RTV) transaction on 3rd party Taxes?

Third Party Taxes would be debited to 'RTV Expense Account' specified for the Organization/Location. Thus, it would not be eliminated from the AP Accrual Account.

90. What entry would be passed to account for Customs Duties on RTV transaction?

Customs Duty would be debited to 'RTV Expense Account' specified for the Organization/Location. Thus, it would not be eliminated from the AP Accrual Account.

91. How would the Localization Taxes be carried forward to AP for Debit Memos auto-created on RTV transaction?

You need to schedule 'India - To insert taxes for Pay On Receipt' to carry forward Localization Taxes from Return transaction to Debit Memo.

This program captures first party localization taxes in Receipts and inserts Tax lines in Invoice Distributions for the Debit Invoice created for the Return transaction.

92. How are taxes populated in ERS Invoice created based on Receipt with Localization taxes?

India Localization Taxes included in a Receipt are carried to the ERS Invoice by the next

request submitted for 'To insert tax distributions for pay on receipt' concurrent program.

The concurrent 'To insert tax distributions for pay on receipt' for processing of tax Lines for ERS Invoices created based on Purchase Receipts runs in batch mode.

Whenever, some of the tax lines remain unprocessed due to some error, the error message is captured by localization. 'Reprocessing Error Pay On Receipt Invoices Tax Records' feature provides you with an option to view these error records and corresponding messages and mark them eligible for Reprocess. You would also have an option to delete these records.

To view the error records, navigate to India Local Payables Other India - Resubmit Taxes for Pay on Receipt

The form would merely make the Invoices eligible for reprocessing. You have to explicitly run the concurrent 'India - To Insert Taxes For Pay On Receipt' for these Invoices to get processed.

Sales Tax Concessional Forms

93. How would we define a new 'Form Names' that are applicable to your state?

Navigate to India Local Payable - Purchasing Lookups. Query for FORM_NAME. Change the Access Level to User and add the Form Code, Meaning and Description. Enter the Effective Dates and check the 'Enabled' field.

94. How would you create record for tracking ST Forms?

You need to submit 'India - ST Forms Issue Processing' with appropriate parameters to create ST Forms records for Sales Taxes.

95. How do I Auto-Select unmatched Invoices for a Declaration Form issued for a particular amount?

This you can achieve by entering the Form details in the header of 'define Sales Tax Form Details'. Enter in the Form Amount field, a value that you would like to issue the Form for. Check 'Match All' checkbox to select the Invoice Automatically. After which, you can save the Form.

96. Would cancelled Invoices be considered for ST Forms Issue?

In case no declaration form is issued for this Invoice, these Invoices will not be considered for further Form issues.

97. Would reversed Invoices distributions be considered for ST Forms Issue?

In case no declaration form is issued for this Invoice, these Invoice distributions will not be considered for further Form issues.

Bill of Entry

98. Is there any way that we can create a Bill of Entry without having to enter all Item

details?

You can check the 'BOE Item Independent Flag' while you are creating the BOE Header. You need to enter only a Single line with Total Customs Duty Amount. This BOE will be available across all receipts lines.

Excise Payments

99. We have PLA Payments accounted through General Ledger. However, we do not see these entries in the PLA Register. What can be the reason?

You should ensure that 'Acknowledge Received' and 'Acknowledgment Date' fields on the 'Capture PLA Payments' screen should be updated once you receive an acknowledgement on the TR Challan. On saving this, a credit entry will be passed in PLA.

Please note that acknowledgment cannot be made unless the AP Invoice created for the PLA Payment is paid.

India Local Order Management

Following are the frequently asked questions for Order Management module

Sales Orders

100. Why does "Please note that 1 line(s) do not have taxes" Note appear?

This message appears whenever there are no Taxes attached to one or more tax lines.

This is an intended functionality to caution users that though he has used India Localized form for entering the order, the said number of lines do not have taxes defaulted using the standard defaultation logic. This has been provided to ensure that when there is large number of lines in order entry, you are able to keep track of missing defaultation setups against lines that do not have such setup made.

101. What can be the reason for Taxes not defaulting on a Sales Order?

You need to check the following setups:

1. The Item Category has been assigned either to Customer/Site.
2. Tax Category is assigned to the Item in the Item Category List.
3. Trigger JAI_OE_OLA_ARIUD_T1 should be enabled and valid
4. The Functional Currency of the Organization is 'INR'

If any of the above setup is missing please add the missing setup.

102. How to enable Excise calculation for a RMA?

In India Localized Inventory Responsibility, query for the Organization/Location in the

'Organization Tax Information - India Localization' screen. In the Accounting Info tab check if values have been assigned to 'Excise Return Days' & 'Sales Tax Return Days'.

Alternatively check if the difference between RMA Order Date and Original Order Date is more than the value specified in the 'Excise Return Days' & 'Sales Tax Return Days' fields.

103. What can be the reason for Sales Order Lines not being deleted on canceling a Sales Order Line?

This happens when the JAI_OE_OLA_ARIUD_T1 trigger is invalid or disabled.

104. How are the Taxes impacted on changing a Customer Site on SO?

Localization Taxes default based on the Item Category List attached to the Customer Site. If you have changed the Customer Site with the one that does not have this setup then, existing Tax lines will be removed. Else, the appropriate Tax Category will be used to recreate the Tax Lines.

105. Why does change of Item on a Base Sales Order not reflect in Sales Order Localized?

Please note that such change of item on a Sales Order Line is not supported. The correct process is to cancel/delete the existing Sales Order line and add a line with the new item.

106. Why is data shown in Order tab (instead of 'Return' Tab) when an RMA is created by copying an Order?

This problem comes up when the Order category used to copy is 'MIXED'.

Please note that the Order being copied to an RMA Order has to be necessarily of the Order category as 'ORDER' (In the Transaction Type setup).

For already entered orders in the above order category, RMA Order can be entered by direct entry of order with reference instead of using the copy feature.

Sales Orders - Errors

107. When does the Sales Order (Localized) show an error 'Modvat type of Tax must be entered for this line' in a loop?

This error occurs when you assign Excise Exemption Form values (Such as 'CT2-OTH_IND' or 'Excise Exempt Cert OTH-IND') to Sales Order and also Modvat recovery is specified for the Organization.

In such cases, the system expects Modvat Recoverable Type of Tax to be attached to the Order. This error comes up when such Tax line is missing. To resolve this, ensure that a Modvat Recoverable type of tax is defined in system and the same is attached in the sales order line.

108. When does the Sales Order (Localized) screen show error ' JAI_OE_OLA_ARIUD_T1 CURRENCY RATE NOT DEFINED'? How do we resolve this?

This message comes up whenever the Currency Setup is missing for the Transaction Type. You can resolve this problem by making the correcting the following setups:

1. Check the Transaction Types Setup by Navigating through Setup -> Transaction Types -> Define. Ensure that for the specific Order 'Conversion Type' field on the Finance Tab is not null.
2. Also ensure that Exchange rate is defined for this conversion type in the Daily rates. This enables the system to derive a conversion to functional currency from the Transaction currency.

109. On Clicking BOOK Order Button - user gets the following Error "Please Specify the Tax Code. This Line Type requires Tax Calculation." How do we resolve this?

Ensure that Tax code 'Localization' is defined as specified in the India Localization URM and the same is attached to this Sales Order

110. Ship Confirm ends with Error " ORA-20405 : Taxes are not matching in JAI_OM_OE_SO_LINES and JAI_OM_OE_SO_TAXES FOR LINE_ID". What can be wrong? How can this be corrected?

This error indicates corruption of data in Sales Order & hence is a preventive measure to ensure that such corrupted data does not flow to Excise Registers and AR Transaction.

To rectify this, rectify the taxes attached to the corresponding Sales Order Line for which you are trying shipment. In case of Partially Shipped Orders, please note that the correction is required in the new line that is being Shipped & not the one that is already shipped. Post correction of taxes, the shipment can be made successfully.

111. Copy an Order to create a RMA Order results in error " ORA-20001 - No data found in localization shipping tables, hence copy cannot be done".

Taxes on RMA are based on shipping tax Lines. Hence, if there are no tax lines in localization shipping table, copy of such order to create an RMA Order is not allowed.

In scenarios where there are no taxes in shipping tables, it is advisable to create the RMA by way of manual entry with reference to the original Order instead of trying to use the copy feature.

112. Copying an RMA Order to create another RMA Order results in error " ORA-20001 - Copying of Return Order to Return Order is not currently supported with India Localization Taxes".

A RMA cannot be copied to create a new RMA with localization taxes. It is necessary to use either a Shipped Order or enter the RMA Order directly with reference.

113. While Booking a Sales Order error "User defined exception in Package OE_SHIPPING_INTEGRATION_PVT" is displayed and the line status changed to Booked, where as it should be awaiting shipping. Is this due to some setup missing in India Localization?

To diagnose and ensure that it is India Localization error, please do the following

1. Ensure that all India Localization triggers are valid and enabled which are returned by the following script:

```
SQL> SELECT table_name,trigger_name, SUBSTR (owner,1,10) OWN, status
FROM all_triggers
WHERE (table_name IN ('WSH_DELIVERY_DETAILS' )
and trigger_name like 'JA%'
ORDER BY 4,1;
```

2. Post this, disable all the above triggers & try a cycle. If the error persists then it is a not a India Localization issue.

This issue occurs when any of the trigger on base applications table 'WSH_DELIVERY_DETAILS' is invalid.

114. While saving a Sales Order system shows error 'ORA-20101, 'Warehouse Id is Mandatory for Calculating Localization Taxes - Enter Warehouse id before Saving'.

As mentioned in the error, for calculation of Localization taxes Warehouse needs to be entered in the Others Tab of the Base Sales Order screen. This being a Base Sales Order field, the property of the same is not changed, but instead the above error is shown to ensure that the user enters the Warehouse id prior to saving the record.

Ship Confirm

115. Why are no rows fetched on querying for a shipment on Ship Confirm Localized Form?

Check the following before querying for the Shipment:

- Order has localized taxes attached.
- Base Order line shows tax code as 'Localization'
- Inventory Interface/Inventory Trip stop has not completed in error.
- Running the query does not show no rows selected.

```
'select * from JAI_OM_WSH_LINES_ALL where Delivery_id = &Delivery_id;'
```

This would mean that the Trigger on ship confirm failed & could not insert lines in localization table.

- The screen does not show "Invalid Object JAI_OM_WSH_DELIVERIES_V"

116. What Setup and transaction information should be checked when RG1 / Payment Register do not get updated post shipment?

Check the following Setup:

1. The Item shipped has Item class as FGIN (For RG1) at Organization Items level.

2. The Item shipped has Item as Excisable at Organization Items level.
3. The Order type used is attached to Bond Register.

Check the following Transaction Data:

- The Order shipped has Excise Type of tax attached to it.
- Inventory Interface has completed normally .
- The Payment Registers have sufficient balance to clear the transaction.
- India - Excise Invoice Generation' Program has been run for the transaction & completed without error.
- By Running query.

```
'select * from JAI_OM_OE_GEN_TAXINV_T where Delivery_id = &Delivery_id;'
```

shows no rows selected

If the above shows rows, rerun the India - Excise Invoice Generation program giving delivery_id in the parameter & check the log file.

- By Running query

```
'select * from JAI_CMN_ERRORS_T where Application_Id = 'JAI_OM_WSH_PKG' and Creation_Date like Sysdate;
```

Checkup if any errors are reported for OM Transactions.

Ship Confirm - Errors

117. Ship Confirm results in error 'ORA-20406 - Mandatory India Localization Sub-inventory Setup not done for this Location from where shipment is made' or 'ORA-01400: cannot insert NULL into ('JA"."JAI_OM_WSH_LINES_ALL"."LOCATION_ID")'. What does this mean? How do we resolve this?

This error indicates that Sub inventory Location setup in India Localization is missing.

To resolve this do the following:

1. Navigate to India Local Inventory responsibility -> Setup -> Organizations -> Sub inventory Locations.
2. Query for the Organization and Location combination were you are trying to ship. Ensure that all the Sub-inventories for this combination are added in this form. Post this try to carry out Ship Confirm.

118. Ship Confirm results in error 'ORA-20401, 'Matched Quantity - 0 should be equal to Shipped Quantity - 5 in trading Sub inventory 'XXXX'. What does this mean? How

do we resolve this?

For a shipment made from the Trading Organization, Matching of the Delivery with Receipt is pre-requisite.

It is also necessary that the Matched quantity and shipped quantity tally. India Localization does not support features of backordering in case of Trading Organization and the full quantity matched needs to be necessarily shipped.

You should match the delivery to receipts prior to shipment to ensure matched quantity is physically available for shipments.

119. Ship Confirm results in error 'ORA - 20401 - LC Matched Quantity - 10 should be equal to Shipped Quantity -- 5 for LC enabled Orders'. What does this mean? How do we resolve this?

An LC enabled Order has to be matched to an LC with the quantity that is being shipped, prior to shipment.

For cases where splitting is required, please split first & then match. Try shipping only post matching is completed.

120. Ship Confirm results in error "ORA-20120: Currency Conversion Rate Not Defined In The System ORA-06512: at "APPS.JA_CURR_CONV", line 75 ORA-06512: at "APPS.JAI_OM_WDD_ARIUD_T1", line 503 ORA-04088: error during execution of trigger 'APPS.JAI_OM_WDD_ARIUD_T1". What does this mean? How do we resolve this?

The error occurs for a foreign currency transaction for which the currency conversion rates are not maintained. Please update the daily rates & then run the ITS (Interface Trip Stop).

121. Querying on Ship Confirm Localized screen shows Invalid Object JAI_OM_WSH_DELIVERIES_V. Trying to compile the same gives error ORA-01730: invalid number of column names specified. How do we resolve this?

This error occurs when there is any change to the table structure of base applications table Wsh_Delivery_Details & is resolved by reapplying the Jai_om_wsh_deliveries_v.sql from the latest patch set objects.

Letter of Credit

122. Why does Customer Number/Site not appear in LC Master Screen?

Please check & ensure that Customer and Customer Site Information is properly setup in Customer Additional Information screen.

123. How do we ensure that LC Number generated on LC Master is in sequence?

Ask your DBA to check the Sequence, JAI_OM_LC_HDRS_S, and see that it has a value.

Cause When the application is launched, after the database is restarted, new request numbers are cached in memory for use when LC Masters are created. The number cached is controlled by the Sequence JAI_OM_LC_HDRS_S. Numbers are cached,

bouncing the database for any reason will cause sequence numbers to be skipped. All numbers remaining in cache are lost when the database goes down. When the database is restarted and the application is launched new numbers are cached beginning where the last full set of cached numbers ended.

Fix This is functionality as designed. The Sequence JAI_OM_LC_HDRS_S comes with a seeded value, or may have been adjusted by your DBA during installation. The feature can be turned off, however. To disable the feature set the sequence to NOCACHE in the JAI_OM_LC_HDRS_S table.

This should be done by the Database Administrator. From the SQLPLUS prompt type the following:

```
ALTER SEQUENCE JAI_OM_LC_HDRS_S NOCACHE;
```

When NOCACHE is set, you can view the next available sequence by querying the USER_SEQUENCES table.

Additional Information: This can impact performance because when the feature is turned off, creation of each Service Request will cause a table query for the next id instead of getting it from the cached values.

Trading - Match Receipts

124. What can be the reason for the Order Type not appearing in Match Receipt screen?

Ensure that the following are completed:

1. The Order is attached in 'Define Bond Register' to 'Trading Domestic with Excise'
2. The Order Entered has an 'Adhoc Excise' Tax line with zero value
3. The Order is in a Trading Organization and Location that has been defined

125. How do we correct a delivery wrongly matched to a Receipt?

If such error is noticed prior to shipment then the existing match can be undone using Unmatch feature. This feature is provided in the Match Receipts form. On selection of 'Unmatch' Button, system lists only those Orders that are not yet shipped. Unmatch can be performed either for the full delivery or for a delivery line.

However, once the shipment is made, such mistakes cannot be rectified.

126. Why does the ON-UPDATE TRIGGER ERROR occur on performing Match Receipts?

The above occurs when there is a corruption of the tax lines in the Sales Order. This gets rectified on querying the Sales Order and rectifying the tax lines.

127. What should be checked when an entry for one line does not appear in Match Receipt screen?

Please check and ensure the following:

1. The Items attached in this line are properly set up as trading item.
2. The Order line entered has an 'Adhoc Excise' Tax line with zero value
3. The line has been pick released.
4. The Item class of the Item is set as 'FGIN' and not 'OTIN'.

128. In what circumstances is the shipped (from a Trading Organization) allowed without completing Match Receipts?

This happens when the trigger JAI_OM_WDD_ARIUD_T1 is either invalid or disabled. This trigger ensures that the shipping is stopped in case of any error & if the same is disabled, all the checks will be bypassed & will result in either data corruption or will cause the Interface Trip Stop to run into error.

129. Can Matching in RG23 D receipts be LOT controlled?

Trading functionality of India Localization does not work on LOT Control provided by base applications. Hence, LOT numbers selected in the shipment have no bearing on selection and matching of receipts for trading functionality.

130. Why no Accounting Entries are passed for Excise for Sale made through a Trading Organization?

As per localization functionality / design, use of RG23 D / Trading does not have any impact on GL. The account entered in RG23D account in Organization Additional Information is not used in Shipment. However, Account defined on the Excise Tax is credited when the 'Order Price Excise Inclusive' flag is set to 'NO'.

Excise Exemption Transactions

131. Why is an RG 23/PLA entry created on carrying out an Excise Exemption Transaction?

CENVAT Reversal entry is passed automatically based on the Cenvat Reversal Percentage value entered in Organization Additional Information for the Organization/Location from where the material is shipped. This happens only when the Excise Exempt type is 'CT2-IND' and 'Excise Exempted Certificate - IND'.

This percentage is normally supposed to be set up as 8% for duty debit under Rule 6 of The Central Excise Rules.

132. What can be the reason for a Zero Value entry in the Bond Register?

Use of 'Customs' & 'CVD' type of taxes on Sales Order results in this problem. 'Customs' & 'CVD' are supposed to be input taxes & are not to be used with Sales Orders. 'Excise' Type of Taxes should be used while creating a Sales Order for an exempt transaction.

133. Can we change the Excise Exemption values on Sales Order once they are entered and saved?

Once a Sales Order is marked as Excise Exempt, no further changes to the Excise

Exemption data is allowed. User should take sufficient care to enter correct data & verify the same prior to saving.

134. Why are Shipments Taxes made under Bond and having 'Additional Excise' are updated in AR Transactions?

Excise type 'Excise - Additional' has been created specifically to cater to Additional Excise duty. This is applicable to items like Sugar, Tobacco & also few textile items, like fiber, yarn etc. which attract Additional Excise Duty under Additional Duties of Excise (Textiles and Textile Articles) Act, 1975. Mapping of the SED is supposed to be made to 'Excise - Special', which has been specifically provided for this issue. Use of correct Tax type should be made for proper product behavior.

Excise Invoice Generation

135. What can be the reasons for Excise Invoice Numbers not being generated on running the 'India - Excise invoice Generation' concurrent program?

Anything missing in the following setups and transaction data can lead to non generation of Excise Invoices.

Check the following Setups:

1. The Item shipped has Item class setup at Organization Items level
2. The Item Class should exist and should not be 'OTIN' or 'OTEX"
3. The Item shipped has Item as Excisable at Organization Items level
4. Check if the table JAI_INV_ITM_SETUPS has been populated for this item
5. The Order Type used is attached to Bond Register
6. The Financial Year is setup in Localization for the Organization.
7. The Organization is either a Master Org or has been attached to a Master Org.
8. The EC Code for the Organization is not null & a distinct code is entered.
9. The shipment has been made from a bonded Sub inventory.

Check the following Transaction Data:

1. The Order shipped has Excise Type of tax attached to it.
2. Inventory Interface has completed normally
3. The Payment registers have sufficient balance to clear the transaction
4. 'India - Excise Invoice Generation' Program has been run for the transaction &

completed without error.

5. Running the query 'select * from JAI_OM_OE_GEN_TAXINV_T where Delivery_id = &Delivery_id;' Shows no rows selected
6. If the above query shows rows, rerun the India - Excise Invoice Generation program giving delivery_id in the parameter & check the log file.

136. Why is Excise Invoice Number is always generated as Zero?

Correct records for new financial year have not been populated in JAI_CMN_RG_EXC_INV_NOS table as there was some problem during opening of new year.

Alternatively, The Organization is not defined as a Master Org nor has it been attached to a Master Org.

137. Why does the Delivery id not appear in the LOV while trying to Run the 'India - Excise Invoice Generation' program?

1. Check & ensure that the setups as specified in Question 144 are made.
2. Run the following select script:

```
Select delivery_detail_id, oe_interfaced_flag, inv_interfaced_flag from  
wsh_delivery_details where delivery_detail_id = &Delivery_detail_id;
```

If the above output does not show 'Y' for both oe_interfaced_flag and inv_interfaced_flag the same means that the Interface Trip Stop has not been successful (completed in error) and the same needs to be processed. Please note that 'Excise Invoice Generation' is a step post Interface Trip Stop & hence in the given scenario, Localization is waiting for successful completion of Interface Trip Stop.

138. What can be the reasons for Delivery id not appearing in the LOV of 'India - Excise Invoice Generation' program?

Check output of the following select script:

```
Select delivery_detail_id, oe_interfaced_flag, inv_interfaced_flag from  
wsh_delivery_details where delivery_detail_id = &Delivery_detail_id;
```

If the above output shows 'P' for inv_interfaced_flag the same means that the Interface Trip Stop has run into warning & the same needs to be processed. Excise Invoice Number is generated only when the Shipment is successfully interfaced to Inventory & in the current scenario, the program is waiting for the Interface to get completed. The Excise Invoice in the above case will only get generated when the inv_interfaced_flag gets replaced with 'Y'.

139. Why does the Excise Invoice Generation Program not show any output?

'India - Excise Invoice Generation' Program does not have any RDF attached to it and hence the same is not supposed to show any output. This program when run results in generation of Excise Invoice Number based on setups made & updates the necessary

registers & passes accounting entries. The output is not provided as there is no generic format for Excise Invoice printing & each Organization requires the same to be printed in a different format as per business requirement.

140. How to setup Excise Invoice Number? How to initialize the Number to start from a different Number?

In Excise Generation India Localization screen Transaction Type field choose one of the options from the LOV. The options would be

1. **Order:** On selecting this option in combination with the Order Type, the Excise Invoice Number generated on shipping the delivery created with this Order Type would be based on the definition specified for this record.
2. **Return To Vendor:** The document sequence defined here would be applicable to Excise Invoice Numbers generated for a Return to Vendor Transaction.
3. **Domestic:** The document sequence defined here would be used for Domestic Transactions. A Domestic transaction would be the one created with a Order/Invoice Type attached to 'Domestic with Excise' Type of Bond Register. Please note that this will be applicable to all Domestic Orders/Invoices other than those explicitly setup through this screen.
4. **Invoice:** On selecting this option in combination with the Invoice Type, the Excise Invoice Number generated on completing an AR Invoice would be based on the definition specified for this record.
5. **Export:** The document sequence defined here would be used for Export Transactions. A Export transaction would be the one created with a Order/Invoice Type attached to 'Export with Excise' type of Bond Register. Please note that this will be applicable to all Export Orders/Invoices other than those explicitly setup through this screen.
6. Also, note that you can initialize the default values of GP1 & GP2 in the table JAI_CMN_RG_EXC_INV_NOS to start from a different number.

141. How to ensure that Excise Invoice does not get generated for certain shipments?

At Transaction level, Excise Invoice generation is mainly dependant on the Sub inventory from where the material is being shipped & the Order Type association to Bond Register. Hence when for a particular shipment, Excise Invoice should not be generated, the same should be shipped from a 'Non- Bonded' sub inventory. Alternatively an Order Type which is attached to 'Domestic Without Excise' can be used to create shipments without having Excise Invoice Numbers / Excise Impact.

142. Why is that the Excise Invoice Numbers are in a sequence but the date is not in the same Order?

Excise Invoice Generation results in entry on Shipment Date as per localization intended functionality. This program is required to be scheduled to run on need basis

and at least once per day. If the program is not scheduled but run manually for each shipment, and user forgets to run the same for a particular delivery, the same would remain pending in the temp table. As and when such record is processed the entry would get passed on the Date of the shipment and the number would be the current running Excise Invoice Number. To avoid such kind of issue, Schedule the program to run without any parameters at least once a day.

143. How should I avoid same Excise Invoice Numbers being created for Multiple deliveries?

The 'India - Excise Invoice Generation' program is required to be set as incompatible to itself. If this is not done and multiple users run this program at the same time without passing delivery id, this issue comes up. Check & rectify the program's incompatibility.

144. Excise Invoice Number is seen in Ship Confirm Localization screen, but appears as blank in AR Localization screen. What can be the Cause? How do we resolve this?

Cause

The above scenario is caused when the ITS (Inventory Trip Stop) runs into warning & hence updates the OM interfaced flag without updating the Inventory interfaced flag. In such cases the Invoice in AR is generated prior to generation of Excise Invoice in system and hence the problem.

Solution

Run the concurrent program 'India - Importing Excise Invoice Numbers in AR' for the org_id and the Invoice Number. The Invoice Number will no longer appear in the LOV once the Excise Invoice Number is updated.

145. What can be the reason for improper Excise Invoice sequence?

If prefixes are not being used, it is most likely that more than one type of Invoice / Order will be using the same series. Under such circumstance, it is likely that the Excise Invoice is not being skipped out but used against different series of Order / Invoice. Please check your excise registers, which should confirm this.

146. How can we rectify existing shipments for which Excise Invoice has not been generated?

Please note that Data fix in the above case will not be possible, as the shipping event has already taken place.

Please carry out the following steps to rectify the books:

1. If the item is a FGIN item, Pass an entry in Manual RG1 Entry
2. Else pass proper manual entry in the payment registers.
3. While passing the above manual entries, you will see an Excise Invoice Number that has been generated for this transaction.
4. Record the same Number in pre-printed Number at shipping localized form for

further reference if required.

147. What should be checked when Excise Invoice is not generated for a Manual AR Transaction?

Check the following:

1. The Item is an Inventory Item created in system.
2. The Item used for Manual Transaction has Item Class setup at Organization Items level.
3. The Item used for Manual Transaction has Item as Excisable at Organization Items level.
4. Check if the table JAI_INV_ITM_SETUPS has been populated for this Item.
5. The Transaction type used is attached to Bond Register as Invoice under proper register type.
6. The Financial Year is setup in Localization for the Organization.
7. The Organization is either a Master Org or has been attached to a Master Org.
8. The EC Code for the Organization is not null & a distinct code is entered.
9. Where you have not checked 'Allow -Ve Balance in PLA' at the Organization Level, check whether enough Excise balance exists to clear the transaction.
10. Excise Type of tax is attached to the transaction
11. The program 'AR Tax and Freight Defaultation' is submitted and has completed without error.
12. The Transaction is completed.

148. How do we handle Tax Collection At Source?

You can use the following approach to meet the calculation and accounting needs related to Tax collection At Source:

1. Create a Tax Code for Tax Collection at Source with the Tax Type as 'Any Other Tax'. Assign this Tax Code to the relevant Tax Category. Set the Item Category list appropriately so that this tax would default for sale scrap items to certain customers.
2. The Tax calculated thus would be accounted by debit to the Receivable Account and credit to account specified for the Tax code.
3. Where you would be able to identify the TCS applicability only on creating the transaction, the TCS Tax code should be added manually to such transactions.
4. Following Accounting entry will be passed on Accounting for the AR Transaction:

Sundry Debtors Dr 11550

Scrap Sales Cr 10000

Tax Cr 500

TCS Collected Cr 1050

5. You have to generate TCS Certificates and returns outside India Localization.

Returns

149. RMA order is not picking the tax amount for the return order created with reference. OR Tax lines for RMA is created with Zero amount. Why does this happen?

Please check the following:

1. Query the Shipment against which this RMA is being entered and ensure that the same has taxes visible. (If not, RMA Order will not have taxes, as the Original Invoice in such case will also be without taxes).
2. Check that in the Sales Order Localized form the check if 'Allow Excise Credit?' & 'Allow Sales Tax Credit?' have been marked as 'Yes'.
3. Ensure that the Tax type for the tax code used is one provided by localization and is not a customized tax type.
4. The value entered in 'Organization Additional Information' in the columns of 'Sales Tax Return Days' and 'Excise Return Days' for the given Organization & Location combination is not null.
5. The difference between Shipment date and RMA creation date is less than the value entered in 4 above.

150. How to handle a case where taxes are not defaulted on Credit Note generated for the Customer, due to missing setups?

Create a Manual Credit Note for the tax amount and match the same with Original Invoice. Use of Manual Register entry form can be made for updation of Excise Registers in such cases.

151. Why is tax not recalculated when Modifiers are used in RMA created with reference?

As per localization functionality, the RMA Taxes are copied from taxes applicable at time of shipment & are frozen. The same cannot be changed in view of the legal requirement that Credit Note for an Invoice cannot have different tax compared to that of the Original Invoice. In case of any business requirement to have change in taxes, a separate Credit Note for such tax differential can be issued.

Alternatively, RMA Order can be entered without reference to the Original Shipment

that will then allow user to change taxes.

152. Why is RG 23D Register updated both on Return and also on re-Shipment?

If a dealer has to take back the goods in his stocks & afterwards to resell the same to another customer under cover of an Excise Invoice, in this situation the procedure prescribed by the Pune Commissionerate vide Trade Notice No. 18/87 Dated 11/12/1997 should be followed by the Dealers or Depots of the Manufacturers or Consignment Agents or Importers etc., who are registered.

Under the above The Range Superintendent can cancel the Original Invoice after verifying deletion of relevant entries in RG23D & confirming that no CENVAT has been availed at other end & allow the dealer to issue fresh cenvatable Invoices in the Name of the other Customer. The above is the basis of current RMA architecture in a Trading Organization.

153. Are Excise Quantity Registers updated on Inventory Transactions that happens from the Staging transfer of Sales Order?

Excise Registers will be updated based on the Item Class, subject to the condition that the Staging Sub Inventory is Bonded.

India Local Receivables

Following are the frequently asked questions in Receivables module

Taxes in Receivables

154. What should we check when taxes have not flowed to AR for Invoices created by using Auto Invoice?

Check the following:

1. Sales Order had taxes attached
2. Such Taxes can be viewed on querying the shipments in Ship confirm localized. If not refer details given above.
3. The Order does not have any exemption attached to it.
4. The Program 'India Local Concurrent for processing Order Lines to AR' has been scheduled / run after Auto Invoice.
5. Opening the form 'India Localization - Reprocessing Error OM Tax Records' does not show the same as stuck with any error. (This should be available under the menu Control -> India Resubmit AR Tax and Freight) If yes, resubmit the same and run the above program.

155. What can be the cause for the Taxes appearing in balance screen but not in distribution lines in Base AR Transactions screen?

This can happen in the following scenarios

1. The 'India Local Concurrent for processing Order Lines to AR' has not been set as incompatible to itself and is being run simultaneously by multiple users.
 - a. Solution for this is to set the above program incompatible to itself.
 - The 'India Local Concurrent for processing Order lines to AR' has the parameters run for all Operating Units and the same is marked as 'Yes' and scheduled/run like this from Multiple Operating Units.
 - a. In such case cancel all the scheduled requests of this program & schedule it to run with this parameter as 'Yes' from only from one Operating Unit.

156. Why do Excise Taxes not flow to AR when Order Type is attached to Bond Register?

Liability of Excise Duty on Sales made under Bond Registers does not arise and need not be charged to the Customer. However, such transactions are to be tracked through Bond Register.

This Excise Amount in bond register is credited back in 'Bond Register' on submission of 'Proof of Export' using the Bond Register Summary screen.

157. What can be the reason for Excise taxes not flowing to AR created in Trading Organization?

This happens in cases where the Trading Organization setup in Additional Organization Information has 'Order Price Excise Inclusive' field checked. This means that price includes Excise and the same is not to be recovered separately from the Customer.

158. What can be the reason for Tax line having Zero Amounts in Base AR Tables?

1. This happens when an Invoice that has been imported using Auto Invoice and the Status is reset to Incomplete by the user manually. The cause of such issue is base applications behavior that replaces localization taxes with zero.
2. The user should be aware of such behavior and should avoid setting the Invoice to Incomplete Status post import of the same from Order Management.

159. Why do Taxes on Non-Inventory Items, created through Generic line workflow without shipment, not result in taxes in AR?

Localization will process taxes from Sales Order to AR only for 'Bill Only Workflow' and any other method like 'Servicable Item' getting imported using 'Line flow - Generic' will not result in taxes. The Localization architecture is shipment based and above 'Bill Only Workflow' is an exception route provided for handling of Service Tax Items. Further note that this kind of transactions will not have Excise Invoice Numbers, as Excise Invoice requires shipment as a pre-requisite.

160. Why do discrepancies occur in Shipment Taxes (lines are split during shipment) when compared with Sales Order?

Such discrepancy (when the same is of value Rs.1) can be as a result of rounding when the tax in the Sales Order is to be rounded off to zero decimals & the lines are split at time of shipment but again consolidated at time of Invoice creation.

Taxes in Receivables - Errors

161. Auto Invoice program results into an error of 'Unable to locate a valid Sales Tax Rate for transaction.'

The above error is results of partial setups have been done on the Base applications tax windows. Please note the following points on the Base application Tax Setup when you are using India Localization:

1. Tax Method and Location flexfield selection has to be done in the System Options, as this is a mandatory setup requirement.
2. Ensure that E-Business Tax setup for Tax code localization is carried out as shown in the Implementation Guide.

E-Business Tax Setup

162. How should I setup E-Business Tax Regime to Rates

Oracle E-Business Tax is a new product that provides the infrastructure for tax knowledge management and delivery using a global system architecture that is configurable and scalable for adding country specific tax content. As the single point solution for managing transaction-based tax, Oracle E-Business Tax uniformly delivers tax services to all E-Business Suite business flows through one application interface.

From Release 12 E-Business Tax replaces the Accounts Receivable tax engine that is present in Release 11i.

You will have to do a dummy Regime to Rates setup in E-Business Tax as detailed in this chapter. Please refer to E-Business Tax documentation for further information.

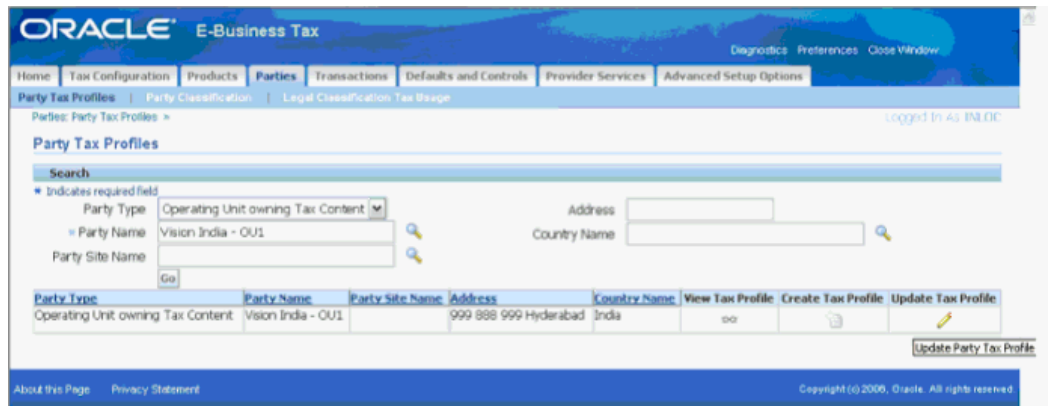
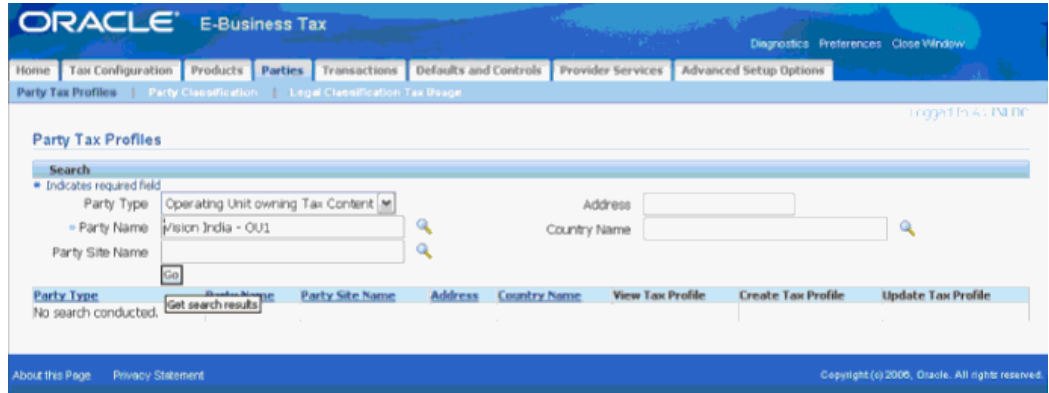
Please note that following steps to perform the E-Business tax setups are required for new implementations only. For existing Release 11i customers, migration scripts will ensure the required setups.

Step 1: Define "Party Tax Profiles"

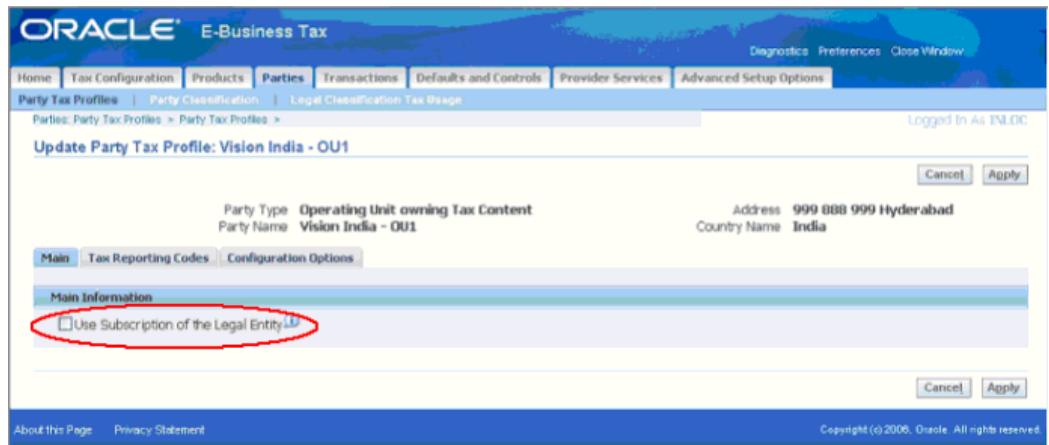
Search for Operating Unit using the "Party Tax Profiles" page.

Navigation : Tax Manager – Parties – Party Tax Profiles – Parties Tab

Click on "Update Party Tax Profile" button.



The following Flag should *not* be checked.



Important: Please note that "Use subscription of the Legal Entity" check box *must not* be checked.

You will not be able to use India Localization if this flag is checked.

Step 2: Define Regime

Navigation : Tax Manager – Parties – Party Tax Profiles – Tax Configuration Tab

Following regime should be defined with *exact* values as shown below:

Following data should be entered while defining the tax regime:

Tax Regime Code IN-SALES_TAX

Name IN-SALES_TAX

Regime Level: Country

Country Name : India

Effective Date : current date

The screenshot shows the Oracle E-Business Tax interface for creating a tax regime. The page title is "ORACLE E-Business Tax" and the user is logged in as "IN,DC". The navigation menu includes "Home", "Tax Configuration", "Products", "Parties", "Transactions", "Defaults and Controls", "Provider Services", and "Advanced Setup Options". The "Tax Configuration" menu is expanded, showing "Tax Regimes", "Taxes", "Tax Statutes", "Tax Jurisdictions", "Tax Recovery Rates", "Tax Rates", and "Tax Rules". The "Tax Regimes" menu item is selected, and the page title is "Tax Configuration: Tax Regimes".

The main content area is titled "Create Tax Regime: Main Details" and contains the following fields:

- Main Information**
 - Indicates required field
 - Tax Regime Code: IN-SALES_TAX
 - Name: IN-SALES_TAX
 - Regime Level: Country
 - Country Name: India
 - Parent Regime Code: (empty)
 - Effective From: 01-Apr-2000
 - Effective To: (empty)
 - Used to group Regimes:

There are two "Cancel" and "Continue" buttons at the bottom of the form. The footer contains "About this Page", "Privacy Statement", and "Copyright (c) 2006, Oracle. All rights reserved."

Set "Configuration Options" as follows:

You need to set value for "Configuration for Taxes and Rules" as "Common Configuration with Party Overrides"

ORACLE E-Business Tax Diagnostics Home Logout Preferences

Home | **Tax Configuration** | Products | Parties | Transactions | Defaults and Controls | Provider Services | Advanced Setup Options

Tax Regimes | Taxes | Tax Statuses | Tax Jurisdictions | Tax Recovery Rates | Tax Rates | Tax Rules

Tax Configuration: Tax Regimes > Create Tax Regime: Main Details >

Create Tax Regime: Configuration Options

Tax Regime Code **IN-SALES_TAX**
Name **IN-SALES_TAX**

* Indicates required field

TIP Date format example: 17-Mar-2006

Party Name	Party Type	Address	Country Name	Configuration for Taxes and Rules	Configuration for Product Exceptions	Effective From	Effect
Vision India Operations	First Party Legal Entity	909 8877 776 Hyderabad	India	Common Configuration with Party Overrides		01-Apr-2000	

This setup needs to be carried out for once at the Legal Entity level and also for *EACH* Operating Unit in which you wish to use Oracle Financials for India.

ORACLE E-Business Tax Diagnostics Home Logout Preferences

Home | **Tax Configuration** | Products | Parties | Transactions | Defaults and Controls | Provider Services | Advanced Setup Options

Tax Regimes | Taxes | Tax Statuses | Tax Jurisdictions | Tax Recovery Rates | Tax Rates | Tax Rules

Tax Configuration: Tax Regimes > Regime to Rate Flow > Update Tax Regime >

Update IN-SALES_TAX: Configuration Options

Tax Regime Code **IN-SALES_TAX**
Name **IN-SALES_TAX**

* Indicates required field

TIP Date format example: 17-Mar-2006

Party Name	Party Type	Address	Country Name	Configuration for Taxes and Rules	Configuration for Product Exceptions	Effective From	Effect
Vision India Operations	First Party Legal Entity	909 8877 776 Hyderabad	India	Common Configuration with Party Overrides		01-Apr-2000	
Vision India - OU1	Operating Unit owning Tax Content	999 888 999 Hyderabad	India	Common Configuration with Party Overrides		01-Apr-2000	

Step 3: Create Tax

Navigation : Tax Manager – Parties – Party Tax Profiles – Tax Configuration Tab

Create a Tax with following values:

Tax Regime Code IN-SALES_TAX

Configuration Owner Global Configuration Owner and Operating Unit *

Tax Source Create a new tax

Tax LOCALIZATION

Tax Name LOCALIZATION

Effective From current date

Tax Currency INR

Rounding Rule Down

Applied Amount Handling Recalculated

The screenshot shows the Oracle E-Business Tax 'Create Tax' form. The form is titled 'ORACLE E-Business Tax' and has a navigation bar with tabs for Home, Tax Configuration, Products, Parties, Transactions, Defaults and Controls, Provider Services, and Advanced Setup Options. The 'Tax Configuration' tab is selected, and the 'Tax Regimes' sub-tab is active. The 'Create Tax' form is displayed, showing the 'Main Information' section. The form includes the following fields and options:

- Tax Regime Code:** IN-SALES_TAX
- Configuration Owner:** Global Configuration Owner
- Tax Source:** Create a new tax
- Tax Name:** LOCALIZATION
- Tax Type:** LOCALIZATION
- Effective From:** 01-Apr-2000
- Effective To:** (blank)
- Geography Type:** (blank)
- Parent Geography Type:** (blank)
- Parent Geography Name:** (blank)
- Override Geography Type:** (blank)
- Tax Currency:** INR
- Rounding Rule:** Down
- Tax Precision:** (blank)
- Exchange Rate Type:** (blank)
- Compounding Precedence:** (blank)
- Reporting Tax Authority:** (blank)
- Collecting Tax Authority:** (blank)
- Applied Amount Handling:** Recalculated
- Make Tax Available for Transactions
- Set as Offset Tax
- Set Tax for Reporting Purposes Only

* This setup needs to be carried out for once at the Legal Entity level and also for *EACH* Operating Unit in which you wish to use Oracle Financials for India.

Please enter values for "Tax Recovery Controls" as follows:

Allow Tax Recovery check box should be checked and "Primary Recovery Type" should be PREC1.

Make Tax Available for Transactions ⓘ
 Collecting Tax Authority: _____
 Applied Amount Handling: Recalculated
 Set as Offset Tax ⓘ
 Set Tax for Reporting Purposes Only ⓘ
 Geography Type: _____
 Parent Geography Type: _____
 Parent Geography Name: _____
[Hide Controls and Defaults](#)

Controls and Defaults

Controls
 The following values if set enable the relevant functionality for this tax.

Allow Tax Inclusion
 Allow Override and Entry of Inclusive Tax Lines
 Allow Tax Rounding Override
 Allow Override for Calculated Tax Lines
 Allow Entry of Manual Tax Lines
 Use Legal Registration Number
 Allow Duplicate Tax Registration Numbers
 Allow Multiple Jurisdictions ⓘ

Tax Accounts Controls
 The following values control how accounts are defined for this tax.
 Tax Accounts Creation Method: Create Tax Accounts

Tax Recovery Controls
 The following enable and control the tax recovery functionality for this tax.

Allow Tax Recovery
 Allow Tax Recovery Rate Override
 Allow Primary Recovery Rate Determination Rules
 Primary Recovery Type: REC1
 Secondary Recovery Type: _____

Step 4: Create Tax Status

Navigation : Tax Manager – Parties – Party Tax Profiles – Tax Configuration Tab

Create Tax Status with following values:

Tax Status Code STANDARD

Name LOCALIZATION

Effective From current date

ORACLE E-Business Tax

[Home](#) | [Tax Configuration](#) | [Products](#) | [Parties](#) | [Transactions](#) | [Defaults and Controls](#) | [Provider Services](#) | [Advanced Setup Options](#)
[Tax Regimes](#) | [Taxes](#) | [Tax Statuses](#) | [Tax Jurisdictions](#) | [Tax Recovery Rules](#) | [Tax Rates](#) | [Tax Rules](#)

Tax Configuration: Tax Regimes > Regime to Rate Flow > Logged In As: INLDC

Create Tax Status
 * Indicates required field Cancel Create Another Apply

Main Information

Tax Regime Code: IN-SALES_TAX
 Configuration Owner: Global Configuration Owner
 Tax: LOCALIZATION
 Tax Status Code: STANDARD
 Name: LOCALIZATION
 Effective From: 01-Apr-2000
 Effective To: _____
 Set as Default Tax Status ⓘ

Default Controls
 Allow Tax Rate Override

Tax Rate Defaults
 The following values will default for all tax rates within this Tax Status and can be overridden at the Tax Rate level.

Default Recovery Settlement: _____

Cancel Create Another Apply

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This setup needs to be carried out for once at the Legal Entity level and also for EACH Operating Unit in which you wish to use Oracle Financials for India.

ORACLE® E-Business Tax

Home | **Tax Configuration** | Products | Parties | Transactions | Defaults and Controls | Provider Services | Advanced Setup Options

Tax Regimes | Taxes | Tax Statuses | Tax Jurisdictions | Tax Recovery Rates | Tax Rates | Tax Rules

Tax Configuration: Tax Statuses > Logged In As: IN.LOC

Create Tax Status

Indicates required field Cancel Create Another Apply

Main Information

Tax Regime Code: IN-SALES_TAX
 Configuration Owner: Vision India - OU1
 Tax: LOCALIZATION
 Tax Status Code: Standard
 Name: Tax for OU1

Effective From: 01-Apr-2000
 Effective To:
 Set as Default Tax Status

Default Controls

Allow Tax Rate Override

Tax Rate Defaults

The following values will default for all tax rates within this Tax Status and can be overridden at the Tax Rate level.

Default Recovery Settlement:

Cancel Create Another Apply

Review your work in the Regime to Rate flow

ORACLE® E-Business Tax

Home | **Tax Configuration** | Products | Parties | Transactions | Defaults and Controls | Provider Services | Advanced Setup Options

Tax Regimes | Taxes | Tax Statuses | Tax Jurisdictions | Tax Recovery Rates | Tax Rates | Tax Rules

Tax Configuration: Tax Regimes > Logged In As: IN.LOC

Regime to Rate Flow

Search

Tax Regime Code: IN-SALES_TAX
 Tax Status Code:
 Tax Rate Code:
 Tax Jurisdiction Code:

The following table will allow you to drill down to each level within the Regime to Rate Flow.

[Expand All](#) | [Collapse All](#)

Focus Code	Level Name or Jurisdiction Name for Rate Level	Level Type	Configuration Owner	Create Tax	Create Tax Status	Create Tax Rate	Update
IN-SALES_TAX	IN-SALES_TAX	Regime					
LOCALIZATION	LOCALIZATION	Tax	Global Configuration Owner				
STANDARD	LOCALIZATION	Status	Global Configuration Owner				

[Return to Tax Regimes](#) **Create Tax Rate**

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Step 5: Create Tax Rate

Navigation : Tax Manager – Parties – Party Tax Profiles – Tax Configuration Tab

Create Tax Rate with following values:

Tax Rate Code LOCRATE

Rate Type Percentage

Percentage Rate 0

Effective From current date

ORACLE E-Business Tax

Diagnosics Home Logout Preferences

Home Tax Configuration Products Parties Transactions Defaults and Controls Provider Services Advanced Setup Options

Tax Regimes Taxes Tax Statuses Tax Jurisdictions Tax Recovery Rates Tax Rates Tax Rules

Tax Configuration: Tax Regimes > Regime to Rate Flow > Logged In As INL0C

Create Tax Rate

Indicates required field

Cancel Create Another Apply

Tax Regime Code: IN-SALES_TAX Tax Regime Name: IN-SALES_TAX
 Configuration Owner: Global Configuration Owner Rate Type: Percentage
 Tax: LOCALIZATION Tax Name: LOCALIZATION
 Tax Status Code: STANDARD Tax Status Name: LOCALIZATION
 Tax Jurisdiction Code: Tax Jurisdiction Name:
 Tax Rate Code: LOCRATE

Rate Periods

Indicates required field
 TIP Date format example: 17-Mar-2006

Percentage Rate	Effective From	Effective To	Rate Details	Operating Unit	Tax Accounts	Duplicate	Details and Accounts	Remove
0	01-Apr-2000							

Add Another Row

Cancel Create Another Apply

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This setup needs to be carried out for once at the Legal Entity level and also for *EACH* Operating Unit in which you wish to use Oracle Financials for India (for the purpose of creating tax rate at Operating Unit level you can use the 'copy' feature).

ORACLE E-Business Tax

Diagnosics Home Logout Preferences

Home Tax Configuration Products Parties Transactions Defaults and Controls Provider Services Advanced Setup Options

Tax Regimes Taxes Tax Statuses Tax Jurisdictions Tax Recovery Rates Tax Rates Tax Rules

Tax Configuration: Tax Rates > Logged In As INL0C

Copy and Override Tax Rate

Cancel Apply

Tax Regime Code: IN-SALES_TAX Tax Regime Name: IN-SALES_TAX
 Tax: LOCALIZATION Tax Name: LOCALIZATION
 Tax Status Code: STANDARD Tax Status Name: LOCALIZATION
 Tax Rate Code: LOCRATE Configuration Owner: vision India - OU1
 Tax Jurisdiction Code: Tax Jurisdiction Name:
 Rate Type: Percentage

Rate Periods

Indicates required field
 TIP Date format example: 17-Mar-2006

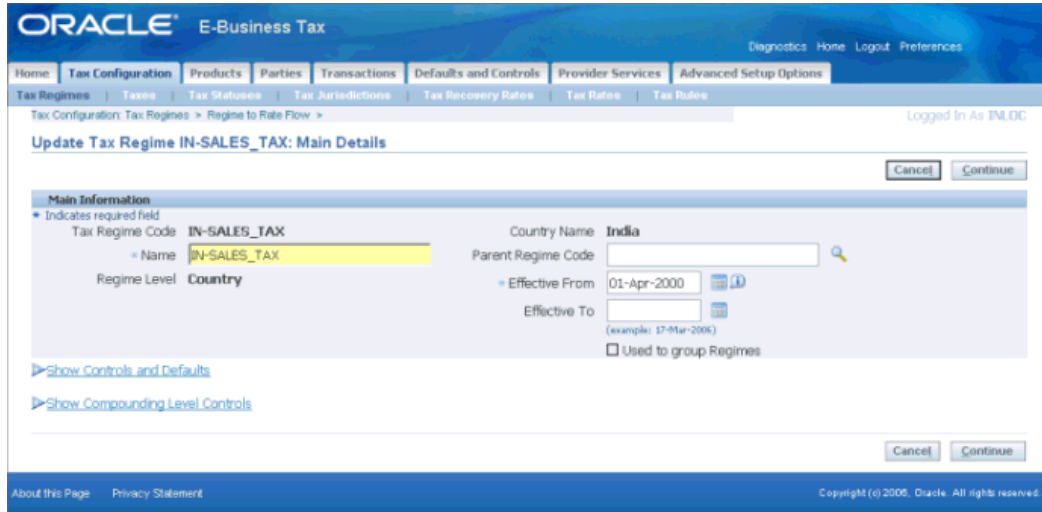
Percentage Rate	Effective From	Effective To	Rate Details	Operating Unit	Tax Accounts	Duplicate	Details and Accounts	Remove
0	01-Apr-2000							
0	01-Apr-2000							

Add Another Row

Cancel Apply

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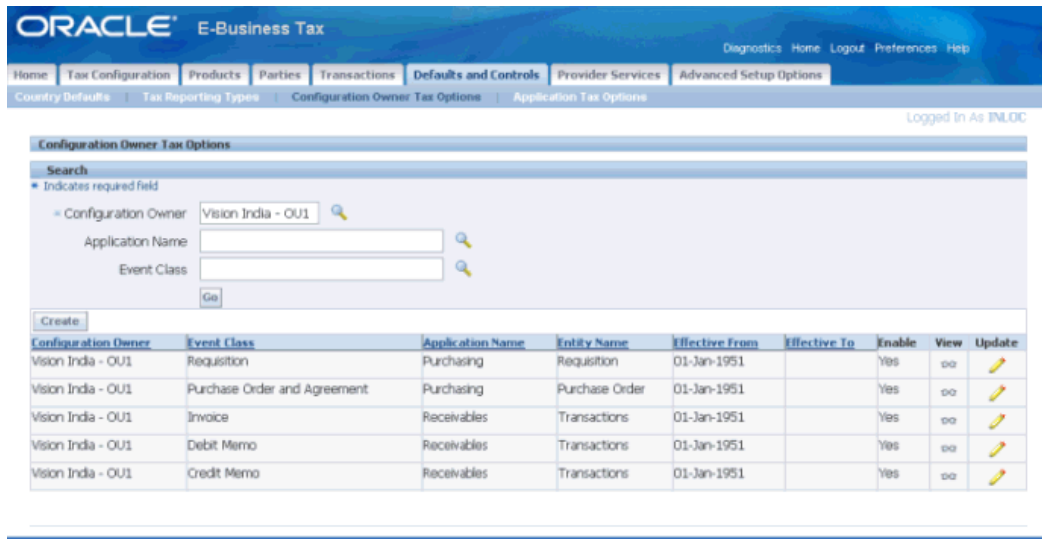
Step 6: Update Tax Configuration Options



Navigation : Tax Manager – Parties – Party Tax Profiles – Tax Configuration Tab

Review Configuration Owner Tax Options, ensure they are as following:

Navigation : Tax Manager – Parties – Party Tax Profiles – Defaults and Controls Tab



Supplementary Transactions

163. Why does Excise Amount on Credit Memo/Invoice remain zero?

In the above case it is most likely that the Assessable Value setup has not been carried out. As a result of this system replaces the new Assessable Value with Zero & hence assumes that the New Excise Duty will be zero. Attach Price List in Customer Additional Information. Change of Tax Rate using Supplementary Transaction can be made only if "Assessable price" list is setup.

This is important in view that Client may require to create a Supplementary Invoice of tax rate change where there is a change in the assessable value of an item.

By not doing this setup, it indicates to the system that the "Assessable Price" is Zero & hence there is no excise to be charged for the given Original Invoice. If there is a change of price, in the Indian Scenario as a generic business requirement it normally also results in change of Assessable Value as well i.e., if A Debit Note is given for increase of Price, the client also requires Excise Duty to be paid on such revised Assessable Value & issue Debit Note to the extent of the increase in Assessable Value.

164. What can be reason for Supplementary Invoices created without taxes?

The program "India Local concurrent program for processing order lines to AR" needs to be run, post which taxes will be visible with taxes.

165. Why is Supplementary invoice not created for Stock Transfers?

The functionality of Supplementary Invoice has been provided for raising Debit Notes and Credit Notes for Customers Invoices due to price or tax change. This is not designed to handle ISO's and Stock Transfers as primarily ISO's and Stock Transfers do not have AR Invoices.

166. How can we create a Supplementary Excise Invoice in a Trading Organization?

Supplementary transactions can be raised on account of the following

1. Price change for a retrospective period
2. Change in Tax Rate for retrospective period

For sales made from a Trading Organization, Excise Amount is determined by matching a delivery detail with Receipts. Hence the question of rate change does not arise under Trading scenario. If however, a correction is sought for in the RG23D records or additional D/N to Customer, the same can be done by passing manual entries in RG23D and creating a Debit Note to Customer using Transactions Localized screen of AR.

167. Can we raise an Excise Invoice for Zero shipped quantity?

Excise Laws are applicable only on the event of removal of goods & hence India Localization is based on the event of Shipping. For passing of entries in Excise records where the shipped quantity is zero, it is recommended to use Excise Register Entry screens such as Manual PLA, Manual RG1 entry, Manual RG23A/C Entry.

Supplementary Transactions - Errors

168. Import of a supplementary transactions using Auto Invoice is rejected with the Error 'Invalid tax_code (Localization)'. Why does this happen? How do we resolve this?

Cause

This happens in cases where 'Localization' Tax Code is not defined in E-Business Tax.

Solution

Ensure that a Tax Code is defined in E-Business Tax as per details provided in User Reference Manual.

169. Import of a supplementary transactions using Auto Invoice is rejected with the Error "Salesrep id is not valid" or 'Sales_credit_type_id is not valid'. How do we resolve this?

In the Transaction source setup, 'Auto Invoice options' tab, Allow Sales Credit has to be unchecked

170. Import of a supplementary transactions using Auto Invoice is rejected with the Error 'CUST_TRX_TYPE_ID is nil'. How do we resolve this?

In the Transaction source setup, 'Other Information' tab, Transaction Type should be selected as Value. Taking id here will result in Auto Invoice rejecting the Invoice saying that the CUST_TRX_TYPE_ID is nil

171. Import of a supplementary transactions using Auto Invoice is rejected with the Error "You must supply an Invoice Number when you". How do we resolve this?

Please query the Transaction source. In the 'Batch Source' tab, Automatic Transaction Numbering has to be unchecked.

TDS in Receivables

172. How do we handle errors in Autoinvoice which occur while importing TDS Credit Memos?

Refer articles provided under Supplementary Invoices and rectify the setups based on the error message seen.

173. Why does TDS Credit Memo not display Customer's and sites?

Please ensure that the following are done.

1. The Customer Additional Information is setup.
2. The Customer Site level info is setup in above screen.
3. There are Invoices created for the Customer Site.

174. While Creation of TDS Credit Memo how to enter Account for debiting in case of Autoaccounting setups?

1. Create a Standard Memo Line in base applications using the menu path 'Setup -> Memo Lines'.
2. Assign the Account that needs to be debited.
3. Use this memo line in the field 'Memo Line' which is non-mandatory in the TDS Interface India Localization form.

TDS in Receivables - Errors

175. What setup should I check when the Autoinvoice ends with error "Primary salesperson is invalid with current transaction date"?

The following setups are mandatory for the successful interfacing of TDS Credit Memo to AR Invoice:

1. Please ensure that a Base apps Tax Code is defined in your system as per the E-Business Tax definition explained in this document.
2. Please ensure that the following steps to define the 'TDS Credit Memo' source in AR are followed properly:
 - a. Go into the Set up Transactions - Sources - Add a new record with the following entries. (i.e., Make a new Batch Source).
 - i. Name: TDS Credit Memo
 - ii. Type Imported
 - iii. Description: TDS Credit Memo
 - iv. Active: Checked
 - v. Standard Transaction Type: Credit Memo
 - b. In the same form Go into Autoinvoice Options:
 - i. Ensure that the following Entries exist for the same Batch Source
 1. Invalid Tax Rate : Correct
 2. Invalid Line : Reject Invoice
 3. GL Date in a closed Period : Reject
 4. Grouping Rule : Default
 5. Allow Sales Credit - Checked.
 - ii. Go into Customer Information
 1. Ensure that Value is clicked for Sold to Customer , Payment Method Rule, Customer Bank Account . Id is ticked for Bill to Customer , Bill to Address, For the rest None should be clicked
 - iii. Go into Accounting Information and ensure that the following set up exists :
 1. Invoicing Rule : Value
 2. Accounting Rule : Value
 3. Accounting Flexfield : Segment
 4. Derive Rate is Ticked
 5. Payment Term : Value

6. Revenue Account Allocation : Percent

iv. In Other Information all first options are clicked

v. In Sales Credit Information - All Last Options are clicked.

vi. The source 'TDS Credit Memo' should NOT be created with 'Automatic Batch Numbering' and 'Automatic Transaction Numbering' options. Leave all the options blank since the Credit memo is created with a pre-defined transaction number

c. Autoinvoice has to be run with the batch source as 'TDS Credit Memo'

d. If the Sales Rep is used for Autoaccounting, the relevant accounts (Receivables, Revenue, Freight etc.) need to be populated in the 'No Sales Credit' sales person record.

e. It is also possible to enter a pre-defined Memo line in the 'TDS Certificates' form while entering the details of TDS Certificates received from customers and this Memo line shall be defaulted to the TDS Credit memo generated. The system shall pick up the revenue account assigned to the Memo line for auto accounting in such cases if the Auto accounting is set to 'Standard Line'.

Manual Transactions

176. What should we check when Excise registers are not updated on completing an Manual AR Transaction?

Ensure that the following is done

1. Organization and Location are setup in Additional Information is setup
2. The Customer Additional Information is set up at Customer Null Site and Customer Site.
3. The Tax Code is setup with type as 'Excise'
4. The Transaction Type (Invoice) is associated in 'Define Bond Register' Form.
5. The Item used has an Item Class setup at the Organization Items level in the Item Template form and is setup as Excisable 'Yes'.
6. Record for this Item exists in the JAI_INV_ITM_SETUPS.
7. The Invoice has a Tax Code, which corresponds with the above-mentioned setup.
8. The Invoice is Completed.
9. Excise Invoice Number Field on the transaction gets populated.

177. What do we have to do to have AR Transaction Number to be same as Excise Invoice Number ?

Excise Invoice Number that has been entered as 'Pre printed Excise Invoice' in Ship

Confirm localized appears in Transactions (Localized) screen provided you enter the same prior to Auto Invoice & running the Tax program.

The above can be used for reconciliation if required.

In case of Manual AR Invoice also, provision has been made to enter such 'Pre printed Excise Invoice' in Transactions (Localized) screen.

The Transaction Number, which appear in AR is an Base Apps Number and hence as such cannot be replaced by localization. Also, no such need is felt mainly when such Number has already been populated in the Transactions (Localized) screen.

India Localization architecture is restricted only till inserting tax lines in AR. There is no localization code (No kind of Form / Trigger / Procedure) at time of entering Receipts / collections or applications of the same. This part is completely handled by Base applications and is beyond scope of the current localization product.

178. Why is Journal Entry not created for Excise Duty amounts included in Manual AR Invoices?

The entries are created with 'USER_JE_CATEGORY_NAME' as 'RG Register Data Entry' and the same needs to be setup and imported for seeing entries in GL.

Reports

179. Why does 'India Total Sales Report' show 'No Data found'?

Total Sales Report is expected to work only if data is available in Localization tables and the Transaction has Sales Tax / CST type of Taxes attached. This report also requires that the Customer Additional Information at Site level be setup.

India Local Fixed Assets

Following are the frequently asked questions related to Fixed Assets module.

Depreciation Based on Block of Assets

180. What can be the reason for the block of assets not appearing in the Block of Assets UI ?

Check the following:

1. Check whether 'Block Of Assets' have been defined and 'Periodwise Depreciation Information India Localization' screen is setup for the BOOK TYPE CODE, to which the assets are added.
2. Ensure that the Date Placed In Service of the asset falls in the Financial Year period, which is defined in the Block Of Assets Screen.
3. You should enter into the Block of Assets UI only after entering the values in all the

other fields of the Base form and after saving the record.

4. It is required to enter the value, first in the field 'Date Placed In Service' of the form. Then you should enter into the above UI.

181. How to upload the Old Asset Information from the Legacy System?

Following procedure should be followed to upload the legacy data:

1. For example, if the assets are added right from the year 1980, then, first define the Block Of Assets for the financial year 1980.
2. Upload, first all the assets having the Date Placed In Service in the period 1980, by giving the Date Of Acquisition and block id in the Attributes 1 and 2 respectively of the table FA_MASS_ADDITIONS. Then POST Mass Additions.
3. After the assets are brought to the Asset Workbench, then check whether you are able to view the Block Of Assets attached to the assets or not.
4. Then run the program 'India Income Tax Act Fixed Assets Schedule' for the year 1980.
5. This will calculate the localization depreciation for the block of assets and will arrive at the closing balance for the year 1980. This also, will create another record in the 'Block Of Assets' Screen for the year 1981 giving the opening balance equal to the Closing Balance of the year 1980.
6. Then the user has to upload all the assets falling in the year 1981.
7. Repeat steps 1 to 6 to upload other assets

182. What can be reasons for the block of assets not appearing while adding the assets, even though the setups are complete?

The user will capture the Date of Acquisition and Block of Asset information in this new UI.

User will have to complete the asset addition in Base FA and come to the India Localization screen to assign the Block of Asset and Date of Acquisition.

The user had the flexibility to assign a Block Name to multiple assets at one go which will increase the usability significantly.

Also, the date placed in service (which is given at the time adding the asset) will be defaulted as the Date of Acquisition. This date can be changed by the user. A comprehensive query finds window has been given for this purpose.

183. What can be reason for new Block Of Assets not appearing in the screen 'Define Block Of Assets' for doing the setup?

Complete the following steps for the resolution of the issue:

1. Navigate to India Local Fixed AssetsSetupQuick Codes
2. Query the Quick Code Type 'BLOCK OF ASSETS'
3. Under this, add new Quick Code Value. For example: Vehicles Block. Save the record.
4. Navigate to the 'Define Block Of Assets' Screen. Press CTRL+L. You will be able to view the new block of assets.

Interpreting PO-AP Diagnostic Scripts

Use the following information to interpret the spool of the Diagnostics Scripts

1. Receipt Details:

From the tables RCV_TRANSACTIONS and RCV_SHIPMENT_HEADERS, you can check whether the user has selected the correct context (i.e.ATTRIBUTE_CATEGORY).

a) For Receipts:

1. **Attribute Category** will hold India RMA Receipt or India Receipt based on the Source document.
2. **Attribute 1** will hold the value of Excise invoice no.
3. **Attribute 2** will hold the value for Excise invoice Date.
4. **Attribute 3** will clarify whether the CENVAT was availed online or deferred.

b) For Supplier Returns:

1. **Attribute Category** will hold India Return to Vendor.
2. **Attribute 4** will hold the value of Generate Excise Invoice no=Y/N.
3. When Attribute 4= 'Y' and if excisable Receipts are returned to the supplier then CENVAT entries and the registers will be reversed. This will help in checking the India Return to vendor report does not show output.
4. From the tables JAI_RCV_LINE_TAXES,'JAI_CMN_RG_23AC_I_TRXS', 'JAI_CMN_RG_23AC_I_TRXSI', you would know whether the correct excise duty attached to the shipment lines has hit the RG registers or not.

2. Details of Source document for which Receipt is created.

a) We can find the Source document details against which Receipt is created

- To check whether the correct tax lines are carried forward to the receipt shipment lines from PO, you can compare the data in 'JAI_RCV_LINE_TAXES' table and

corresponding data of 'JAI_PO_TAXES'

3. Sub-ledger Accounting entries

Table JAI_RCV_JOURNAL_ENTRIES holds the accounting entries for the following transactions:

a) Receiving:

Receiving is further divided into Receiving Entries and CENVAT entries. CENVAT entries are generated only for Receipts having Excise taxes attached.

b) Delivery:

Accounting entries are stored based on the Costing method i.e., Standard or Average costing.

c) Return to Receiving:

Reversal entries of Deliver transaction.

d) Return to Vendor:

Reversal entries for CENVAT and Receiving are stored in this.

Table JAI_RCV_SUBLED_ENTRIES will help in reconciling Receiving Inspection account:

These tables will help in validating the accounting entries of Sub ledger with GL. We can compare the data between the tables 'JAI_RCV_JOURNAL_ENTRIES' and 'GL_INTERFACE before Journal Import' or 'GL_JE_LINES after Journal Import'

4. General Ledger Accounting entries:

Following are the columns in GL INTERFACE helps in identification or tracking the transaction:

reference1 :organization code

reference10:Transaction Description

reference22:'India Localization Entry'

reference23:Object Name

reference24:Table name

reference25:Unique Reference of the Table

reference26:Column of the Table for which the unique reference is populated.

reference27:Organization_id

Following are the columns in GL JE LINES helps in identification or tracking the transaction during the audit trail:

Description: Description

Reference_2 : India Localization Entry (Hard Coded Value)

Reference_3 : Object Name

Reference_4 : Table Name

Reference_5 : Value

Reference_6 : Column Name

Reference_7 : Organization Id

Excise Register Details

From tables JAI_RCV_LINE_TAXES', 'JAI_CMN_RG_23AC_I_TRXS', 'JAI_CMN_RG_23AC_I_TRXSI', you would know whether excise duty attached to the shipment lines has hit the RG registers or not. This will help us identifying the Inconsistent transaction Data.

a) Data in JAI_RCV_CENVAT_CLAIMS will provide the adequate info about the CENVAT entries below are the important columns help in analyzing the issue.

- **CENVAT_AMOUNT**: Total CENVAT amount for the shipment line will be stored.
- **CENVAT_CLAIMED_AMT**: CENVAT amount claimed, for CGIN since 50% will be claimed 50% CENVAT amount will be updated. For RMIN, CENVAT_CLAIMED_AMT will be equal to CENVAT_AMOUNT.
- **CENVAT_CLAIMED_PTG**: This will hold the value of 100% and 50%.
- **CENVAT_SEQUENCE**: This column holds Value 1 and 2, for RMIN this will be 1, For CGIN when 100% CENVAT is claimed it will be 2.

6 India Localization Setup Details:

Organization:

The 'Additional Organization Information' setup details, i.e., the register preferences, Charge accounts, can be had for that particular organization from the table

'JAI_CMN_INVENTORY_ORGS'.

Some of the important fields are:

- a. **SSI_UNIT_FLAG** will tell whether allow negative PLA is allowed.
- b. **Trading flag**: will classify whether the organization is Trading.
- c. **Manufacturing flag** will classify whether the organization is Trading.
- d. **Master org flag** to classify whether the organization is master org enabled.

Item:

The item level setup, for which the receipt shipment lines got created, can be checked from the table 'JAI_INV_ITM_SETUPS'. From the data, you would know whether the item class is. Also, you would know the Organization trading info.

Following are the columns for which details explanation is provided.

- a. **Excise_flag**: holds Y/N, If 'Y' then RG registers will be updated.
- b. **Item_trading_flag**: holds Y/N, If 'Y' then RG23D registers will be updated.
- c. **Modvat_flag**: holds Y/N, If 'Y' then Receipt will appear in claim CENVAT screen and CENVAT entries will be generated.
- d. **Item_class**: RMIN, CGIN, FGIN, OTIN etc., Item class is important to generate the proper accounting entries.
 - i. RMIN/CGIN will update RG23A/C registers.
 - ii. OTIN-Does not have any impact on excise registers.

Sub inventory:

From the table 'JAI_INV_SUBINV_DTLS', you would know whether the sub inventory is a 'Bonded' or 'Trading' . Based on the bonded flag reversal of CENVAT entries will be dependent at the time of delivered.

Taxes

From the table 'JAI_CMN_TAXES_ALL', you would know the tax type of all the taxes attached to the shipment lines of the receipts.

- a. **Tax_account_id**: When the charge account is specified with Mod_cr_percentage less than '100', non recoverable amount will be apportioned to this account.
- b. **Modifiable_flag**: If 'Y' allows to modify the tax at transaction level.
- c. **Mod_cr_percentage**: For excise taxes if the %=100 then the Receipt will appear in Claim CENVAT screen and CENVAT, Excise registers will be generated.
- d. **VAT flag**: This will classify the tax as VAT tax.
- e. **Adhoc flag**: This will help the user in giving the adhoc amount, tax calculation not based on precedence.

Interpreting OM-AR Diagnostic Scripts

In scenarios, where you find that India Localization Taxes are not carried from one stage to another or certain localization processes do not yield desired results, we recommend you to run the diagnostics scripts and read through the interpretation guide to trace the root cause.

1. Excise Invoice Number not generated

You would know that Excise Invoice is not generated when there is no value in EXCISE_INVOICE_NO field of JAI_OM_WSH_LINES_ALL table.

Following can be the possible reasons:

1. Item should be excisable. This setup is complete when JAI_INV_ITM_SETUPS. EXCISE_FLAG = 'Y'

2. Item class should be defined and should not 'OTIN', 'OTEX' - You can check this from JAI_INV_ITM_SETUPS. ITEM_CLASS IS NOT NULL and IS NOT 'OTIN' or 'OTEX'
3. Order and Register association should be either 'DOMESTIC_EXCISE', 'EXPORT_EXCISE', 'Bone-dry' for manufacturing organization and '23D_DOMESTIC_EXCISE', '23D_EXPORT_EXCISE', 'BOND_REG' for a trading organization. For this you should look into REGISTER_CODE field of JAI_OM_OE_BOND_REG_HDRS.
4. No record exists in the JAI_OM_OE_GEN_TAXINV_T table for the sales order
5. No errors are in the JAI_CMN_ERRORS_T table with application_id as 'JAI_OM_WSH_PKG'
6. Enough balances are available in the JAI_CMN_RG_BALANCES table for the organization and location id
7. If Register association is 'BOND_REG' check that the amount in 'JAI_OM_OE_BOND_REG_DTLS' is more than the shipment amount.

2. Excise invoice number is generated as '0'

Following can be the possible reasons:

1. Financial Year setup should be done. For this record exists in the JAI_CMN_FIN_YEARS table
2. Excise Invoice Number setup should be done. At least one records exists in the JAI_CMN_RG_EXC_INV_NOS table for the combination of Organization id , location id and fin year combination
3. If Excise invoice generation at EC code is setup in the organization additional information screen, then the current org should either be a master org or a child org associated to a master org and its 'excise invoice number at EC Code' field checked.

3. Error

'Mandatory India Localization Sub-inventory Setup not done for this Location from where shipment is made' encountered when ship confirming a sales order

Check if record exists in the 'JAI_INV_SUBINV_DTLS' table for the organization, location and subinventory combination.

4. Excise Taxes not imported to AR Localization tables

Check if

Register Association of the sales order is 'BOND_REG'

Check if the order_price_excise_inclusive column in the JAI_CMN_INVENTORY_ORGS table is 'Y' for a Trading Organization

5. When a Return order is done with reference to Sales Order, Taxes are not defaulted

Check if

- The original Sales order is shipped - data exists in JAI_OM_WSH_LINES_ALL
- The original sales order has taxes. - data exists in JAI_OM_WSH_LINE_TAXES