

**Oracle® Financials for India**

Implementation Guide

Release 12.1

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Oracle Financials for India Implementation Guide, Release 12.1

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# Send Us Your Comments

## **Oracle Financials for India Implementation Guide, Release 12.1**

### **Part No. E13657-05**

Oracle welcomes customers' comments and suggestions on the quality and usefulness of this document. Your feedback is important, and helps us to best meet your needs as a user of our products. For example:

- Are the implementation steps correct and complete?
- Did you understand the context of the procedures?
- Did you find any errors in the information?
- Does the structure of the information help you with your tasks?
- Do you need different information or graphics? If so, where, and in what format?
- Are the examples correct? Do you need more examples?

If you find any errors or have any other suggestions for improvement, then please tell us your name, the name of the company who has licensed our products, the title and part number of the documentation and the chapter, section, and page number (if available).

Note: Before sending us your comments, you might like to check that you have the latest version of the document and if any concerns are already addressed. To do this, access the new Oracle E-Business Suite Release Online Documentation CD available on My Oracle Support and [www.oracle.com](http://www.oracle.com). It contains the most current Documentation Library plus all documents revised or released recently.

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# Preface

## Intended Audience

Welcome to Release 12.1 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 E-Business Suite, we suggest you attend one or more of the Oracle E-Business Suite training classes available through Oracle University.

See Related Information Sources on page viii for more Oracle E-Business Suite product information.

## Deaf/Hard of Hearing Access to Oracle Support Services

To reach Oracle Support Services, use a telecommunications relay service (TRS) to call Oracle Support at 1.800.223.1711. An Oracle Support Services engineer will handle technical issues and provide customer support according to the Oracle service request process. Information about TRS is available at <http://www.fcc.gov/cgb/consumerfacts/trs.html>, and a list of phone numbers is available at <http://www.fcc.gov/cgb/dro/trsphonebk.html>.

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## **Structure**

- 1 Overview of Setting Up Oracle India Localization**
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## **Related Information Sources**

This document is included on the Oracle E-Business Suite 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 My Oracle Support.

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

### **Online Documentation**



All Oracle E-Business Suite 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>.
- **Online Help** - Online help patches (HTML) are available on My Oracle Support.
- **My Oracle Support Knowledge Browser** - The My Oracle Support 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 E-Business Suite product. This information helps you convert data from your existing applications and integrate Oracle E-Business Suite data with non-Oracle applications, and write custom reports for Oracle E-Business Suite products. Oracle eTRM is available on My Oracle Support.

### **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 E-Business Suite Installation Guide: Using Rapid Install:**

This guide provides information about using the Rapid Install utility to install Oracle E-Business Suite Release 12, or as a part of an upgrade from Release 11i to Release 12. Discusses Standard and Express installations, fresh or Vision Demo database installations, as well as techstack and product upgrades.

#### **Oracle E-Business Suite 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 E-Business Suite 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 E-Business Suite Patching Procedures:**

This guide describes how to patch the Oracle E-Business Suite 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 E-Business Suite, a 3-book set that also includes Oracle E-Business Suite Maintenance Utilities and Oracle E-Business Suite Maintenance Procedures.

#### **Oracle E-Business Suite Maintenance Utilities:**

This guide describes how to run utilities, such as AD Administration and AD Controller, used to maintain the Oracle E-Business Suite 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 E-Business Suite, a 3-book set that also includes Oracle E-Business Suite Patching Procedures and Oracle E-Business Suite Maintenance Procedures.

**Oracle E-Business Suite 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 E-Business Suite, a 3-book set that also includes Oracle E-Business Suite Patching Procedures and Oracle E-Business Suite Maintenance Utilities.

**Oracle E-Business Suite System Administrator's Guide Documentation Set:**

This documentation set provides planning and reference information for the Oracle E-Business Suite System Administrator. *Oracle E-Business Suite System Administrator's Guide- Configuration* contains information on system configuration steps, including defining concurrent programs and managers, enabling Oracle E-Business Suite Manager features, and setting up printers and online help. *Oracle E-Business Suite System Administrator's Guide- Maintenance* provides information for frequent tasks such as monitoring your system with Oracle E-Business Suite Manager, administering Oracle E-Business Suite Secure Enterprise Search, managing concurrent managers and reports, using diagnostic utilities including logging, managing profile options, and using alerts. *Oracle E-Business Suite System Administrator's Guide- Security* describes User Management, data security, function security, auditing, and security configurations.

**Oracle E-Business Suite User's Guide:**

This guide explains how to navigate, enter data, query, and run reports using the user interface (UI) of Oracle E-Business Suite. This guide also includes information on setting user profiles, as well as running and reviewing concurrent requests.

**Oracle E-Business Suite Diagnostics User's Guide:**

This manual contains information on implementing, administering, and developing diagnostics tests in the Oracle E-Business Suite Diagnostics framework.

**Oracle E-Business Suite Integrated SOA Gateway User's Guide:**

This guide describes the high level service enablement process, explaining how users can browse and view the integration interface definitions and services residing in Oracle Integration Repository.

**Oracle E-Business Suite Integrated SOA Gateway Implementation Guide:**

This guide explains how integration repository administrators can manage and administer the service enablement process (based on the service-oriented architecture) for both native packaged public integration interfaces and composite services (BPEL type). It also describes how to invoke Web services from Oracle E-Business Suite by employing the Oracle Workflow Business Event System; how to manage Web service

security; and how to monitor SOAP messages.

#### **Oracle E-Business Suite Integrated SOA Gateway Developer's Guide:**

This guide describes how system integration developers can perform end-to-end service integration activities. These include orchestrating discrete Web services into meaningful end-to-end business processes using business process execution language (BPEL), and deploying BPEL processes at run time.

It also explains in detail how to invoke Web services using the Service Invocation Framework. This includes defining Web service invocation metadata, invoking Web services, managing errors, and testing the Web service invocation.

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

This guide 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 E-Business Suite 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 Implementation Guide:**

This guide provides information on how to implement the Oracle Financials E-Business Suite. It guides you through setting up your organizations, including legal entities, and their accounting, using the Accounting Setup Manager. It covers intercompany accounting and sequencing of accounting entries, and it provides examples.

#### **Oracle Financial Consolidation Hub User Guide:**

This guide describes how to set up, maintain, and troubleshoot Oracle Financial Consolidation Hub. It describes setting up entities, categories, consolidation methods, consolidation rules, intercompany rules, calendar maps, translation, consolidation hierarchies, analytical reporting, and the Excel add-in. The guide also includes chapters on submitting data, running consolidations, accounting for acquisitions and disposals, integrating with Internal Controls Manager and WebADI spreadsheets.

#### **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 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 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 Human Resources Management Systems Approvals Management Implementation Guide:**

Use Oracle Approvals Management (AME) to define the approval rules that determine the approval processes for Oracle applications.

**Oracle Subledger Accounting Implementation Guide:**

This guide provides setup information for Oracle Subledger Accounting features, including the Accounting Methods Builder. You can use the Accounting Methods Builder to create and modify the setup for subledger journal lines and application accounting definitions for Oracle subledger applications. This guide also discusses the reports available in Oracle Subledger Accounting and describes how to inquire on subledger journal entries.

**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 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 Web Applications Desktop Integrator Implementation and Administration**

## **Guide**

Oracle Web ADI brings Oracle E-Business Suite functionality to a spreadsheet where familiar data entry and modeling techniques can be used to complete Oracle E-Business Suite tasks. You can create formatted spreadsheets on your desktop that allow you to download, view, edit, and create Oracle E-Business Suite data that you can then upload. Use this guide to implement Oracle Web ADI and for information on defining mappings, layouts, style sheets, and other setup options.

## **Oracle Workflow User's Guide**

This guide describes how users can view and respond to workflow notifications and monitor the progress of their workflow processes.

## **Oracle Workflow API Reference**

This guide describes the APIs provided for developers and administrators to access Oracle Workflow.

## **Oracle XML Publisher Administration and Developer's Guide**

Oracle XML Publisher is a template-based reporting solution that merges XML data with templates in RTF or PDF format to produce a variety of outputs to meet a variety of business needs. Outputs include: PDF, HTML, Excel, RTF, and eText (for EDI and EFT transactions). Oracle XML Publisher can be used to generate reports based on existing E-Business Suite report data, or you can use Oracle XML Publisher's data extraction engine to build your own queries. Oracle XML Publisher also provides a robust set of APIs to manage delivery of your reports via e-mail, fax, secure FTP, printer, WebDav, and more. This guide describes how to set up and administer Oracle XML Publisher as well as how to use the Application Programming Interface to build custom solutions.

## **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 E-Business Suite Data**

Oracle STRONGLY RECOMMENDS that you never use SQL\*Plus, Oracle Data Browser, database triggers, or any other tool to modify Oracle E-Business Suite 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 E-Business Suite data, you risk destroying the integrity of your data and you lose the ability to audit changes to your data.

Because Oracle E-Business Suite tables are interrelated, any change you make using an Oracle E-Business Suite form can update many tables at once. But when you modify Oracle E-Business Suite data using anything other than Oracle E-Business Suite, 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 E-Business Suite.

When you use Oracle E-Business Suite to modify your data, Oracle E-Business Suite automatically checks that your changes are valid. Oracle E-Business Suite 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.

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# 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.



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## Oracle Financials for India Basic Setups

### Oracle Financials for India Basic Setups

#### Set Up 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

#### Enable Triggers (For 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.

#### 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.

## Defining Additional Organization Information

The additional organization information is the basic data for all Excise related setups.

While creating the additional organization information, you must create two set of records, one with a blank location and another with a location. If multiple organizations are defined within the same excise registered premises, then you can define one organization and location combination as master organization and the rest as child organizations having reference to the master organization based on the ECC code. In such a setup, the master organization is the organization where excise registers are generated only from the master organization.

**Important:** The master child relationship is used only to generate consolidated excise registers at master organization level. You need to run the India Master Org RG request set to consolidate excise registers at the master organization.

## Defining Tax Information

Navigate to the Organization Tax Information window. The following table describes the Tax Info tab.

Field Description	Description
Master Organization Flag	This check box decides whether the organization is a master organization or a child organization. If it is a child organization, you must attach this to the master organization. Consolidated excise registers can be generated from the master organization.

**Important:** 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 the Excise Licensed Organization that the Child Organization belongs to. For a Master Organization and Location combination enable the Master Organization Flag with Location specified. The ECC number defined for the Master Organization defaults to all Child Organizations when Master Organization is selected.

Field Description	Description
Excise Block	The following information is related to Excise Registration for an Inventory Organization Location which is of Manufacturing or Trading organization. If No Values are entered in this block, then the Organization Location is considered as Trading organization.
Excise Range	Details of the Jurisdictional Central Excise Range Office of the Organization can be entered in this block. Values given in this field will be taken while printing all Excise related documents.
Excise Division	Details of the jurisdictional Central Excise Division Office of the Organization can be entered in this block. Values given in this field will be taken while printing all Excise related documents.
Excise Registration Number	Central Excise Registration Certificate Number can be entered in this field. This information will be taken while printing all Excise related documents.

<b>Field Description</b>	<b>Description</b>
Excise Zone	This is an additional field provided where in the user can record some information which he needs to print in all excise related documents.
Excise Region	This is an additional field provided where in the user can record some information which he needs to print in all excise related documents.
Excise Circle	This is an additional field provided where in the user can record some information which he needs to print in all excise related documents.
Excise Collectorate	Details of the jurisdictional office of the Central Excise Commissioner of the Organization can be entered in this block. Values given in this field will be taken while printing all Excise related documents.
EC Code	Use this field to enter Excise Control Code of an Inventory Organization Location. This would be printed on all the documents that are required under Excise Rules.
Excise Invoice at ECC Code	<p>Check this field in case you wish to generate Excise Invoice at Master Organization level.</p> <p>In case you have multiple internal Inventory Organizations / Warehouses existing within the same Excise registered premises and if you opt for Excise Invoice number generation at the Master Organization level then, check this option child organization location.</p>
Export Oriented Unit	Use this field to indicate whether the Organization / Location is a Export Oriented Unit. On checking this flag the CENVAT liability arising on shipment would be matched component-wise with the credit available for that Excise Component. You would not be able to complete shipment if the credit available for Excise Component is inadequate.
Sales Tax Block	

Field Description	Description
CST Reg. No.	Use this field to enter Central Sales Tax Registration Number of an Inventory Organization Location. This would be printed on all the documents that are required under Sales Tax Act.
LST Reg. No	Use this field to enter State Sales Tax Registration Number of an Inventory Organization Location. This would be printed on all the documents that are required under Sales Tax Act.
Income Tax Block	
PAN No	Use this field to enter Permanent Account No of an Inventory Organization Location. This would be printed on all the documents that are required under Income Tax Act.
TAN No	Use this field to enter TDS Account No of an Inventory Organization Location. This would be printed on all the documents that are required under Income Tax Act.
WARD No	Use this field to enter Ward No of an Inventory Organization Location. This would be printed on all the documents that are required under Income Tax Act.
VAT Reg No.	Use this field to enter VAT Registration No of an Inventory Organization Location.

**Important:** If an Inventory Organization Location is a Manufacturing unit (not Trading) and you enter details in the Tax Info Block, then you will not be allowed to enter any information in the Excise - Trading Information Block through Trading Information Tab.

## Defining 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.

Ensure that you specify appropriate general ledger accounts in the Accounts Information tab. This information will be used to account for Localization transactions.

All fields are mandatory. Each of these fields is discussed in detail below.

In Oracle Financials for India, navigate to Setup > Organization > Additional Organization Information > Accounting Info. The table provides a detailed field-wise description of the screen:

Field Description	Description
Excise Account Information Block	These accounting information are necessary for an Inventory Organization through which all the charges related to an item on taxes will be charged to respective accounting flex fields. The user needs to define separate accounting flexfields for OSP Excise a/c, Excise expenses, Excise receivable, CENVAT on Raw Material, CENVAT on Capital Goods, Personal Ledger Account, Excise - RG23D, Bill of entry, Scrap cost, CENVAT Reversal, Customs write off a/c.
OSP Excise	This account will be used to pay the Excise Duty on goods sent for Outside Processing (OSP). This is usually a Expenses Account.
Excise Expenses	Enter a General Ledger Account for Excise Expenses Account. This default account is being used to track the Excise duty due from the excise department on account of customer returns treated as FG return or scrap.
Excise Payable/paid	Enter a default General Ledger account to be defaulted on all AR transaction entry windows for Accounting Excise Duty paid on delivery of goods. This account will debit for the total Excise amount whenever shipment is confirmed to a customer and AR Invoice is raised.
CENVAT RM	Enter a General Ledger account to be defaulted on all transaction entry windows for CENVAT Raw Material account. This is the default GL account that will hit while performing a receipt with CENVAT Credit (inputs) This is usually an asset account. This account would be credited on shipment when the excise liability arising from the shipment transaction is met by utilizing the Cess credit available in RG 23 A Register.

Field Description	Description
CENVAT CG	Enter a General Ledger account to be defaulted on all transaction entry windows for CENVAT Capital Goods account. This is the default GL account that will hit while performing a receipt with CENVAT credit (Capital Goods). This is usually an asset account. This account would be credited on shipment when the excise liability arising from the shipment transaction is met by utilizing the Cess credit available in RG 23 A Register.
PLA Register	Enter a General Ledger account to be defaulted for Payment towards Excise Duty through TR - 6 Challan. Whenever the payment to Excise is made through the PLA Invoice/RG Consolidation screen will update this ledger account. This will also consider the PLA debit entries done through ship confirm transactions and AR Localized transactions.
Bill of Entry	Enter a General Ledger account to be defaulted on creation of Bill of Entry and on applying Bill of Entry to Receipt this GL account gets credited. This is usually an asset account.
Excise RG23D	Excise Duty Account for trading item and this account will be updated for transaction happened in a Trading Organization Location.
CENVAT Reversal	This CENVAT Reversal a/c will be updated for Reversal entry passed on account of Excise Exemption & CT2 form transactions in an Inventory Organization Location.
CENVAT Receivable	The user needs to define a GL Account of Asset type that needs to hit while performing CENVAT credit transactions for the Capital Goods. As per the provisions of Excise Rules, the manufacturer is permitted only to take 50% of the duty paid on Capital Goods at the time of receipt and the balance can be availed in the succeeding financial year. The amount that needs to be claimed later will be accounted in this ledger account.
Customs write off	This Customs write off a/c will be updated for a written off amount from Bill of Entry a/c when ever amount is written off from BOE.

Field Description	Description
RG Excise Rounding	This field would be updated with the differential duty that needs to be adjusted in setting Excise Duty amount to the nearest rupee.
Cess Accounts Information Block	The information specified in this block would be used to account for the Cess on Excise taxes applicable to transactions in Procurement and Sale.
Cess Paid Payable	<p>Specify a General Ledger account to be used in accounting for shipment Education Cess on Excise involved in Shipment transactions.</p> <p>This account would be debited with the total Education Cess (on Excise) amount. While, the corresponding Duty Register account would be credited.</p>
CESS RM	Specify a General Ledger account that would be used to Account for the Education Cess recovered on purchase of raw material. This account would be credited on shipment when the excise liability arising from the shipment transaction is met by utilizing the Cess credit available in RG 23 A Register.
CESS CG	Specify a General Ledger account that would be used to Account for the Education Cess recovered on purchase of Capital Goods. This account would be credited on shipment when the excise liability arising from the shipment transaction is met by utilizing the Cess credit available in RG 23 C Register.
Excise Cess Rounding	<p>Specify an account that would be used in accounting the rounding differences arising from the Education Cess on Purchasing transactions.</p> <p>This account would be debited when the Cess rounding amount for the Excise Invoice is a negative amount. Similarly, this account would be credited when the Cess rounding amount for the Excise Invoice is a positive amount.</p>



Field Description	Description
CESS Receivable Account	<p>The GL Account specified here would be used in accounting for Cess included in purchase of Capital Goods.</p> <p>As per the CENVAT Credit Rules, the manufacturer is permitted only to take 50% of the duty paid on capital goods at the time of receipt and the balance can be availed in the succeeding financial year. The amount that needs to be claimed later will be debited in this account.</p>
Secondary and Higher Education Cess Information Block	The information specified in this block would be used to account for the Secondary and Higher Education Cess on Excise taxes applicable to transactions in Procurement and Sales Module.
SHE Cess Paid Payable	Specify a general ledger account to be used in accounting for Secondary and Higher Education Cess on Excise involved in Shipment transactions.
SHE Cess RM	Specify a general ledger account that would be used to Account for the SHE Cess recovered on purchase of raw material. This account would be credited when the excise liability arising from the shipment transaction is met by utilizing the SH Education Cess credit available in RG 23 A Regsiter.
SHE Cess CG	Specify a general ledger account that would be used to Account for the SHE Cess recovered on purchase of Capital Goods. This account would be credited when the excise liability arising from the shipment transaction is met by utilizing the SH Education Cess credit available in RG 23 C Regsiter.
SHE Cess Receivable	<p>The GL Account specified here would be used in accounting for Secondary and Higher Education Cess on purchase of Capital Goods for the deferred portion.</p> <p>As per the CENVAT Credit Rules, the manufacturer is permitted only to take 50% of the duty paid on capital goods at the time of receipt and the balance can be availed in the succeeding financial year. The amount that needs to be claimed later will be debited in this account.</p>

Field Description	Description
SHE Cess Rounding	<p>Specify an account that would be used in accounting the rounding differences arising from the SHE Cess on Purchasing transactions.</p> <p>This account would be debited when the SHE Cess rounding amount for the Excise Invoice is a negative amount. Similarly, this account would be credited when the Secondary and Higher Education Cess rounding amount for the Excise Invoice is a positive amount.</p>
Expense Excise Taxes on RTV	<p>Debit this field with different duties to be paid in an RTV Transaction. You should have also checked the RTV Account Flag checkbox in this window. This account is also debited with third-party customs and CVD tax amounts included in the RTV transaction.</p>

## Defining Preferences

Organization Preferences check whether a specific transaction is carried out within the stipulated time span specified by relevant tax laws. You can enter the data to control the transaction from the respective tax point of view.

Field Description	Description
Parameters Block	
OSP Return days	<p>Enter the number of days within which the OSP goods should come back to the Inventory Organization under 57F4. As per the Excise Rule it is 180 days.</p>
OSP Excise percentage	<p>Enter the rate of Excise duty charged for an OSP transaction. Since there is no need to pay duty while sending goods. While sending goods for sub contracted operations, the user needs to input zero in this field. If any other value is given in this fields, appropriate duty will get calculated whenever he cuts a 57 F4 Challan.</p> <p><b>Important:</b> Since no duty needs to be paid while sending goods for sub contracting, user needs to ensure that the value against this field is always 0.</p>

Field Description	Description
Days allowed for 173(L)	Enter the number of days allowed for a transaction under 173(L) of Excise Act in the case of Sales Return.
Sales tax return days	Enter the number of days within which the Sales Return Goods should reach the Inventory Organization from the date of Sale as per Sales Tax Act. As per the Sales Tax Act, it is 180 days.
MODVAT Reversal (%)	This value is the default percentage, which will be considered by the system whenever it performs a duty debit under Rule 57 CC of the Central Excise Rules. You should enter the CENVAT recovery percentage in this field. For example, currently, the percentage of CENVAT recovered is 8% on all excise exempted transaction. Thus, 8 should be entered into this field.
Defining Register Preferences	This parameter decides the preference of hitting the duty payment register while performing a ship confirm transaction in Order Management or a Transaction Localized in the AR Module. You are not permitted to debit duty from different duty paying registers for a single transaction.
VAT Return Days	Enter the number of days within which the sales return goods should reach the Inventory Organization from the date of delivery as per VAT act in each state.
Receipts Block	
Update Qty register Event	<p>This event lets you update the Quantity register on Receive and Amount register on claim of CENVAT.</p> <ul style="list-style-type: none"> <li>• Allow Tax Change on WMS Receipts</li> <li>• Allow Tax Change on Receipts</li> <li>• Allow Tax Change on ROI Receipts</li> </ul>
Bill only workflow Block	
Default Location	This is mainly required for bill only workflows for determining location.

Field Description	Description
Negative balance in PLA	

If the balance available in each of the CENVAT Registers and PLA is less than Excise Duty liability arising from the ship confirms transaction, then the 'Interface Trip Stop' request completes with error and the shipment transaction remains incomplete. In case of monthly Excise settlement, you can ship the goods with inadequate CENVAT Credit. To meet such situations you can enable 'allow negative balance in PLA' and set PLA preference to 1. On doing this, all excise payments are done through PLA register and periodic adjustments towards payment of excise duty can be done through RG Consolidation screen. In such type of setup, the CENVAT registers will have entries only for the credit availed and the adjustments made while computing the exact excise liability (fund transfer from CENVAT register to PLA register).

**Important:** You should get necessary concurrence from the local excise authorities before rolling down with the new system.

On RTV, the registers will be updated based on the preferences.

## Trading Information

Inventory Organization locations are further classified as trading organization in the case where only Trading activity is happening in an organization Location.

India Local Inventory > Setup > Organization > Additional Information

Trading Registration Details

Use this window to enter and maintain the registration information of Organization and/or Location of Trading Nature under Central Excise Rule. The information entered here would be printed on all relevant reports and invoices raised from this Organization.

Use Trading Information Button to enter Excise Registration details of a Registered Dealer.

In the trading information region, the user needs to give information only if the organization/Location is registered under the Central Excise Rules as a Dealer/Depot.

If the Organization/Location is an Excise registered premises, the user needs to give the following information against the respective fields. This information will be used while generating the Excise related documents generated from the system. User needs to ensure that he do not put any values in the Excise related information region of the main additional organization information screen which is meant for manufacturing Organization/Location.

Range	Details of the Jurisdictional Range.
Division	Details of the Jurisdictional Division
Zone/Region/Circle	These fields can be used to key in additional Information that needs to be printed in the excise related documents generated from the system.
Collectorate	
ECC Number	ECC Number allotted for the Trading Activities
Excise in RG23D	This flag enables to indicate whether the Receipt excise tax is inventorised or accounted to RG23 D account specified in the Organization Additional information setup. If the flag is Checked (Yes), the Receipt Excise amount shall be Debited to the RG23 D Account on receipt of material. If the flag is Unchecked (Default) the excise amount is added to the Inventory cost and debited to Inventory material account on Delivery of material.
Order Price Excise Inclusive	This flag enables to indicate whether the Sales Order price for shipments from a Trading Organization - Location is inclusive of the Excise tax. If the flag is Checked (Yes), the Excise tax is not added to the Receivables when the AR Invoice is created after Autoinvoice and India Localization program to interface Order Lines to AR. If the flag is Unchecked (default), Excise tax attached to the Shipment is added to the Receivables of the AR Invoice. Credit is given against the Account defined in the Excise Tax definition.

## 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.

## Define Sub Inventory Locations

Before you start using Oracle Financials for India Inventory, the Sub-inventories have to be associated with Organization/Location combination. Excise related transactions and records will be updated only for those Sub inventories, which are identified as bonded for Manufacturing Organizations and as Trading for Trading Organizations. By considering the transactions of a Sub Inventory, the check box for bonded/traded needs to be enabled.

**Important:** It is mandatory to complete this setup, irrespective of the fact that the Sub inventory is not bonded. You can leave the 'Bonded' checkbox blank, if the Sub inventory is non-bonded.

In Oracle Financials for India, navigate to Setup > Organization > Sub Inventory Locations. The table below provides field-wise description of the Assign Sub Inventories screen.

Field Description	Description
Header Level	
Organization Name/Location	Inventory Organization's Name and Location to be selected by the user from the LOV.
Line Level	
Sub-Inventory	You can select the Sub-Inventory name from the LOV
Description	The Description for the selected Sub-Inventory will be displayed here.
Bonded (Flag)	You need to specify whether a Sub Inventory belonging to the specified Organization and location is Excise Bonded or Duty Paid. When this Flag is enabled the Sub Inventory is considered as Bonded.
Trading (Flag)	You need to specify whether a Sub-Inventory belonging to the specified Organization and Location is Trading. When this Flag is enabled the Sub-Inventory is considered as Trading. If the Organization Location has a Manufacturing setup, this field is disabled.

**Important:** The above Sub Inventory setup is mandatory in nature & missing the same will result in shipping getting stopped.

## Defining Bond Register

The calculation of Excise Duty and updates of Excise Registers are based on the setup made in the define bond register. Before making this set up you need to define the Order Types and Transaction Sources. Excise transactions are classified into the following categories:

- 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 Stand 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.

### Generating Excise Invoice Numbers

For generating user defined prefixes for Excise Invoices, the Excise transaction type association needs to be mapped in the "Excise Generation" region of Additional Organization Information screen.

India Localization provides maintenance of multiple Bond Registers for exports.

### Recording Export under Bond

Rule 19 of The Central Excise Rules, 2002 provides for Export without payment of duty subject to the conditions and procedures specified by the notifications by the Central Board of Excise and Customs. In exercise of the powers conferred under these rules, the Central Board of Excise and Customs has notified through Central Excise (N.T.) Notification No.42/2001 and Notification No.44/2001 the conditions and procedures for export of all excisable goods. These notifications provide for taking on a Bond/Letter of Undertaking (LUT) for the export made to all countries other than Nepal and Bhutan and another Bond/LUT for the exports made to Nepal and Bhutan. To comply with the

procedures specified under these notifications, an organization will have to maintain multiple Bond Registers in order to keep track of exports under bond to all countries other than Nepal & Bhutan, exports to Nepal and Bhutan and exports under Letter of Undertaking. Under each of these categories, there would also be a possibility for taking multiple bonds where total of Export made, without proof of exports, is greater than the Bond Amount.

Using Bond Registers in Oracle Financials for India, you can maintain multiple Bond Registers for a combination of Organization and Location.

On taking a Bond for export you will have to create the required setup before you start creating export transactions against the Bond. The only setup step would be to record the Bond details. To do this, navigate to 'Define Bond Register' window. Select organization, Location for which the Bond would be applicable, pick up the Type 'Bond Register', and enter Bond Number, Expiry Date and the Bond Amount. On the lines, select the Order Types that would be used for export transactions.

In case export is made against the Letter of Undertaking (LUT), there would not be a Bond Amount. Hence, you can leave the Bond Amount field blank. However, it would be mandatory for you to capture the details of the Bond Number (LUT No.) and the Bond Expiry Date. In addition to this, check the LUT checkbox to indicate that the Bond Type is LUT.

Details of exports made under bond would be recorded. This information would be used to track Bond utilization.

## Define Excise Invoice Generation

To generate Excise Invoices with pre-definable prefixes (Alpha/Numeric), you need to complete Excise Invoice Generation Setup. If this setup is not done, system will generate only two series of Excise Invoices, one for Domestic Clearances and the other for Export Clearances and no prefixes for the numbers generated can be maintained.

### Prerequisites

Before you enter the Excise Invoice Generation - Organization Additional Information, you must:

- Define Organizations
- Define Locations
- Organization Additional Information

In Oracle Financials for India, navigate to India Local Inventory > Organization Additional Information.

1. Query for the Organization Location you wish to set up.
2. Click Tax Calendar > Excise Generation.



3. Create a new record for the Excise Invoice serial number to be generated for the Organization, Location, and Transaction Type and Order/Invoice Type combination.
4. This Excise Invoice Serial will be generated when Shipment & RTV is made from a Particular Inventory Organization Location.

The table below details the setup options:

Field Description	Description
Transaction Type	<p>Choose one of the options from:</p> <p><b>Order:</b> 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.</p> <p><b>Return To Vendor:</b></p> <p>The document sequence defined here would be applicable to Excise Invoice Numbers generated for a Return to Vendor Transaction.</p> <p><b>Domestic:</b></p> <p>The Document Sequence defined here would be applicable to Excise Invoice Numbers generated for a Domestic Transaction.</p> <p>This would be applicable to all the Order/Invoice Types that are</p> <p><b>Define Bond Register:</b> Chosen for the Organization / Location with the Register Type as 'Domestic with Excise' AND</p> <p>This Order Type is not chosen in the Excise creation India Localization screen for the Organization, Location.</p> <p><b>Invoice:</b></p> <p>On selecting this option in combination with the Invoice Type, the Excise Invoice Number generated on saving an AR Invoice would be based on the definition specified for this record.</p> <p><b>Export:</b></p> <p>The document sequence defined here would be applicable to Excise Invoice Numbers generated for a Export Transaction.</p> <p>This would be applicable to all the Order/Invoice Types that are</p> <p><b>Define Bond Register:</b> Chosen for the Organization / Location with Register Type 'Export with Excise'. This Order Type is not chosen in the Excise creation India Local screen for the Organization, Location.</p>

Field Description	Description
Order/Invoice Type	The relevant Order Type/Invoice type related for a Inventory Organization Location have to be selected here from the LOV.
Register Code	The appropriate Register Code for an Order/Invoice Type has to be selected here from the LOV.
Prefix	Any alpha-numeric code that would be prefixed to the Excise Invoice number.
Start No	You can specify the Start Number for a specific Excise Invoice Serials which are to be generated from a particular Inventory Organization Location for a specific Order/Invoice Type
Jump by	You can decide chronological series for Excise Invoice Numbers by specifying Jump by Number.
End No	The User can specify the End Number for a specific Excise Invoice Serials, which are to be generated from a particular Inventory Organization Location for a specific Order/Invoice Type & Register Code.

- Before defining user prefixes and Excise Invoice Numbers, appropriate setups need to be done in define Bond Register to associate an Order type for all Transactions Order Management Module. In addition, Transaction source for all transactions from Accounts Receivable Module needs to be defined. 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.
- It is not mandatory to define Excise Invoice Generation Serial Number. If you do not define the Excise Invoice Generation Screen, then auto generated system numbers will be allotted to the Excise Invoice as stipulated under Rule 52 A of the Central Excise Rules (one sequence for Domestic transactions and another for Exports).

## Defining Bond Register

In Oracle Financials for India, navigate to India Local Order Management > Registers > Define Bond Register.

From the look-ups you need to select the appropriate excise transactions. Options for Manufacturing Organization are:

- Domestic with Excise
- Domestic without Excise,
- Export with Excise
- Bond Register (For Exports)

Options for Trading Organization are:

- Trading Domestic with excise
- Trading Domestic without Excise
- Trading Export with Excise
- Trading Bond Register (For Exports)

**Important:** You need to specify the Bond credit available in his running Bond account maintained for export purposes.

Field Description	Description
Operating Unit	The Operating Unit for which the Bond Register is being entered.
Organization/Location	You can select Organization and its Location from LOV for which the Register setup is to be made.
Order/Invoice Information	
Bond Number	This would be an enterable field. User can enter Bond Number here. This number can be alpha-numeric.

Field Description	Description
Bond Expiry Date	The User can enter the Bond Expiry Date here. The system would raise application error where the Shipment date is greater than the Bond Expiry Date.
Letter of Undertaking	This field would be checked whenever the Bond Type is a LUT (Letter of Undertaking).
Bond Amount	Enter the Bond Amount here. The value in this field can be entered only while creating a new Bond. Once the Bond details are saved, these values cannot be updated.
Additional Amount	If the Bond Amount is to be increased, then, enter the Additional Amount here. Once, the record is saved, value in this field would be erased and the Bond Amount and Balance would be increased to this extent.
Balance Amount	This field would reflect current Balance available in the Bond Register.

For excise related transactions from the Order Management Module, you need to specify the Order Type intended to be associated with the selected Excise related transaction. Any number of Order Types can be associated to one single Excise related transaction.

For Excise related transactions mapped through the Transaction - Localized menu of the Receivable Module, you need to associate the excise related transaction to the Transaction Source. Any number of Transaction Sources can be associated to one Single Excise Related Transaction. The transaction batch source is selected against the option of Invoice in this field.

- Same Order Type/Transaction source cannot be mapped to different Excise Related Transactions. You need to map your business requirements by considering the localization setup that needs to be carried out for mapping the Excise Related Transactions.
- Attachment of Order Type to 'Domestic without Excise', or 'Trading without Excise' would mean that Excise Invoice Number for such transaction is not required. This Setup was mandatory for Tracking ST Forms earlier and is no longer mandatory for form tracking.
- When using Master Organization setup for generating Excise

Invoice Numbers at Master Org level, it is mandatory to setup the order type at both Child Organization and at Master Organization for generating the Correct Excise Invoice Number.

## Recording Export under Bond

Rule 19 of The Central Excise Rules, 2002 provides for Export without payment of duty subject to the conditions and procedures specified by the notifications by the Central Board of Excise and Customs. In exercise of the powers conferred under these rules, the Central Board of Excise and Customs has notified through Central Excise (N.T.) Notification No.42/2001 and Notification No.44/2001 the conditions and procedures for export of all excisable goods. These notifications provide for taking on a Bond/Letter of Undertaking (LUT) for the export made to all countries other than Nepal and Bhutan and another Bond/LUT for the exports made to Nepal and Bhutan. To comply with the procedures specified under these notifications, an Organization will have to maintain multiple Bond Registers in order to keep track of exports under bond to all countries other than Nepal & Bhutan, exports to Nepal and Bhutan and exports under Letter of Undertaking. Under each of these categories, there would also be a possibility for taking multiple bonds where total of Export made, without proof of exports, is greater than the Bond Amount.

Using Bond Registers in Oracle Financials for India, you can maintain multiple Bond Registers for a combination of Organization and Location.

On taking a Bond for export you will have to create the required setup before you start creating export transactions against the Bond. The only setup step would be to record the Bond details. To do this, navigate to 'Define Bond Register' window. Select organization, Location for which the Bond would be applicable, pick up the Type 'Bond Register', and enter Bond Number, Expiry Date and the Bond Amount. On the lines, select the Order Types that would be used for export transactions.

In case export is made against the Letter of Undertaking (LUT), there would not be a Bond Amount. Hence, you can leave the Bond Amount field blank. However, it would be mandatory for you to capture the details of the Bond Number (LUT No.) and the Bond Expiry Date. In addition to this, check the LUT checkbox to indicate that the Bond Type is LUT.

Details of exports made under bond would be recorded. This information would be used to track Bond utilization.

### Prerequisites

Before you enter the Bond Register Details, you must:

- Define Organizations
- Define Locations

- Define Organization Additional Information
- Define Transaction Types

In Oracle Financials for India, navigate to the India Local Associate Register Types from India Local Order Management > Setup > Registers > Define Bond Register.

The field wise description for the screen is given below. From the look-ups you need to select the appropriate Excise Transactions. Options in Manufacturing Organization are:

- Domestic with Excise
- Domestic without Excise,
- Export with Excise
- Bond Register (For Exports)

Options in Trading Organization are:

- Trading Domestic with Excise
- Trading Domestic without Excise
- Trading Export with Excise
- Trading Bond Register (For Exports)

**Important:** You need to specify the Bond Credit available in his running Bond account maintained for export purposes.

Field Description	Description
Organization/Location	You can select Organization and its Location from LOV for which the Register setup is to be made.
Order/Invoice Information	
Bond Number	This would be an enterable field. User can enter Bond Number here. This number can be alphanumeric.
Bond Expiry Date	The User can enter the Bond Expiry Date here. The system would raise application error where the Shipment Date is greater than the Bond Expiry Date.

Field Description	Description
Letter of Undertaking	This field would be checked whenever the Bond Type is a LUT (Letter of Undertaking).
Bond Amount	Enter the Bond Amount here. The value in this field can be entered only while creating a New Bond. Once the Bond details are saved, these values cannot be updated.
Additional Amount	If the Bond Amount is to be increased, then, enter the Additional Amount here. Once, the record is saved, value in this field would be erased and the Bond Amount and Balance would be increased to this extent.
Balance Amount	This field would reflect current Balance available in the Bond Register.
Additional Bond	Use this button to capture additional bond amount. On clicking this button you will be allowed to enter value in Addition Amount field. On saving this value will be added to the Bond Amount and the Balance Amount

For Excise related transactions from the Order Management Module, you need to specify the Order Type intended to be associated with the selected Excise related transaction. Any number of Order Types can be associated to one single Excise related transaction.

For Excise related transactions mapped through the transaction - Localized Menu of the Receivable Module, you need to associate the Excise related transaction to the Transaction Source. Any number of Transaction Sources can be associated to one Single excise related transaction. The transaction batch source is selected against the option of Invoice in this field.

- Same Order Type/Transaction source cannot be mapped to different Excise related transactions. You need to map your business requirements by considering the localization setup that needs to be carried out for mapping the Excise Related Transactions.
- Attachment of Order type to 'Domestic without Excise', or 'Trading without Excise' would mean that Excise Invoice Number for such transaction is not required. This Setup was mandatory for Tracking ST Forms earlier and is no longer mandatory for form tracking.



- When Using Master Organization setup for generating Excise Invoice Numbers at Master Organization level, It is mandatory to setup the Order Type at both Child Organization and at Master Organization for getting the Correct Excise Invoice Number.

## Define Tax Codes

You must define Taxes before you start using Oracle Financials for India. Tax codes will be the basis for all localization tax calculations. You should define all taxes applicable to your Organization.

Tax codes cannot be updated once saved. However, you can disable the tax by entering the End Date. Thus, you should adopt adequate caution while defining the taxes.

In Oracle Financials for India, navigate to Setup > Tax Setup > Taxes. The taxes are relevant to a particular Operating Unit in case of a Multi-Org setup. Once the screen is selected from the navigator menu, you have to select the Organization from the list, so that the taxes can be related to the corresponding Operating Unit.

The table below provides field-wise description for the Tax Definition screen.

Field Description	Description
Tax Name	Enter a short tax name/tax code in this field. It is recommend that you follow a naming convention for defining taxes so that the tax name defines the usage of tax. For example, CST-4%-C: this means the tax type is of type Central Sales Tax, Rate is 4%, and requires C-Form
Type	Select type of tax from list of values. This will indicate how to treat the tax at transaction level. The options available are:
Tax Name Description	Tax Short ID
Excise - Basic	BED
Excise - Additional	AED
Excise - Special	SED

Tax Name Description	Tax Short ID
Customs Duty	Basic Customs Duty/SAD
Customs Duty	Additional CVD
Central Sales Tax	CST
Sales Tax	LST
Octroi	Octroi
Insurance	Insurance
Freight	Freight
Service Tax	Service Tax
Tax Deduction at Source	TDS
Any Other Tax	Other taxes/Discounts
Modvat Recovery	Modvat Reversal Debit (Rule 6 of CENVAT Credit Rules)
Value Added Tax	VAT
Value Added Tax Reversal	VAT Reversal
Additional CVD	Additional CVD

**Note:** You can review modify existing tax and item categories to include the VAT Reversal Tax Type based on your business requirement. This tax code can also be manually added on Sales Orders and AR transactions.

Tax Type determines the type of treatment or procedure that needs to be initiated to calculate, record or update tax records. You should ensure that you associate Tax Codes with appropriate Tax Types, in tune with your Organizations requirements. For example, while defining a tax code/name for Sales Tax you should be using either CST or Sales tax as Tax Type. You should take adequate care in selecting tax type.

**Important:** Apart from the normal tax types like Excise, Customs, Sales Tax etc. which are widely used in the industry, Localization provides for additional tax types like Insurance, freight, any other tax and Modvat Reversal.

#### **Modvat Recovery - Modvat Reversal:**

Modvat Reversal needs to be mapped as per the requirements under Rule 57 CC of the Central Excise Rules.

#### **Freight, Insurance and Any Other Tax:**

Can be used for Accounting for any expense incidental to the Purchase transaction. Any tax (cost component) defined under these categories will be taken into consideration for the calculation item cost, subject to the condition that the Credit Percentage is not specified.

#### **Third Party Taxes:**

In the Procure to Pay Cycle, you can make use of the functionality of third Party taxes. This can be setup by specifying the Vendor Name and Vendor Site for the Tax Code. After receipt, you have to run the Third party taxes concurrent to generate AP Invoices for all third part taxes included in the Receipt. While computing the cost of the item, these costs also will be considered.

#### **Handling Discounts:**

You can use 'Any other Tax' type of taxes with negative Percentage or Unit Rate to handle discounts. Oracle Financials for India will also handle any other debit/credit that needs to be done for any transaction.

#### **Additional CVD:**

Assign this Tax Type to Tax Categories having Basic Customs and CVD Tax. When Additional CVD is not recoverable, credit percentage at the time of tax definition needs to be maintained at '0' or NULL.

Field Description	Description
Description	Enter meaningful description for the Tax you define. This should describe the Tax Name in detail. Description can have maximum length of 100 characters (including spaces).

Field Description	Description
Account	<p>You can enter the account code by using accounting flex-field on which the respective taxes will be charged and whenever a particular Tax is used in a transaction, this respective General Ledger Account will be debited or credited. In the Order to Cash Cycle this account will be used to account for the Tax transactions. In Procure to Pay Cycle, this account will be charged for the recoverable portion of the taxes specified for tax types other than Excise and Add. Customs.</p> <p>For example, for a Sales Tax Type of tax you have defined, tax as 10% and credit % as 50%. During delivery, sales tax to the tune of 50% will be considered for Item Cost and the balance 50% (of recoverable tax amount) will hit this account.</p> <p>It is suggested to have dedicated Tax Names for Procure to Pay Cycle and then you need to define the credit percentage.</p>
Vendor Name	<p>You can specify the Vendor Name here for a Tax Type other than Excise-Basic, Excise Additional, Excise-Special, Customs Duty, and Customs Duty-Additional. This is a required field in the case where Tax Type is Tax Deduction at Source. In case of a 'TDS' Type of Tax, Vendors of type 'TDS Authorities' will be displayed in the list, for all other types of tax, vendors of type other than 'TDS Authorities', 'Customs', 'Excise' will be displayed in the list. The vendor name appearing here will be defaulted in the PO tax lines and it can be changed if the user enables the update Vendor Flag at the Additional Organization Information.</p> <p>While creating an III Party Tax (that can be used in Procure to Pay Cycle), you need to attach a Supplier to whom the payment needs to be done on receipt of the goods. For example: for a 'Freight' type of tax, you attach ABC Transport Company (should have defined this Vendor in the Supplier Master), and attach this tax to a PO. On receipt of the goods, system by considering the values at the time of receipt creates an invoice to ABC Transport company automatically. At the same time, for costing purpose, the freight will be considered.</p>
Vendor Site	<p>The user can enter relevant Vendor Site for the above selected Vendor Name.</p>

Field Description	Description
Rate Block	Tax can be defined as based on any one of the Rates, Unit rate, Unit of Measure or adhoc type.
Rate	<p>Enter the Tax Rate at which the Tax will be calculated. The user can either enter Tax rate based on amount or per unit or on Adhoc basis.</p> <p>Discounts can be specified as Negative Taxes. But this works only when the Tax Types is 'Any Other Tax'.</p>
Unit Rate	If the Tax is charged per unit then the user needs to specify the Tax Rate Per Unit, then the Tax will be Number of units times Rate per unit. This field will be disabled whenever the Tax Type is Tax Deduction at Source.
Unit of Measure	<p>Amount Per Unit based taxes can be used with items having UOM belonging to same base class of UOM as that of UOM in tax definition, unless you have defined interclass conversion rate for that item. In Precedence calculation this type of tax will not depend on any other tax, however other taxes of rate basis can be dependent on result of this tax.</p> <p>Example: If a unit tax rate is defined as Rs.10 per KG you cannot use the same with item purchased in Meters unless the conversion rate between Kg and meter for that item.</p>
Duty Drawback Credit Percentage	This percentage is applicable for Taxes of Type Excise-Basic / Additional / Special or Customs Duty or CVD. This percentage will be used to calculate Duty drawback.
Adhoc	Adhoc basis of tax can be used to define tax amount, which will be known only at transaction level (i.e. Freight). You can change these taxes at transaction level. In Precedence calculation amount of such type of tax will not depend on any other tax whereas other taxes will be dependent on amount of this tax type. When adhoc basis is enabled, then other fields in the Rate Block will get disabled.

Field Description	Description
Credit percentage	For all input type of taxes, this field determines the percentage of recoverable and irrecoverable taxes.
Form Name/Certificate	This column is relevant only for Sales Tax & TDS Tax Types. You can enter the relevant Tax form name like C Form or Form 17 in the case of Sales Tax and based on this information, the Sales Tax Forms tracking will done for the Customers as and when transactions have this tax levied. The user can take out reports on transactions for which these forms are to be issued/received. This field is enabled only when the tax type is Sales Tax, Central Sales Tax and Tax Deduction at Source.
TDS Section No.	You can specify the respective TDS section for which a particular tax is being charged on. Since the TDS returns needs to be submitted in accordance with their corresponding section , the user can generate TDS reports made for the respective TDS sections. This field is enabled only when the tax type is Tax Deduction at Source.

Field Description	Description
Original Tax Percent	If the Concessional Tax Rate has been used for a particular Tax Code then the user can specify the actual and Original Tax Percent in this field. The user can identify the amount of Tax benefits or concession for all the transaction done through Concessional Tax Rate. This field will be enabled only when the Sales Tax Form Name or TDS Certificate name is specified otherwise the user cannot enter any rate in this field.

**Important:** In case of Excise and Add Customs (CVD) type of taxes, where you can take CENVAT Credit under Rule 57 of the Central Excise Rules, you must specify the CENVAT Credit percentage permitted on that tax. As per the Rules, total credit on the duty paid by the supplier can be claimed. Hence for all Excise Type of Taxes you must record 100% in this field.

In case of Tax Types other than Excise and Add Customs, you can specify the percentage of tax that can be recovered. The

non-recoverable portion will be accounted in the tax / account defined.

Field Description	Description
Rounding Factor	<p>Rounding factor differs for different Tax Codes. The user can specify the required rounding factor for a particular Tax based on the legal requirement. If this field is left blank, then the calculated Tax figure will be rounded to the nearest Rupee.</p>
Update Vendor	<p>This flag is providing flexibility to the user to change the Vendor Name at the transaction tax lines while entering a transaction. But this Flag cannot be checked for Customs, Additional Customs, and TDS Type of Taxes since the respective tax dues needs to be paid to the respective Department Authorities.</p> <p>For Example: When the tax amount needs to be paid to the respective Tax Authorities instead to the Vendor, then the user needs to enable this flag and in effect he can change the Vendor Name appearing in the tax lines and the tax liability will be booked the respective Tax Authority - Account. By enabling this option, at the time of receipt, user will be allowed to change the Vendor. For example, In the purchase order, for freight is considered as III Party Tax and Vendor attached to the PO is ABC Transport Company. On receipt, if the goods were not transported through ABC Transport Company and were brought by TVS, user will be able to change the Tax Vendor from ABC Transport Company to TVS.</p>
Update Currency	<p>By enabling this flag the user can change the currency code from the document currency to the functional currency if both are different.</p> <p>For Example: Assuming a case where the PO is raised in Foreign Currency (USD) but the tax like Customs needs to be paid in functional currency (INR). By enabling this Update Currency Flag the document currency amount will be converted into functional currency amount for the calculation tax.</p>
Update Transaction	<p>By enabling this flag the tax transaction lines can be updated or modified whenever any changes are required at the transaction level.</p>

Field Description	Description
CESS % age	Cess on TDS
Start Date, End Date	By default the start date is always current date and end date should be greater than the start date or it can be left blank. The period between start and end date specifies the effective period of the tax and when the end date is null, then it is in effect indefinitely from the start date. If you enter end date for a tax, then the tax will become ineffective from that date.

## Define Tax Categories

This is a mandatory setup to enable Tax defaulting and automatic calculation at the transaction line level. Tax Categories will be based on the taxes that will be applicable to the transaction and the Tax Base Amount calculation will be determined.

You can associate an Item Class to the Tax category. This Tax category will apply to all items under this class.

Tax Category is a group of relevant Tax Codes with precedence applicable to them.

In Oracle Financials for India, navigate to Setup > Tax Setup > Tax Categories. The table provides field-wise descriptions of the Tax Categories screen.

Field Description	Description
Header level	
Tax Category	Enter a Unique name for Tax Category. The Tax Category Name should be Suggestive, so that the User should be able to identify the applicability of the Tax Category.
Description	Enter meaningful description for the Tax Category you define. This should describe the Tax Category Name in detail.
Item Class Code	If a Tax Category is associated to a particular Inventory item class then the respective Inventory class code can be entered here.



Field Description	Description
Item Class	Optionally enter item class. One Tax Category cannot be applied to more than one Item Class and vice-versa. The Tax Category defined with an Item class defaults at the transaction level based on the Item Class that has been associated to the transaction level 'Item Attribute'. Once an Item Class (Predefined by Oracle Financials for India) is associated to a Tax Category, the same Item Class CANNOT BE associated to any other Tax category. Based on this Item Class the Excise Register updation will be done for an item.
Line Level	
Line No.	Auto generated line number will be displayed here. This is the value used to define precedence.
Tax Name	Use this column to enter Tax Names from LOV. You can associate any number of Tax Names to a Tax category. A Tax Name can be associated in any number of Tax Categories, however you cannot use same Tax Name more than once in a Tax Category. The Tax Rate applicable on transaction date will be applicable for that transaction.

Field Description	Description
Tax Precedence 1- 10	<p>Precedence refers to the manner in which the tax will be applied. The Tax Rate may be applied on the transaction base value or on another tax line or compounding them or combination of all. The base amount or material sale value is by default given a precedence value of '0'. The subsequent precedence are assigned to the Tax Names' respective Line Numbers. A maximum of five levels of precedence are permitted.</p> <p>The Taxes included in Tax Category would default on a transaction line. But, you would also have a provision to add new tax lines manually.</p> <p>Tax precedence for Additional CVD Tax Type should be set to the Tax on which it is calculated.</p> <p>If a tax name is defined as adhoc or as Amount Per Unit of measure then the Precedence has no Relevance in tax computation of such tax, however, calculation of other taxes can be based on this tax. A tax cannot be dependent on itself. However, interdependent taxes can be set up in precedence e.g. tax at line 1 can depend on tax at line 2. Similarly, tax on line 2 can depend on tax at line 1.</p> <p>For example Define a Tax Category for a Item A purchased for Location B and the following taxes are applicable.</p> <p><b>Step 1</b> - Define the above Tax Names and percentages in the Tax Name Definition.</p> <p><b>Step 2</b> - Associate the above Tax Names in the Tax Categories window accordingly for tax calculations. At this point, the dependence of tax on other tax needs to be defined in the system. If Sales Tax needs to be calculated on both line price and Excise Duty, the same can be defined in this screen. If '0' is defined then tax will get calculated only on the line price. In the 2nd line if it is 0 and 1, then the 2 nd line tax will be calculated on the line price and the 1 st tax.</p>

In this example line amount is Rs. 1000/-. The taxes mentioned below are applicable.

<b>Tax</b>	<b>Calculation</b>
Excise duty 16%	to be worked on the line amount
Sales tax 4%	to be worked on line price and Excise Duty
Freight Rs.100	Adhoc tax not depending on other taxes
Insurance 2%	to be worked on the line amount

<b>Tax name</b>	<b>Tax Calculation</b>
Excise duty 16%	to be worked on the line amount/Assessable value
Sales tax 4%	to be worked on line price and Excise Duty
Freight - Adhoc	Adhoc amount - no precedence needs to be attached
Insurance 2%	to be worked on the line amount

To implement SHE Cess solution, you must update the Tax Categories to include the newly defined Tax Codes. For detailed information on new Tax Codes, see Defining Accounting Information for Organization, *Oracle Financials for India User Guide*.

## Define Item Categories

Item Category List associates the Tax Category to an Inventory Item in an Organization. The user can add many items in a list and select relevant Tax Category for them. There can be many such item category lists defined and associated to the Vendor/Customer sites.

If the Item Category is attached to the Additional Customer/Supplier Information, the Item Category will get defaulted whenever a transaction is done with the Customer/Supplier.

Use this form to associate Inventory items to Tax Categories.

In Oracle Financials for India, navigate to Setup > Tax Setup > Item Categories.

The table below details field-wise descriptions of the Item Categories screen.

Field Description	Description
Header level	
Name	The user has to specify the unique Item Category List Name.
Description	Enter a description for the Item Category List. This should describe the Item Category List Name in detail.
Line level	
Item	Select the Items from the LOV.
Tax Category	Select the relevant Tax Category from the LOV.

**Important:** By assigning this Tax Category list to a Supplier Site in the Supplier Tax Information - India Local window, the tax lines for a particular Vendor/Vendor Site or Customer / Customer Site, for a particular Item will get defaulted according to the precedence set in the Tax Category. The user should use a unique Item Category List Name and meaningful description.

## Define Assessable Price Lists

When the Taxable basis for the calculation of the Excise Duty is different from the Price at which the Item is transferred, then you will have to create additional Price Lists with the Item Excise Assessable Price. This price list has to be attached to the Internal Customer / Customer Site. The Assessable Price would be considered only for calculation of the Excise Duty. Assessable Price Lists needs to be defined separately for Excise and VAT if the taxable basis is different.

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## Service Tax

### Service Tax Setup

#### Define 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 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 Service Tax - Setup - Regime Registrations.

On a regime, you would define rules that 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.

#### Service Tax Registration

Organizations have to register with the various Service Tax Authorities. The registration would be the basis for all recovering credit on input Tax, settling tax liability and Tax Reporting.

#### Assign Tax Types

Service Tax Types have to be assigned to the service tax regime. All transactions with taxes of these Tax Types assigned would be considered for service tax repository

updates. The following three tax types have been seeded and can be used for service tax:

- Service Tax
- Service Tax Education Cess
- ST SHE cess

You cannot add additional Tax types for Tax definition and need to use only the seeded Tax types. You can assign service tax types to service tax Regime. Transactions for the Tax Types that are assigned to the regime will be considered for service tax related processing and settlement. For each Tax Type, the user can also specify GL Accounts. You can change these accounts for each organization.

To assign service tax types, access Regime Registration screen from India Local Receivables > India TCS/VAT/Service Tax > Setup > Regime Registrations > Tax Types.

## Assigning Tax Accounts

For each Tax Type, you can specify GL Accounts and also have a separate GL Account for each organization. To assign GL Accounts for Tax Types, access Regime Registration screen from India Local Purchasing > India TCS/VAT/Service Tax > Setup > Regime Registrations > Tax Types > Tax Account Details.

Field Description	Description
Regime Registration Details block	
Tax Types tab	In this section of the screen Tax Types and the accounting information related to this regime are setup.
Sequence	This is the sequence number of the tax types to be captured.
Tax Types	You should associate all three tax types - Service Tax , Service Tax Education cess and ST SHE cess.
Description	Displays the description of the Tax Type
Parent Tax Type	Parent Tax Type is not applicable for Tax collected at source.

Field Description	Description
% of Parent	% of Parent is not applicable for Tax collected at source.
Tax Accounts Details block	Accounts that are going to be used for accounting of Tax Collected at Source are specified here.
Sequence	<p>This is the sequence number of the Account to be captured.</p> <p>Choose from Interim Liability Account and Liability Account.</p> <p><b>Note:</b> Refer Accounting section for detailed discussion on the accounts.</p>
Account Value	Pick accounting flex fields for each of the account.

## Customer Additional Information

The Customer Tax Information windows includes the Service Tax Registration Number where you enter the customer service tax registration number.

## Supplier Additional Information

The Supplier Tax Information window allows you to include the service tax registration number.





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## VAT Setup

### Defining Value Added Tax Regime

Regime would be used to define rules that would be applicable to all Taxes assigned to it

On a Regime, you would define rules that 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.

- **Value Added Tax Registration:** Organizations have to register with the various Value Added Tax Authorities (specific to each state). The Registration would be the basis for all Recovering Credit on Input Tax, settling Tax Liability and Tax Reporting.
- **Assigning Tax Types:** Value Added Tax Type have to be assigned to the Value Added Tax Regime. This is a logical grouping of all transactions to which these taxes are applicable. If the values assigned for a particular tax are different, these would prevail over those defined for the Regime.
- **Assigning Organizations:** Regime has to be assigned to all Organizations to which it is applicable. Taxes defined under this Regime would default only for these Organizations.

Tax Information related to Value Added Tax Regime will be handled through a new screen called 'Regime Registration' that was introduced through the Service Tax Solution. The functionality of these forms has been enhanced so that Value Added Tax Regime can be setup through them.

To implement SHE Cess Solution, Regime Registrations for Service Tax and Tax Collected at Source needs to be updated with the SHE Cess Tax Type Accounts.

To update Service Tax Regime, access Regime Registration form from India Local Purchasing > India Localization > India VAT/Service Tax > Setup > Regime Registration.

**Note:** It is advisable to use different Accounts for Service SH Education Cess Tax Type - Interim Recovery Account, Recovery Account, Interim Liability Account and Liability account.

### ***Regime Registration***

<b>Field Name</b>	<b>Description</b>
Header Section	In this section Regime Name, description and effective dates of the Regime is captured.
Regime	The LOV contains <ol style="list-style-type: none"> <li>1. Service Tax</li> <li>2. Value Added Tax</li> </ol> You should pick 'Value Added Tax'.
Description	Short description of the Regime
Regime Registration Details block	
Registrations tab	This section captures the Registration details of the Regime. These Registration details are used in the reports that are generated. You should enter the Registration details in the 'Registration Value' column by picking up the appropriate 'Registration Type' and 'Registration Name'. You can capture as many Registration details as required.
Sequence	This is the Sequence Number of the Registration Types to be captured. This may not be Serially Numbered. You cannot use duplicate sequences.
Registration Type	LOV containing: <ol style="list-style-type: none"> <li>1. Primary Registration Number</li> <li>2. Secondary Registration Number</li> <li>3. Others</li> </ol> Pick the appropriate Registration Type.

Field Name	Description
Registration Name	<p>LOV containing:</p> <ol style="list-style-type: none"> <li>1. Registration Number</li> <li>2. Jurisdiction</li> <li>3. Ward No</li> <li>4. Range No</li> <li>5. Circle</li> <li>6. Same Invoice No for Excise and VAT Regimes</li> </ol> <p>Pick appropriate Registration Name</p>
Registration Value	You should enter the actual Registration value in this field.

These Registration details are applicable at the Regime Level. These Registration details will default on all the Organizations that are assigned to this Regime. The user has the facility to change the default values at an Organization Level.

**Note:** For Value Added Tax Regime, you need to specify value for "Same Invoice No for Excise and VAT Regimes" attribute. A 'Yes' in this field indicates that the Excise Invoice Number, wherever available would be considered as VAT Invoice Number. If the value is set to 'No', setup made in the VAT Document sequence setup would be considered for VAT Invoice Number generation.

The Service Tax distribution transaction only hits the PLA registers by default. If you want the service tax distribution to hit the RG register, you must perform the following setup:

1. Navigate to Registration Tab and Click Add Row.
2. Select Others for Sequence and Registration Type.
3. Enter 'Service Tax Distribution in RG / PLA' as the Registration Name.
4. Enter 'RG' or 'PLA' as the Registration Value.

**Note:** You must perform the above setup if you want the service tax distribution to hit the RG register.

## Regime Registrations - Tax Type

This section of the screen shows the Tax Types associated to the regime and the 4 accounts related to this Regime.

Field Name	Description
Regime Registration Details block	
Tax Types Tab	In this section of the screen Tax Types and the Accounting Information related to this Regime are setup.
Sequence	This is the Sequence Number of the Tax Types to be captured.
Tax Types	<p>You should associate all the Tax Types falling under the VAT Regime and that are applicable to your business.</p> <p>LOV containing:</p> <ul style="list-style-type: none"><li>• Value Added Tax</li><li>• Turnover Tax</li><li>• Purchase Tax</li><li>• Entry Tax</li><li>• Octroi - IND</li></ul>
Description	Displays the description of the Tax Type
Parent Tax Type	This field is not relevant for VAT Regime
% of Parent	This field is not relevant for VAT Regime
Tax Accounts Details block	
Sequence	This is the Sequence Number of the Account to be captured.

Field Name	Description
Account Name	<p>LOV contains:</p> <p>Interim Recovery Account</p> <p>Recovery Account</p> <p>Interim Liability Account</p> <p>Liability Account</p> <p>Please refer Accounting Section for detailed discussion on the accounts</p>
Account Value	Pick Accounting flex fields for each of the account.

Click Organization to view the Regime Organization Registration screen. This screen shows the organizations assigned to the regime.

#### ***Assigning Organization***

Field Name	Description
Header	
Regime	This field will default from 'Regime Registration' form.
Description	This field will default from 'Regime Registration' form.
Organization Details block	All the Organizations falling under this Regime are associated to the Regime here.
Organization Type	For VAT only 'Inventory Organizations' is applicable
Organization Name	Name of the Organization that has to be associated to this Regime.
Registrations Tab	

Field Name	Description
Registration Details block	The Registration details that are given at the Regime Registration details are defaulted to the Organizations. These Registration details will default on all the Organizations that are assigned to this Regime. The user has the facility to change the default values at an Organization level. You cannot delete a Registration here.
Registration Type	Will show default Value from 'Regime Registrations' screen.
Registration Name	Will show default value from 'Regime Registrations' screen.
Registration Value	Will show default value from 'Regime Registrations' screen. You can edit the information.
Default	This checkbox will be checked whenever default Registration Value at the Regime level are retained. It gets unchecked when Registration Value is modified.

The Tax Types tab shows the Tax Types associated to the regime and Organization and the 4 accounts related to this Regime and Organization combination.

#### ***Tax Types***

Field Description	Description
Tax Types Tab	The Tax Details that are given at the Regime Registration details are defaulted to the Organizations. These tax details will default on all the Organizations that are assigned to this Regime. The user has the facility to change the default values at an Organization level.
Tax Details block	
Tax Type	Will show default value from 'Regime Registrations' screen.

Field Description	Description
Description	Will show default value from 'Regime Registrations' screen.
Account Details block	
Account Name	Will show default value from 'Regime Registrations' screen.
Account Value	Will show default value from 'Regime Registrations' screen.  Pick accounting flex fields for each of the account specific to the Organization.
Default	This checkbox will be checked whenever default Account Value at the Regime Level are retained. It gets unchecked when account value is modified.

## Define Claim Terms

Defining claim term for VAT is an important setup in the PO – AP cycle. The claim term defined here determines the VAT claim amount in the VAT – Tax claim form.

You can define flexible claim terms for a combination of the following:

1. Regime
2. Item Class
3. Regime Registration Number
4. Organization (location)

The combination of the above has to be unique. Based on the above setup, Claim Terms will be defaulted in the VAT – Tax Claim form. Flexibility provided in defining the periods of the claim terms: The user has the flexibility of defining timing of first claim (first instalment/start period) the number of claims (number of instalments) and the timing of next instalments (subsequent instalments).

### Number of instalments – Number of claims

You can define as many number of instalments for a particular claim term. Based on these number of instalments, the VAT tax claim on the receipt will be deferred over a period of time and will be claimed in equal instalments based on the 'subsequent instalments' setup. The number of instalments are the total instalments and includes the

first instalments and subsequent instalments.

The following table describes the Claim Terms Definition window.

Field Name	Description
Header Section	
Term Name	Enter a name for the template.
No. of Instalments	Enter the number of instalments.
First Instalment – Start Period section	Enter the start period and select the first instalment day.  Enter the day of the month on which you wish to claim the first instalment.
Subsequent Instalments section	
Every	Enter interval/frequency of the subsequent instalments.
Subsequent Instalments day	Select the subsequent instalment day.
Day of Month	Enter the day of the month on which you wish to claim the subsequent instalment.
Assignments Block	
Regime	Select the value added tax regime.
Item Class	Select the item class.
Regime Registration Number	Select the registration number
Organization	Select the organization, the list is based on the regime registration number.
Location	Select the location, the list is based on the organization.



## Define VAT Document Sequencing

You can define document sequencing using the Document Sequencing Setup window. VAT Invoice sequence generation depends upon the setup made for the Value Added Tax Regime. You have to set up whether you want to generate the same invoice sequence for VAT and Excise using the "Same Invoice No for Excise and VAT Regimes" attribute. This is a mandatory setup that you need to perform irrespective of the value of "Same Invoice No for Excise and VAT Regimes" attribute.

The following table describes the Document Sequencing Setup window.

Field Name	Description
Regime Code	Select a VAT regime.
Regime Description	Regime description.
Registration Number	Select a registration number.
Organization Name	The list contains organizations related to the registration number selected.
Location	Select the location related to the organization.
Effective From	This date cannot be lesser than the system date.
Effective To	You can enter an effective To Date to disable the VAT document sequencing.
Document Type	You can define different document sequences for different types of documents. If you select the default, the document sequence applies to all the documents.
Document Type Name	The document type name depends upon the document type selected.
Start Number	Enter a start number here. If you wish to start the document sequencing from 1, then you should enter 0 as the start number.
Prefix	Enter a prefix to the invoice number that is generated.

Field Name	Description
End Number	You can specify an end number for the document sequences. If the document sequence is exhausted, the VAT invoice generation program will end into an error.

**Note:** When VAT document sequences are exhausted, you will get the following error:

```
+++ After call to jai_rgm_doc_seq_pkg.Gen_Invoice_number with
lv_inv_gen_process_flag = EElv_inv_gen_process_message Document
Numbers are exhausted. Please set the End number to a larger value+++
```

In such cases, you will have to make setup additions.

## Define Item Classification

Items need to be classified in order to define recovery claim terms for them. Following are the attributes that are to be captured for each items:

Attribute Name	Attribute Value
Applicable	<p>This attribute defines the applicability of VAT to items. This attribute is important in determining whether VAT will be charged in the OM - AR cycle.</p> <p>Yes: VAT is applicable on the OM - AR cycle and VAT liability on these transactions will be accounted. All items on which VAT liability arises should be defined as Yes.</p> <p>No: VAT is not applicable for these items and you should not attach VAT taxes at the time of transactions.</p>

Attribute Name	Attribute Value
Item Class	<p>This item classification is important from the accounting and VAT claim point of view. You can define different accounting and VAT claim rules for different classes of items.</p> <p>Raw Materials: All material on which VAT needs to be claimed in the PO - AP cycle should be defined as Raw Materials.</p> <p>Capital Goods: All capital items on which VAT needs to be claimed in PO - AP cycle should be defined as Capital Goods.</p> <p>Finished Goods: All items on which VAT liability arises in the OM - AR cycle should be defined as Finished Goods.</p> <p>Other Goods: This is the residuary category. Items may be defined as Other Goods and accounting rules can be defined for these as well.</p>
Recoverable	<p>This attribute defines whether input tax claim of VAT taxes can be availed. This attribute is important in determining whether VAT claim can be made for an item in the PO - AP cycle.</p> <p>Yes: Input VAT claim in PO - AP cycle can be availed based on this attribute. All input material on which input VAT claim has to be made should be defined as Yes.</p> <p>No: Input VAT claim is not applicable if this attribute set to No.</p>
Item Folio	<p>This is a dummy attribute where users can store any requisite data which can be used in future for custom needs.</p>

## 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

## Define Customer Registrations

You can specify VAT Registration number for each Customer. If this registration number varies by Customer Site, you can specify this number for each Customer Site. Along with the VAT Registration Number you also assign a Assessable Price list to the

Customer. This price list would be used in calculating the VAT Taxes.

To access Customer Tax Information India Localization window, using the following navigation path:

India Local Order Management>Customers>Additional Information

The following table describes the VAT section on the Tax Information India Localization window.

Field Name	Description
Reg No	Specify the VAT Registration Number applicable to the customer, Customer Site.
Assessable Value	You can select from the list of Price Lists. The price specified in the list here would replace the Line Amount while calculating VAT Taxes.

## Define Supplier Registrations

You can specify VAT Registration number for each Supplier. If this registration number varies by Supplier Site, you can specify this number for each Supplier Site. Along with the VAT Registration Number you also assign a Assessable Price list to the supplier. This price list would be used in calculating the VAT Taxes.

To access Supplier Tax Information India Localization Screen, using the following navigation path:

India Local Purchasing Supply Base Additional Supplier Info

The following table describes the VAT section on the Supplier Tax Information India Localization window

Field Name	Description
Reg No	Specify the VAT Registration Number applicable to the supplier site.
Assessable Value	You can select from the list of Price Lists. The price specified in the list here would replace the Line Amount while calculating VAT Taxes

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## TDS Regime Setup

### TDS Regime Setup

#### Define TDS Regime

Regime is used define rules 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 are applicable to all transactions created for the organizations assigned to it. Information defined here is generic unless you assign different properties at the organization level.

To create a TCS Regime, access Regime Registration screen from India Local Receivables > India TCS/VAT/Service Tax > Setup > Regime Registrations.

Field Description	Description
Header Section	In this section regime name, description and effective dates of the regime is captured
Regime	The LOV contains a new value - 'Tax Collected At Source' regime.
Description	Short description of the regime
Short description of the regime	

Field Description	Description
Registrations tab	This section captures the registration details of the regime. These registration details are used in the reports that are generated. You should enter the registration details in the 'registration value' column by picking up the appropriate 'registration type' and 'registration name'. You can capture as many registration details as required.
Sequence	This is the sequence number of the registration types to be captured. This may not be serially numbered. You cannot use duplicate sequences.
Registration Type	Pick appropriate Registration Type from Primary Registration Number, Secondary Registration Number, Others.
Registration Name	Pick appropriate Registration Name from TAN No, AR Receipt Class, Batch Source Debit Memo, Batch Source Credit Memo.

## 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

## 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

## 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 add a new record for defining the relevant sections.

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

## 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

## Defining TDS Thresholds Setup

You can define TDS Threshold for a Vendor Type and TDS Section Code combination. You can define Thresholds for Single Invoice as well as Cumulative Invoice Thresholds. You can setup TDS Threshold Limits for a combination of:

- Vendor Type
- Section Type

If you wish to setup different Threshold Limits for certain Vendors, you can do the same by setting up "Exception Setup". You can define as many "Exception Setups" as desired.

Using this setup screen you can define Thresholds for the Section Type 'TDS Section'.

You can define following Threshold Types:

- Single
- Cumulative

Single Threshold applies to a certain transaction only. If this Threshold is setup with a monetary limit, TDS will be deducted every time the current Invoice Amount exceeds the Threshold Amount. Those Invoices, which are lower than the Threshold Amount,

will be ignored for TDS Calculation.

Cumulative Threshold applies to aggregate of all Invoices for the Financial Year. If this Threshold is setup with a monetary limit, TDS will be deducted on all the Invoices after this monetary limit is reached. In case of the Invoice, due to which the Threshold Limit is reached, TDS will be calculated on all the earlier Invoices also (that were ignored TDS Calculation).

In case both TDS Thresholds are setup with a monetary limit, Single Invoice Threshold will operate only if the Cumulative Invoice Threshold is not reached. Once Cumulative Invoice Threshold is reached, Single Invoice Threshold will be ignored.

You have a flexibility to specify Effective Dates for each TDS Thresholds. These Effective Dates are validated / compared against the accounting date of the Invoice distributions and TDS Thresholds will operate only between these Effective Dates. Once an end date has been put a particular TDS Threshold, you can define a New TDS Threshold for that particular Threshold Type. Using this flexibility you can take care of the Threshold modifications happening from time to time without modifying any setup at the individual Vendor level.

## Additional Supplier Information

The Supplier TDS Information window allows you to enter TDS related supplier information.

The following table describes the TDS Supplier window.

Field Name	Description
Create Pre-Approved TDS Invoice Credit Memo	You can select this box to generate pre-validated TDS invoices and credit memos.
TDS Vendor Type	Vendor Type.
PAN No	Vendor's PAN.
TAN No	Vendor's TAN.
Ward No	Ward number of the Vendor.
Confirm PAN	Check this box to confirm PAN of the vendor.
Default TDS Section	Select a default TDS Section for this vendor. TDS will be deducted based on checking the threshold for this section.



Field Name	Description
Tax Name	You can select a default tax code here. You can select the value for this field only for the Vendor Site level record. Even though the Tax Name is attached here, system will not generate any TDS untill the first TDS Threshold slab is crossed. At any point of time, total TDS deducted would be as per the TDS Threshold setup slab amounts. If the user wants the TDS to be deducted based on the TDS Thresholds setup, then the user need not attach any TDS tax code value here. The value of the TDS tax code will be picked up from the TDS Thresholds setup for a specific operating Unit.

If the suppliers have applied for a PAN, you can change the value of PAN Number for the suppliers by running the "India - PAN Number Update" concurrent program.

## TDS Credit Memo

A Transaction Type has to be setup. The Transaction name has to be 'TDS Credit Memo'. The Name is case sensitive. It has to match the Text given.

The TDS Credit Memo has to be set on a similar fashion except for Batch Source Tab. Navigate to India Local Receivables > Oracle Receivables > Setups > Transactions > Sources.



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## TCS Setup

### TCS Setup

#### Define TCS Regime

Regime is used define rules 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 are applicable to all transactions created for the organizations assigned to it. Information defined here is generic unless you assign different properties at the organization level.

To create a TCS Regime, access Regime Registration screen from India Local Receivables > India TCS/VAT/Service Tax > Setup > Regime Registrations.

Field Description	Description
Header Section	In this section regime name, description and effective dates of the regime is captured
Regime	The LOV contains a new value - 'Tax Collected At Source' regime.
Description	Short description of the regime
Short description of the regime	

Field Description	Description
Registrations tab	This section captures the registration details of the regime. These registration details are used in the reports that are generated. You should enter the registration details in the 'registration value' column by picking up the appropriate 'registration type' and 'registration name'. You can capture as many registration details as required.
Sequence	This is the sequence number of the registration types to be captured. This may not be serially numbered. You cannot use duplicate sequences.
Registration Type	Pick appropriate Registration Type from Primary Registration Number, Secondary Registration Number, Others.
Registration Name	Pick appropriate Registration Name from TAN No, AR Receipt Class, Batch Source Debit Memo, Batch Source Credit Memo.

These registration details are applicable at the regime level and will default on all the organizations that are assigned to this regime. However, you can change the default values at the organization level.

To implement SHE Cess Solution, Regime Registrations for Service Tax and Tax Collected at Source needs to be updated with the SHE Cess Tax Type Accounts. To update TCS Regime, access Regime Registration form from India Local Receivables > India TCS/VAT/Service Tax > Setup Regime Registrations.

**Note:** It is advisable to use different Accounts for TCS SH Education Cess Tax Type - Interim Liability Account and Liability account.

## Define Regime Registration Details

Organizations have to register with various TCS Authorities. The registration are the basis for all settling tax liability and tax repository updates. You can setup TCS registration details using TCS Regime. If the TCS Registration varies by organization, you have the option to change the default values at the organization level.

To create TCS Registration Details, access Regime Registration screen from India Local Receivables > India TCS/VAT/Service Tax > Setup > Regime Registrations >

Registrations.

- TCS tracking or reporting for Organization is based on the TAN Number defined. Hence it is mandatory to define the correct TAN number for the organization. You must not attempt to change the TAN Number.
- For entry of Advance Receipts, Receipt Class entry is required. The Zoom feature is enabled only for the Receipt Class entered in Regime Registration.
- Batch Source for 'Debit Memo' and 'Credit Memo' are required to enable system to generate Debit / Credit memos for TCS Transactions. Debit notes are generated whenever you save an Advance receipt while Credit note is generated when this advance receipt is applied to an Invoice transaction with TCS. Localization inserts data in AR interface tables based on this setup. User needs to run Autoinvoice import program to get the actual Debit/Credit Memos for TCS in Receivables.

## Assign Tax Types

TCS Tax Types have to be assigned to the TCS regime. All transactions with taxes of these Tax Types assigned would be considered for TCS Repository updates. The following three Tax Types have been seeded and can be used for TCS Tax:

- Tax Collected at Source
- TCS Cess
- TCS Surcharge

You cannot add additional Tax types for Tax definition and need to use only the seeded Tax types. You can assign TCS Tax Types to TCS Regime. Transactions for the Tax Types that are assigned to the regime will be considered for TCS related processing and settlement. For each Tax Type, the user can also specify GL Accounts. You can change these accounts for each organization.

To assign TCS Tax Types, access Regime Registration screen from India Local Receivables > India TCS/VAT/Service Tax > Setup > Regime Registrations > Tax Types.

## Assigning Tax Accounts

For each Tax Type, you can specify GL Accounts and also have a separate GL Account for each organization. To assign GL Accounts for Tax Types, access Regime Registration screen from India Local Purchasing > India TCS/VAT/Service Tax > Setup > Regime

Registrations > Tax Types > Tax Account Details.

Field Description	Description
Regime Registration Details block	
Tax Types tab	In this section of the screen Tax Types and the accounting information related to this regime are setup.
Sequence	This is the sequence number of the tax types to be captured.
Tax Types	You should associate all three tax types - Tax Collected at Source, TCS Cess and TCS Surcharge.
Description	Displays the description of the Tax Type
Parent Tax Type	Parent Tax Type is not applicable for Tax collected at source.
% of Parent	% of Parent is not applicable for Tax collected at source.
Tax Accounts Details block	Accounts that are going to be used for accounting of Tax Collected at Source are specified here.
Sequence	<p>This is the sequence number of the Account to be captured.</p> <p>Choose from Interim Liability Account and Liability Account.</p> <p><b>Note:</b> Refer Accounting section for detailed discussion on the accounts.</p>
Account Value	Pick accounting flex fields for each of the account.

Apart from the final Liability Account, you must define one interim account to store the TCS that is not accrued. Eg., Shipment is made but Invoice not raised would result in balance in Interim account. Defining separate accounts for each tax type and specific to

each Organization in General Ledger helps in better tracking of TCS accounting.

## Assign Organizations / Locations

Regime must be assigned to all organizations it applies to. Taxes defined under this regime will default only for transactions created for these organizations.

As TCS is applicable on sale of specified goods, Inventory organizations and locations are considered for TCS setup. User can assign Inventory organizations and locations to the TCS Regime. If the Registration details and the Tax Account details vary by organization, you can change the default values. To assign organization/locations, access Regime Organization Registration screen from India Local Receivables > India TCS/VAT/Service Tax > Setup > Regime Registrations > Organizations.

Field Description	Description
Header	
Regime	This field will default from 'Regime Registration form.
Description	This field will default from 'Regime Registration form.
Organization Details block	All the organizations falling under this regime are associated to the regime here.
Organization Type	For TCS, only Inventory Organization is applicable
Organization Name	Name of the Inventory organization that has to be associated to this regime.
Registrations Tab	
Registration Details block	The registration details specified in 'Regime Registration' are defaulted to the organizations. These registration details will default on all the organizations that are assigned to this regime. You can change the default values at the organization level.
Registration Type	This field will default from 'Regime Registrations' screen.

Field Description	Description
Registration Name	This field will default from 'Regime Registrations' screen.
Registration Value	This field will default from 'Regime Registrations' screen. You can edit this information.
Default	This checkbox will be checked whenever default registration value at the regime level are retained. It is unchecked when registration value is modified.

## Define Organization Registrations

Organizations having their operations spanning across different states would register under each state. In such cases, you can define TCS Registration number for each Inventory Organization/Location combination. To assign organization/locations location details, access Regime Organization Registration screen from India Local Receivables > India TCS/VAT/Service Tax > Setup > Regime > Registrations > Organizations.

## Defining Organization Tax Accounts

You can have different GL code combinations for each of the Organization/Location. To enable this, you must assign Tax Accounts for Organization/Locations. Unless, different accounts are setup for each organization/location combination, the Accounts specified at Regime Registration level will be used for all organizations. To create GL Accounts by Organization/location access Regime Organization Registration screen from India Local Receivables > India TCS/VAT/Service Tax > Setup > Regime Registrations > Organizations.

Field Description	Description
Tax Types Tab	The tax details that are given at the regime registration details are defaulted to the organizations. These tax details will default on all the organizations that are assigned to this regime. The user has the facility to change the default values at an organization level. You cannot delete a registration here.



Field Description	Description
Tax Details block	
Tax Type	This field will default from 'Regime Registration' screen.
Description	This field will default from 'Regime Registration' screen.
Account Details block	
Account Name	This field will default from 'Regime Registration' screen.
Account Value	This field will default from 'Regime Registration' screen. Pick accounting flexfields for each account specific to the organization.
Default	This checkbox will be checked whenever default account value at the regime level are retained. It will be unchecked when account value is modified.

## Defining Item Classification

Under TCS Regime, items have to be classified into following categories:

- Alcoholic liquor for human consumption
- Timber obtained under a forest lease
- Timber obtained under any mode other than forest lease
- Any other forest product not being timber or tendu leave
- Scrap
- Parking Lot
- Toll Plaza
- Mining and Quarrying
- Tendu leaves

You must classify the items under the above categories, which would be required for proper reporting. You can setup templates with possible Item classifications. Multiple items can be assigned to templates at a time. This feature enhances usability and minimizes time required to complete this setup.

To define Item Classifications, navigate to India Local Receivables > India TCS/VAT/Service Tax > Setup > Item Classification.

**Note:** If item classification is not carried out for an item, when you book a sales order or when you try to complete a Receivables Invoice with TCS Taxes, you will get the error: "cannot find item classification for "TCS" regime and "LocFGIN" item of 2832 Organization ID".

- You cannot enter a TCS AR Invoice without using items i.e., using description or memo line. In such cases item classification is not possible.
- Item classification is mandatory to meet the reporting requirements of TCS regime and hence the above restriction to use an item that is properly classified.

## Define TCS Tax Authority

In the base application we need classify the supplier as India TCS Tax authority and also do the supplier registration in Oracle Financials for India.

## Define Tax Codes

New Tax code needs to be defined for tracking TCS Taxes. You can identify a TCS tax by defining a Tax code using the following Tax types:

- Tax Collected at Source
- TCS Cess
- TCS Surcharge

To define a Tax code, access Tax code definition window from India Local Receivables > Setup > Tax > Taxes.

**Note:** You need to define a different Tax Code each for TCS Cess and TCS Surcharge Cess. .TCS Cess should not be used for TCS Surcharge Cess even though the Tax percentage is the same. This is essential because a single transaction cannot have the same tax ID multiple times.

To carry out a transaction classified as TCS exempted transaction, you must define a tax code with zero Tax Percent and the Original Tax Percent that would have been normally charged. Similarly, to carry out a transaction classified as Concessional TCS transaction, you must define a tax code with reduced Tax Percentage that needs to be charged and the Original Tax Percent that would have been normally charged, if such transaction did not attract a concessional TCS rate.

## Defining Tax Categories

Tax category should be defined for defaulting Taxes. You can create multiple Tax Categories with TCS Taxes to ensure that defaulting / selecting right Tax category results in correct TCS taxes with Surcharge and Cess. Apart from above, you need to create two additional separate Tax categories:

- Tax Category with only tax type of Tax Collected at Source and TCS Cess to attach to receipts to deduct TCS on Advance Receipts.
- Tax Category with only tax type of TCS Surcharge and TCS Cess to be attached to Threshold setup. This would ensure automatic charging of Surcharge whenever the total billing to the customer exceeds the threshold setup.

To define a Tax category, access Tax category definition window from India Local Receivables > Setup > Tax > Tax Categories.

**Note:** If the Tax category has other type of taxes, then the same would not appear in LOV of the TCS Threshold definition screen. Hence, you must perform the above Tax category setup before TCS Threshold setup.

## Defining Item Categories

Item category should be defined to default TCS taxes based on Customer/Site combination selected. You can create Item Category to ensure the right Tax Categories with TCS Taxes is attached to corresponding items to ensure that defaulting/selecting right Tax Category results in correct TCS taxes with Surcharge and Cess. To define an Item category, access Item category definition window from India Local Receivables > Setup > Tax > Item Categories.

## Define Threshold

You must define TCS Thresholds to ensure the system automatically tracks cumulative sales above a particular limit (current limit is 10 Lakhs) and starts charging Surcharge for sales when such Threshold is crossed. To perform Threshold Setup, access thresholds setup window from India Local Receivables > Setup > Tax > Threshold Setup.

## Defining Customer Registrations

Tax Identification or Permanent Account numbers (PAN number) will be allotted to eligible organizations. You must capture these details through the Customer Additional Information, *Oracle Financials for India User Guide*. To enter TCS Registration number for a Customer, access Customer Tax Information India Local window from India Local Receivables > Customers > Additional Information.

## Defining Receipt Class

The Receipt Class needs to be defined in Base Receivables by navigating to Oracle Receivables > Setup > Receipts > Receipt Classes. The Advance Receipt for TCS Receipt Class or Payment Method is used for TCS Advance Receipts only and not for generic receipts that do not attract TCS Tax Type. The Receipt Class defined here will be attached in Regime Registration and Payment Method entered in the Receipt Class will be available in the LOV while entering receipts.

## Defining Transaction Type

To define the transaction type, navigate to Oracle Receivables > Setup > Transactions > Transaction Types. Select Debit Memo as the Class and you must specify value for Terms field to enable import. Creation Sign must be set to Negative.

## Defining Transaction Source

Define the transaction source in Oracle receivables by navigating to Oracle Receivables > Setup > Transactions > Sources.

It is recommended that you define and use separate TCS Credit Debit notes to ensure that the same does not clash with other transactions and are easily tracked. The TCS Debit Notes are generated when you enter an Advance Receipt. It is also generated for the total Threshold amount when the TCS Threshold limit is exceeded. Similarly, a TCS Credit Note is generated when an advance receipt is applied to a transaction having TCS, or such receipt is cancelled or reversed. A TCS Credit Note also gets generated when the TCS Threshold limit which was exceeded earlier is decreased due to either reversal or incompleteness of invoices. You must run the AutoInvoice program to get the TCS Debit or Credit Note reflected in Receivables.

## Attaching Receipt Class

You must have a Receipt Class attached for TCS Regime. This enables attaching TCS tax category to the receipt using the Zoom feature. This is used to deduct TCS Taxes against Advance Receipts made by customers. To attach Receipt Class, access Regime Organization Registration screen by navigating to India Local Receivables > India TCS/VAT/Service Tax > Setup > Regime Registrations Organizations.

**Note:** Receipt Class can be attached either at the Regime level or at the Organization level.



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## Fixed Assets Setup

### Setting up India Local Fixed Assets

Under the Income Tax Act, to work out the income tax liability, depreciation needs to be worked out based on written down value method for the block of assets and no depreciation can be claimed on individual assets.

All assets need to be assigned to the respective block of assets and written down value need to be worked out based on the equation prescribed under the Income Tax Act. Few examples for Block of assets widely used in the industry are:

- Land and Buildings
- Plant & Machinery
- Motor Vehicles
- Furniture & Fixtures

Depreciation on asset added to a block needs to be worked based on the period of commissioning of the individual asset. As per the current provisions, depreciation for an asset block can be claimed up to 100% of the allowable depreciation, if the asset is procured between the 1st of April and 30th day of September. Only 50% of the allowable depreciation can be claimed on a block, if the asset is procured between 1st day of October and 31st day of March.

As a part of Localization set up the User has to define the Block of assets. This needs to be done by defining the block of asset names in the quick codes. User has the option to define any logical name that need to be considered as a block of asset. The user is expected to define the block of asset names prescribed by the Income tax department.

In India Localization, navigate to India Local Fixed Assets > Setup > Asset System > Quick Codes.

User needs to query for 'BLOCK OF ASSETS'

<b>Filed Name</b>	<b>Description</b>
Type	User needs to query for the 'BLOCK OF ASSETS' and in the lines he can record the names of the block which he intends to operate.
Description	By default, BLOCK OF ASSETS will be displayed as description.
Value	Name/short name of the Block which needs to be created needs to be recorded against this field.
Description	The full name with description needs to be entered in this field.
Disable Date	The User can specify the disable date for a value if he wants.

## Define Depreciation Periods

The User can define the Assessment years for Income Tax purposes. The assessment year for Income tax purposes starts on the first day of April and ends on the 31st day of March of the next calendar year.

The User needs to define Depreciation period rate as per Indian Income tax Act. Depreciation Rate is based on assets installation date or date on which it is put into use within a fiscal year.

<b>Date Placed in Service falls between</b>	<b>Depreciation allowed</b>
April 1 to Sept 30	100 % of prescribed rate
Oct 1 to Mar 31	50 % of prescribed rate

The above information can be recorded in define period wise deprecation screen.

It may be noted that the information discussed under topic 7.2.1 and 7.2.2 are mandatory setups that needs to be done for working out the depreciation under Income tax Act. These setups do not have any impact on the set ups that needs to be done in the base applications as a part of Fixed asset setup. User needs to complete the base application setup first and then carry out the localization setups.

India Local Fixed Assets Block of Asset (India) Define Periodwise Dep. Details.



Field Name	Description
Financial Year Block	
Year start/Year end	The start and end date of the assessment year under Income Tax Act needs to be entered in this field.
Period Rate Block	The User can specify the appropriate Depreciation rate as applicable to a Block of Assets as per Income Tax Act based on assets installation date or date on which it is put into use within an assessment year.
Start Date/End date	The start and end dates for which the percentage of allowable depreciation can be entered in this field. As per income tax act, 100% of the allowable depreciation can be claimed for additions between 1st April to 30th September and only 50% of the allowable depreciation can be claimed for assets added between 1st of October and 31st of March. These dates needs to be recorded in these fields.
Applicable Depreciation Rate %	As per Income Tax Act 100% of rate of Depreciation is applicable to assets fall in the first half year of a Financial year.
100 % Exempt Amount	This field has been considered as a future enhancement. mentioned here. At present this field is irrelevant as per the current enactment applicable as per Income Tax Act and Zero can be entered by the user.

## Opening WDV Balances

Before rolling on with Oracle Assets with India Localization, user needs to define the written down value of each block and the rate of depreciation that can be claimed against each block. User also needs to specify the start date of the block for which the opening balance is recorded.

### Prerequisites:

Before you enter the Opening WDV Balances, you must:

- Define Books
- Define Asset Category
- Define Quick Codes (for Block of Assets)

In India Localization, navigate to the Opening balance of Block India Location from India Local Fixed Assets > Block of Asset (India) > Define > Block of asset.

Field Name	Type	Action	Description
Book	(Required)		Name of the Corporate Book wherein the Opening Balance for the Block of assets are going to be incorporated.

**Note:** Note: Reporting of depreciation for income tax purpose is done based on the asset books and for each asset book multiple block of assets with different depreciation rates can be maintained. User may take enough care while setting up their asset books by keeping a view on the localization requirement.

Block Name	(Required)		Block Name can be entered from LOV for which the Opening Balance will be entered.
Depreciation rate	(Required)		The Corresponding depreciation rate for a block can be entered here.
Start Date	(Required)		This date can be a Start Date of a First Half or Second half of a Financial year.
Opening balance	(Required)		Opening Written down value of a Block of assets can be entered here.
Closing Balance			
Adjustment Block			

Opening WDV Adjustment	(Optional)	If the User wants to adjust Opening Written down value of a Block after an Income tax assessment is finished for a Particular year. The adjustment amount can be entered here and Opening WDV value will be adjusted accordingly.
Depreciation Adjustment	(Optional)	If the User wants to adjust Depreciation amount after running the depreciation program, the same amount can be entered here. In other words, this field support the functionality of Unplanned Depreciation:

**Note:** Note: The User must keep in mind the following points while entering the Opening balances for a Block.

Carry forward their WDV Opening Balance only for Current financial year. Once the Opening Balance for a Block has been entered for the current financial year, the user cannot enter Opening Balances for the Same Block in the Previous or subsequent years.

If Oracle Fixed Assets module has been used in the past years, then the user needs to update Block details for every Assets entered into the System. After querying the Individual Assets, the User can update the Block details in the Descriptive Flex-field and also once this is completed the total number of Assets in a corporate Book for a Block will be captured by the System.



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# Inter Organization Transfer Setup

## Inter Organization Transfer

As a part of day-to-day business needs, organizations may require transfer of material from one Inventory Organization to another Inventory Organization. Whenever, such movement of material from one Organization to another happen, necessary tax implications relating to Central Excise and Value Added Tax regimes need to be addressed to facilitate movement of goods.

Oracle Inventory provides 2 ways to transfer goods between inventory organizations:

- Internal Sales Order, and
- Inter Organization Transfer

Oracle Financials for India also supports Inter Organization Transfer now.

Whenever there is movement of goods from one Inventory Organization to another Inventory Organization through inter organization transfer using Oracle Financials for India, the business needs addressed are:

- Default Tax Category at the transaction level.
- Define the Receiving Organization as the Internal Customer
- Define or Change Other Taxes at the time of Shipment in the Shipping Organization
- Generate Excise Invoice Number at the time of Shipment in the Shipping Organization
- Generate VAT Invoice Number at the time of Shipment in the Shipping Organization
- Update Excise Records at the time of Shipment in the Shipping Organization - RG 23 D in the case of Trading Organization and relevant registers in case of

Manufacturing Organization.

- Generate VAT Invoice Number at the time of Shipment in the Shipping Organization
- Generate Accounting Entries related to Central Excise at the time of Shipment in the Shipping Organization
- Generate VAT Accounting Entries at the time of Shipment in the Shipping Organization
- Generate Accounting Entries at the time of Shipment for Other Taxes in the Shipping Organization
- Default taxes at the time of receiving
- Define Other Taxes at the time of Receiving in the Receiving Organization
- Update Excise Records at the time of Receiving in the Receiving Organization - RG 23 D in the case of Trading Organization and relevant registers in case of Manufacturing Organization.
- Claim Credit for CENVAT able Taxes in the Receiving Organization.
- Generate Accounting Entries for CENVAT Credit in the Receiving Organization.
- Generate Accounting Entries for VAT Credit at the time of Receiving in the Receiving Organization.
- Account Other Type of Taxes at the time of Receiving in the Receiving Organization.
- Update VAT Records at the time of Receiving in the Receiving Organization.
- Claim VAT Credit at the time of Receiving in the Receiving Organization.
- Update Item Cost at the time of Receiving in the Receiving Organization for nonrecoverable taxes.

## Major Features

- **Defaulting Taxes to IL Inter Organization Transfer:** For Items that attract Localization Taxes, Tax Category will be defaulted on the IL Inter Organization form when an Inter Org Transfer is performed. These taxes will be defaulted based on the Tax Defaulting Rules. Taxed would be Defaulted automatically based on Item Category assigned to the Customer - Customer Site; Customer – Null Site or based on the Item Class assigned to the Tax Category for the internal customer.

- **Manual Changes to Defaulted Taxes to IL Inter Organization Transfer:** Taxes defaulted during Inter Organization transfer can be modified manually in case of a need.
- **Tax Base Amount:** User can define precedence logic for calculation of Tax Base Amount on which the Tax Rate would be applied. The Tax Base Amount can either be the line amount or line amount including other taxes calculated for the transaction.
- **Defaulting Assessable Value to IL Inter Organization Transfer:** The user has an option to use Assessable value that is different from the Cost of the Item. This Assessable price is picked for the respective taxes defaulted based on Tax Defaulting Rules. Assessable Prices are defaulted automatically when an Assessable Price List is assigned to the Customer, Customer Site or Null Site for the internal customer.
- **Generation of Excise Invoice Number:** When the Item shipped has Excise related Taxes, an Excise Invoice Number gets generated once the transaction is saved. All excise related registers will get updated on completion of the transaction. The sequence used or followed for the Excise Invoice Number generation is that of the Domestic Sequence set up in the Organization Additional Information.
- **Generation of VAT Invoice Number:** When the item being shipped has VAT type of Taxes and is marked as VAT able, a VAT Invoice Number is generated once the transaction is saved. The tax repository gets updated on completion of the transaction.
- **Tax Accounting:** The India Local Tax engine generates Accounting Entries only for the items related to Localization Taxes. Oracle base Inventory will generate the accounting entries for the basic value of Inventory transferred.
- **Costing:** Item cost of the material transferred is calculated and updated by the base inventory. The nonrecoverable taxes are moved separately to the item cost by the localization engine. Oracle Financials for India Inventory Transfer supports transfer and receipts of inventory from an average cost organization to standard cost organizations and vice versa.
- **Updating RG 23 D Registers:** In case of Trading Organization, RG 23D gets updated both in the Sending and Receiving Organization as against RG 23 A / C or RG1 for raw materials, capital goods or finished goods item in a manufacturing organization.
- **Reversal of CENVAT Claim:** In case of Capital Goods being shipped during the same year of purchase, the accrued CENVAT Claim will be reversed and Excise Invoice will be generated for the same. The user needs to match the items transferred with its original receipt quantity in order to claim the accrued CENVAT credit. Note: This is possible only in case of In Transit Inventory Transfer.

- **Reversal of VAT Claim:** In case of Items attracting VAT Type of Taxes and the Claim of VAT is being spread across a period of time and transfer of item happens during the period, the unclaimed VAT will be reversed and VAT Invoice Number will be generated in the Shipping Organization. Note: This is possible only in case of In Transit Inventory Transfer. The user needs to match the items transferred with its original receipt in order to claim the accrued VAT credit.



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## Miscellaneous Setups

### Miscellaneous Setups

#### 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

#### 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

#### 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

## Supplier Additional Information

The existing screen has been modified to capture Additional TDS Information.

New behavior of this screen:

- You will have to capture TDS Vendor Type value for the vendor at the NULL Site Level.
- Giving PAN for the Vendor is mandatory when "TDS Details" screen is opened.
- You will have to Confirm PAN by checking the checkbox, "Confirm Pan". Once this checkbox is checked and the record is saved, you cannot modify the PAN for the Vendor.
- You should give default TDS Section Code value in the "Default TDS Section" field. Giving Tax Name is not mandatory. The Tax Name value can be given only for the Site Level record. Even though the Tax Name is attached here, system will not generate any TDS until the first TDS Threshold slab is crossed. At any point of time, total TDS deducted would be as per the TDS Threshold setup slab amounts.
- Based on the TDS Threshold setup, Section Type, Section Code and Threshold Setup Name will be defaulted. Whether this is an exception setup or not will also be indicated.

Steps to be followed in defining Additional Vendor Information:

- Open the Additional Vendor Information Screen.
- Select the value of the Vendor from the List Of Values. Don't select any value for the field 'Site'.
- Save the record.
- Click the 'TDS Details' Button.
- Select the value for the field 'TDS Vendor Type'.
- Enter the value for the field 'PAN No'. This should be a 10 digit valid alphanumeric value. Enough care should be taken while entering this value, as the user will not be able to update this value once it is saved.
- The fields 'TAN No', 'Ward No' and 'Create Pre-Approved TDS Invoice Credit

Memo' are optional fields. Before saving the record, the user should enable the check box 'Confirm Pan' and then only save the record.

- Once the Null Site record is saved, the user should requery the record and can then select the value for the field 'Default TDS Section' and save the record. The user can also observe that the TDS Thresholds setup details are getting queried in the Vendor Additional Information screen at the Null Site level.
- For creating a Site level record, the user should select the site value from the List of Values of the 'Site' field. Save the record. Then, click the 'TDS Details' button and save all the values defaulted from the NULL Site record.
- Once the Site Level record is saved, the user should requery the record and then attach the values for the fields 'Default TDS Section' and 'Tax Name'.

#### **Importance of PAN:**

TDS Threshold is maintained by Vendor PAN. Hence process of entering and confirming PAN has been made mandatory. Enough care should be taken by the users to enter the correct value for this field.

#### **Importance of TDS Vendor Type:**

TDS Thresholds are for a combination of TDS Section Code and Vendor Type. Vendor Type seeded as part of this solution are:

- Company-IND
- Individual-IND
- Other Persons-IND
- Hindu Undivided Family-IND

You can create more TDS Vendor Types in the TDS\_VENDOR\_TYPE purchasing lookup and create more TDS Threshold based on the new TDS Vendor Types.

India Local Payables - India Localization - Suppliers - Additional Information.

Field Description	Description
Header block	
Name	This field displays name of the Vendor defaulted from Supplier Additional Information screen
Number	This field displays Vendor Number defaulted from Supplier Additional Information screen.

Field Description	Description
Site	This field displays name of the Vendor Site defaulted from Supplier Additional Information screen
Vendor Type	This field displays Vendor Type defaulted from Supplier Additional Information screen. This is not applicable for the TDS Functionality.
Invoice Approval section	
Create Pre-Approved TDS Invoice Credit Memo	You can check this box to generate pre-validated TDS Invoices and Credit Memos
TDS Information Section	
TDS Vendor Type	Capture TDS Vendor Type here. Please refer discussion above for more details
PAN No	Capture PAN of the Vendor in this field
TAN No	Capture TAN of the Vendor in this field
Ward No	Capture Ward of the Vendor in this field
Confirm Pan	Check this box to confirm PAN of the Vendor
TDS Details block	
Default TDS Section	Select a default TDS Section for this Vendor. TDS will be deducted based on checking the Threshold for this section.
Tax Name	You can select a default Tax Code here. You can select the value for this field only for the Vendor Site level record. Even though the Tax Name is attached here, system will not generate any TDS until the first TDS Threshold slab is crossed. At any point of time, total TDS deducted would be as per the TDS Threshold setup slab amounts. If the user wants the TDS to be deducted based on the TDS Thresholds setup, then the user need not attach any TDS Tax Code value here. The value of the TDS Tax Code will be picked up from the TDS Thresholds setup for a specific Operating Unit.

Field Description	Description
Section Type	Displays the Section Type under which Threshold setup has been made
Section Code	Displays the Section Code under which Threshold setup has been made
Threshold Setup Name	Displays the Threshold Name that has been setup for this Vendor
Exception Setup	Indicates whether this Threshold is an Exception setup or not.

- There can be scenarios, wherein the Suppliers have applied for PAN, but are yet to get the PAN Number value. In those cases, user has got the option to change the value of PAN Number for the suppliers. User has to follow the steps mentioned below:
- Run the concurrent program 'India - Pan number Update'.

The Concurrent program takes the values for the following parameters:

Parameters:

Vendor Name: Select the Vendor Name for which, the user wants to modify the value of PAN Number.

Old PAN Number: Select the value of Old PAN Number.

New PAN Number: Enter the value of New PAN Number. Debug: Takes the values Yes / No. This should be used for any debugging purposes. Expected TDS behavior

The following is the behavior of TDS in different scenarios.

Sr. No.	Case	Behavior
1	Invoice created that does not reach the Threshold (Single / Cumulative)	No TDS Invoice will be generated
2	Invoice created that reaches Single Invoice Threshold	TDS will be deducted based on the Tax Code applicable for Single Invoice Threshold

Sr. No.	Case	Behavior
3	Invoice created that reaches Cumulative Invoice Threshold	TDS will be deducted based on the Tax Code applicable for Cumulative Invoice Threshold. Adjustment Invoice will be generated based on tax already deducted, if any.
4	Create Invoice with 2 distribution lines and for each line, TDS Tax belonging to a different section is attached.	System will generate the TDS Invoices, based on the Threshold setups of that particular Section and Vendor Type
5	Standard Invoice is created. In the 'Invoice Distributions GDF', TDS/WCT/ESI taxes are attached in all the segments (3 segments).	System will generate 3 TDS Invoices on validation of Standard Invoice for each of the segment.
6	Standard Invoice having TDS/WCT/ESI Invoice is cancelled	TDS/WCT/ESI Invoice will be cancelled.
7	Standard Invoice with one negative distribution line and one Positive Distribution line, and the same TDS Tax is attached to both the distributions	System will generate the TDS Invoice for both the lines.
8	Create a Standard Invoice in foreign currency and validate the same.	System will generate the TDS Invoice and Credit Memo in functional currency.
9	TDS calculation based on Type of Vendor - Surcharge applicable to Vendor Type above Threshold Limit.	When Threshold Limit for surcharge is reached, Tax Code that includes the Surcharge will apply to all the Invoices generated during the year.
10	TDS Threshold calculations by manually updating the Total Threshold Invoice amounts in the Manual 'Thresholds' Screen.	System will update the Threshold amount and further TDS Invoice generation will be based on the modified Threshold.
11	A PO matched Invoice for 2 item lines.	System will generate the TDS Invoices based on the current Thresholds.
12	A Receipt matched Invoice for 2 item lines.	System will generate the TDS Invoices based on the current Thresholds

Sr. No.	Case	Behavior
13	Creation and validation of a prepayment Invoice	System will generate the TDS Invoices based on the current Thresholds
14	<p>Application of Prepayment Invoice to a 'Never Validated' Standard Invoice.</p> <p>The 'Standard Invoice' is validated after prepayment application and if any TDS tax code is applicable to the standard invoice and if the corresponding prepayment invoice (which is applied on the standard invoice) is already having any TDS generated.</p>	System will generate TDS invoice for Vendor and CM for the TDS Authority for the TDS tax code attached to the standard Invoice and also an RTN invoice for the vendor and CM for the TDS Authority will be generated by the system in lieu of the TDS generated for the Prepayment Invoices. So, there will be adjustment / reversal entries generated by the system for the TDS deducted on the Prepayment.
15	<p>Unapply the prepayment invoice on the standard invoice</p> <p>When prepayment invoice was applied to a NEVER VALIDATED standard Invoice.</p>	Reversal of the above point (point no. 14).
16	Apply the Prepayment invoice having the TDS invoice to the 'Validated' standard invoice having the TDS Invoice.	System will generate RTN invoice for Vendor and CM for the TDS Authority.
17	Unapplication of prepayment of invoice on to a VALIDATED Standard Invoice	System will generate a RETURN Invoice for the TDS Authority and Credit Memo for the Vendor.

Please note that support for Works Contract Tax (WCT) and Employee State Insurance (ESI) deductions are implemented only as a workaround. There is no support for any reporting for these taxes.

## Defining Customer Additional Information

In Oracle Financials for India, navigate to the Enter Transaction India Localization window from India Local Order Management > Customers > Additional Information.

Alternatively, navigate to India Local Receivables > Customer > Additional Information.

Field Description	Description
Operating Unit	The Operating Unit for which Customer Additional Information is entered.
Customer Name/Site	<p>You can select the Customer Name from LOV for whom the Additional Information regarding tax is to be defined. The Customer Number will default. The Customer Site will be selected from LOV for which the information will relate. The Customer Additional Information can be defined for no specific location also and this will be treated as location NULL.</p> <p><b>Important:</b> Additional Customer Information can be recorded in the system only on saving the Customer Information in the Customer Master of the standard application.</p>
Exempt	If the Customer is exempted from Excise, then you need to enable this Check Box.
Excise Block	You can enter all these fields which are relevant to identify the Excise Duty information for a Customer for a Location.
Sales tax Block	Information regarding Sales Tax like CST No and LST No which are relevant to identify the Sales Tax information for a Customer for a Location.
VAT Block	
Reg No	Specify the VAT Registration Number applicable to the Customer, Customer Site
Assessable Value	You can select from the list of Price Lists. The price specified in the list here would replace the Line Amount while calculating VAT Taxes
Service Tax block	
Service Tax Reg No	Customer Service Tax Registration Number will be captured in this field.



Field Description	Description
Income Tax Block	information regarding Income Tax like PAN No and TAN No which are relevant to identify the Income Tax information for a Customer for a Location.
Item Category List	You can select from the LOV the Item Category List. The selection of the Item Category List will affect the default status of the taxes defined within the Tax Categories associated to the Items within this Item Category list. This is an optional field.
Assessable Value/Transaction value	There will be cases where the price charged for the transaction is not the sole consideration and the Customer relationships will have an impact on the sale consideration. Section 4 of the Central Excise Act, specifies that if there is any other consideration built up in the price, Excise Duty needs to be worked out on the normal transaction value of the goods.

There are cases, where Excise Duty or VAT Tax needs to be calculated on some other price. This requirement is addressed through the functionality of Assessable Value. You can create a simple Price List (Without use of pricing Attributes that are available in Advanced Pricing Module) as the Assessable Value/Transaction value Price List and the same can be attached to any Customer/Customer Sites.

While performing a transaction for a Customer/Customer Site, first system will check whether any Assessable Value list is attached for the Customer for the Item under transaction. If there is any Assessable Value attached to the Customer for the Item, Excise Duty will be calculated on the Assessable Price List and not based on the line price.

If no Assessable Value is defined for a Customer/Item, Excise Duty will be calculated on the line price amount.

When Customer relationships have been defined, the List of addresses will show LOV of related Customers also. However, the LOV will not show all values based on Profile setup for Customer relationship.

- Whenever the price charged is not the sole consideration and a different price needs to be considered for calculating Excise Duty, you must attach the price as Assessable Value. The price that needs to be considered for calculating Excise Duty / VAT needs to be defined in the Price List.
- All the columns have been not described. Do we need to describe

for all the values. If yes we can pick and paste it from AR.

## Tax Defaults and Preferences Setup for Project Billing

The Tax Details window lets you set up tax defaults and preferences for Project Billing.

Using the India Local Project Billing responsibility and navigate to the India Local Project Billing>Setup>India Local Tax Setup window.

The Tax Default window has two tabs:

- **Contexts tab:** Use this to define the tax categories to be used for each of the context names: Event Type, Project, Expenditure Type, and Customer/Site.
- **Preferences tab:** Use this to define the tax defaulting hierarchy preference for the Distribution Rule and Context Name.

The following table describes the Tax Default window.

Field	Description
<b>Contexts tab</b>	
Context Name	context name
Tax Category	All defined categories
Default Tax Category, where Tax Category is empty	If this is selected the tax category will be assigned to all the context values in the lines section where the tax category is empty. This will not override the current tax categories for any of the context values.
All, Override all the Tax Categories	If this is selected the Tax Category will be assigned to all the context values in the lines section. This will override the current tax categories for any of the context values.
Name	Select the appropriate context name for which you want to assign a tax category.

Field	Description
Value	<p>The list contains values based on the context name selected. For example, if the Event Type context name is selected, then all the event types as per Oracle Project Billing setup will be displayed here.</p> <p>Select the appropriate Context Value for which you want to assign a tax category.</p>
Customer Site	The list contains customer site for the customer selected as the Context Value. This list is available only if the context name is Customer or Site.
Tax Category	The list contains the tax categories defined. Select the appropriate tax category you wish to use as the default tax category for the selected context value.
<b>Preferences Tab</b>	
Distribution Rule	This will display the distribution rules as per the Project Billing setup.
Context Name	You will define the preference number for each of the context name. This preference number will determine the hierarchy of tax defaulting to be used.
Preferences	You can enter any unique number for a combination of Distribution Rule and Context Name. This preference number will determine the tax defaulting hierarchy.



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## 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:

- MutipleEntries\_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 these 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.



**ORACLE® E-Business Tax** Diagnostics Preferences Close Window

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

Party Tax Profiles Party Classification Legal Classification Tax Usage Logged In As: INL00

### Party Tax Profiles

**Search**

Indicates required field

Party Type: Operating Unit owning Tax Content

Party Name: Vision India - OU1

Party Site Name:

Address:

Country Name:

Party Type	Party Name	Party Site Name	Address	Country Name	View Tax Profile	Create Tax Profile	Update Tax Profile
No search conducted.							

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**ORACLE® E-Business Tax** Diagnostics Preferences Close Window

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

Party Tax Profiles Party Classification Legal Classification Tax Usage Logged In As: INL00

### Party Tax Profiles

**Search**

Indicates required field

Party Type: Operating Unit owning Tax Content

Party Name: Vision India - OU1

Party Site Name:

Address:

Country Name:

Party Type	Party Name	Party Site Name	Address	Country Name	View Tax Profile	Create Tax Profile	Update Tax Profile
Operating Unit owning Tax Content	Vision India - OU1		999 888 999 Hyderabad	India	<input type="button" value="View"/>	<input type="button" value="Create"/>	<input type="button" value="Update"/>

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The following Flag should *not be checked*.

**ORACLE® E-Business Tax** Diagnostics Preferences Close Window

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

Party Tax Profiles Party Classification Legal Classification Tax Usage Logged In As: INL00

### Update Party Tax Profile: Vision India - OU1

Party Type: Operating Unit owning Tax Content

Party Name: Vision India - OU1

Address: 999 888 999 Hyderabad

Country Name: India

**Main** Tax Reporting Codes Configuration Options

**Main Information**

☐ Use Subscription of the Legal Entity

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**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

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: INLDC

Create Tax Regime: Main Details

Cancel Continue

Main Information

Indicates required field

Tax Regime Code IN-SALES\_TAX

Name IN-SALES\_TAX

Regime Level Country

Country Name India

Parent Regime Code

Effective From 01-Apr-2000

Effective To

Used to group Regimes

Show Controls and Defaults

Show Compounding Level Controls

Cancel Continue

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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

Add Multiple Parties

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

Add Multiple Parties

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	

Add Another Row

### 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

Oracle E-Business Tax

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

Tax Regimes Tax Tax Statuses Tax Jurisdiction Tax Recovery Rules Tax Rates Tax Rules

Tax Configuration: Tax Regimes > Regime to Rate Flow >

Logged In As: IN.DC

Create Tax

Indicates required field

Cancel Tax Accounts Create Another Apply

Main Information

Tax Regime Code IN-SALES\_TAX

Configuration Owner Global Configuration Owner

Tax Source Create a new tax

Tax LOCALIZATION

Tax Name LOCALIZATION

Tax Type

Effective From 01-Apr-2000

Effective To

Geography Type

Parent Geography Type

Parent Geography Name

Override Geography Type

Tax Currency INR

Rounding Rule Down

Tax Precision

Exchange Rate Type

Compounding Precedence

Reporting Tax Authority

Collecting Tax Authority

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.

Geography Type

Parent Geography Type

Parent Geography Name

[Hide Controls and Defaults](#)

☐ Make Tax Available for Transactions

Collecting Tax Authority

Applied Amount Handling

☐ Set as Offset Tax

☐ Set Tax for Reporting Purposes Only

**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 ☐ Use Legal Registration Number

☐ Allow Tax Rounding Override ☐ Allow Duplicate Tax Registration Numbers

☐ Allow Override for Calculated Tax Lines ☐ Allow Multiple Jurisdictions

☐ Allow Entry of Manual Tax Lines

**Tax Accounts Controls**

The following values control how accounts are defined for this tax.

Tax Accounts Creation Method

**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

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**

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 Rules Tax Rates Tax Rules

Tax Configuration: Tax Regimes > Regime to Rate Flow >

Logged In As INL00

**Create Tax Status**

\* Indicates required field

**Main Information**

Tax Regime Code IN-SALES\_TAX Effective From 01-Apr-2000

Configuration Owner Global Configuration Owner (example: 17-Mar-2006)

Tax LOCALIZATION Effective To

\* Tax Status Code STANDARD

\* Name LOCALIZATION

☐ 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

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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** 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 Statuses > Logged In As INLDC

### 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 (example: 17-Mar-2006)
- Effective To:
- ☐ Set as Default Tax Status

Your Google Toolbar can fill this in for you. Select AutoFill

**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** 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 > Logged In As INLDC

### Regime to Rate Flow

**Search**

- Tax Regime Code: IN-SALES\_TAX
- Tax:
- Tax Status Code:

- Tax Rate Code:
- Tax Jurisdiction Code:

Go

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
<a href="#">IN-SALES_TAX</a>	IN-SALES_TAX	Regime					
<a href="#">LOCALIZATION</a>	LOCALIZATION	Tax	Global Configuration Owner				
<a href="#">STANDARD</a>	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** 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 > Logged In As INL00

### Create Tax Rate

Indicates required field

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**

Cancel Create Another Apply

#### 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** 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 Rates > Logged In As INL00

### 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

**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 > Logged In As INLOC

**Update Tax Regime IN-SALES\_TAX: Main Details**

Cancel Continue

**Main Information**

Indicates required field

Tax Regime Code **IN-SALES\_TAX**

Country Name **India**

Parent Regime Code

Effective From 01-Apr-2000

Effective To

(example: 17-Mar-2006)

☐ Used to group Regimes

Regime Level **Country**

≡ Name **IN-SALES\_TAX**

≡ Show Controls and Defaults

≡ Show Compounding Level Controls

Cancel Continue

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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

**ORACLE® E-Business Tax**

Diagnostics Home Logout Preferences Help

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

Country Defaults Tax Reporting Types Configuration Owner Tax Options Application Tax Options

Logged In As INLOC

**Configuration Owner Tax Options**

Search

Indicates required field

Configuration Owner Vision India - OU1

Application Name

Event Class

Go

Create

Configuration Owner	Event Class	Application Name	Entity Name	Effective From	Effective To	Enable	View	Update
Vision India - OU1	Requisition	Purchasing	Requisition	01-Jan-1951		Yes	oo	
Vision India - OU1	Purchase Order and Agreement	Purchasing	Purchase Order	01-Jan-1951		Yes	oo	
Vision India - OU1	Invoice	Receivables	Transactions	01-Jan-1951		Yes	oo	
Vision India - OU1	Debit Memo	Receivables	Transactions	01-Jan-1951		Yes	oo	
Vision India - OU1	Credit Memo	Receivables	Transactions	01-Jan-1951		Yes	oo	

## 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 withMod\_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\_NOfield of JAI\_OM\_WSH\_LINES\_ALL table.

Following can be the possible reasons:

1. Item should be excisable. This setup is complete whenJAI\_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

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## Additional Frequently Asked Questions

### Additional Frequently Asked Questions

#### **How to Transfer VAT Amount Across Two Inventory Organization?**

The Amount of VAT can be transferred by using the Manual VAT Entry Form.

Navigation -> India Local Payables->India TCS /VAT/Service Tax -> Transactions -> Manual Entry.

Amount of VAT can be transferred by passing two Manual Entries one in each Inventory Organization. 1. Transaction type to be used in one Inventory Org should be 'Liability ' 2. Transaction type to be used in another Inventory Org should be 'Recovery'.

#### **How to edit the TDS Vendor Type Information on Vendor Additional Information Setup?**

The TDS Threshold Set ups are defined for a combination of Section Code and Vendor Type.

The TDS Vendor type assigned to a Vendor determines the Threshold Set up under which the TDS needs to be deducted for the Vendor.

So once a TDS Vendor type is attached the same cannot be modified as this would lead to data corruption.

#### **India Localization TDS Invoice got generated even after removing TDS Tax ID from Invoice Distribution Descriptive Flexfield.**

If the 'Default Section Code' and /or 'Tax Name' is attached at the Vendor Additional Information Set Up, the TDS Invoices will get generated based on the Threshold setups applicable to the Vendor. System checks for the Threshold amount of the Vendor and compare it with the Threshold Slabs applicable to the Vendor. If the Threshold is breached, TDS Invoices will get generated. The defaulted TDS Tax Id cannot be removed in such a scenario. The above is an intended product behavior.

#### **How to handle the Excise requirements for an Item in Trading Organization on the receiving side?**

Items that are being used in a Trading Organization shall have specific Excise requirements. In order to meet these requirements, the Item shall be defined with the following flags in the India Items DFF.

Excise Flag – 'YES'

Modvat Flag – 'NO'

Trading Flag – 'YES'

In case of Trading Organization, system will not check for the Receipt DFF Flag "Claim Cenvat on receipt".

While creation of Receipt in a Trading organization, RG 23 D Register will get updated only if the following conditions are satisfied.

1. Excise Flag in the Items DFF is set 'YES' .
2. Excise Invoice Number and Excise Invoice date is provided on the Receipt DFF.

In case of Trading organization, system will not check for the Receipt DFF flag "Claim Cenvat on receipt". CENVAT /MODVAT is applicable only to Manufacturing Organization where production and removal of goods by paying Excise takes place. Trading is governed under RG23D Rules (Where Warehouse is marked as Trading and can only pass on the CENVAT on receipts on to Sales by matching receipts). As there is no payment of Duty on removal of goods in a trading organization, the question of claiming CENVAT does not arise.

Further, to clarify as Cenvat /Modvat is not applicable in case of Trading organization, the receipts of Trading Organization will also not be available on the form "Claim Modvat on Receipts - India" as the question of deferring cenvat does not arise in case of trading organization.

### **What is the setup which determines the GL Date Basis for India Localization TDS Invoices?**

The GL Date Basis Set up is defined at the below navigation:

Oracle Payable>Setup>Options>Payables

GL Date Basis - The date you want Payables to use as the default accounting date for invoices during invoice entry.

1. Invoice Date - Invoice date you enter during invoice entry.
2. System Date - Current date for your Payables system. The date you enter the invoice.
3. Goods Received/Invoice Date - Date that you enter in the Date Goods Received field. If no value is entered, then the invoice date is used.
4. Goods Received/System Date - Date that you enter in the Date Goods Received field. If no value is entered, then the system date is used.

### **What is the impact on Financials for India when Inventory module is installed in Shared mode?**

When Financials module is only installed, some of the financial modules might be

dependent on other modules (ex:Inventory,BOM etc ) hence system will automatically install those dependent modules in shared mode.

Financials for India is dependent on Inventory module because Inventory Organization needs to be associated to Locations form, Inventory Organization field will be grayed out when Inventory module is installed in shared mode.

Financials for India does not support when Inventory module is installed in shared mode.

The following modules are recommended to be installed:

1. Bills of Material for calendar.
2. Inventory module for associating Inventory Organization with location.
3. Order Management for adding OE: Item Validation Organization

**Is it required to setup Organization Additional Information for OPM organization after upgrading to 11.5.10.2?**

After upgrading to 11.5.10.2 most of the features of OPM are mapped to Discrete, its recommended to complete Additional Information for OPM organization and following are the minimum charge accounts required for setup:

1. excise\_expense\_account
2. excise\_paid\_account
3. excise\_rcvble\_account,
4. modvat\_rm\_account\_id
5. modvat\_cg\_account\_id
6. excise\_rg23d\_account

**How to Import Service Tax entries to General Ledger?**

Interim account entries for Service tax amount is generated while the material is received and Recovery account is generated as follows:

1. Create a Purchase Order with recoverable Service tax and approve, (N) India Local Purchasing > Purchase Order > Purchase Order (Localized)
2. Create a Receipt for Purchase order, (N) India Local Purchasing >Receipts >Receipt(Localized)
3. Create an Invoice and matched the Invoice to Receipt, (N) India Local Payables > Invoices
4. Validate the Invoice and make the Payment for Invoice.
5. Submit India Service Tax Processor.Service tax entries will be inserted into GL Interface
6. Run General Import program for Source 'SERVICE', (N) General Ledger > Journals > Import > Run.

### **How To Update VAT Registration Number when Registration Number is allocated by VAT Authorities? What will be the impact of updating VAT Registration Number in Additional Organization Information and Regime Registration?**

VAT Registration Number can be updated in Additional Information and Regime Registration when VAT Authorities allocate VAT Registration Number.

If Value Added Tax (VAT) is not attached to any transaction there will not be any impact.

However if you attach VAT taxes and perform transactions then transactions will be recorded based on VAT Registration Number (AF) defined at VAT Regime and Settlement will be performed based on VAT registration number .

So in these case you will find two set of entries :

1. Transactions with VAT registration number as 'AF'
2. Any transaction performed after VAT registration number will be grouped under new registration number, so you need to perform settlement two times. If your organization is not VAT registered, Its recommend not to attach VAT taxes in the transaction which will update VAT repository.

### **How to Return Defect Material Received from OSP Vendor?**

Defect Material received from OSP Vendor can be returned against a new Form Number. Please follow the steps given below:

1. In Oracle WIP when material is moved to queue of OSP operation, an approved requisition is created.
2. Submit Requisition Import, Using this requisition, autocreate PO and approve the PO.
3. Navigate to India Local Purchasing>Outside Processing>Approve 57F(4) Dispatch, Select PO number from the list and click on 'Create 57F4' button to default components from Bills of Material (BOM).
4. Click on Save button to Generate the Form Number/Challan.
5. Receive material to update Work in Process (WIP) Operations by navigating from Receipt Localized form.
6. On final Receipt of material go to Approve 57F(4) Receipt form and click on 'Approve Receipt' button to complete the transaction.
7. After inspecting, if defect material is found then you can dispatch the same back to the vendor by performing Return to Vendor transaction. Navigate to India Local Purchasing>Receiving>Return to Vendor(India)>New>Find the purchase order, Select India Return to Vendor context in Receiving Transactions DFF , select Generate VAT/Excise Invoice ='Y' and Save.
8. Navigate to Approve 57F(4) Dispatch and find on Purchase Order number, new record for return quantity will be populated.
9. Click on Approve Dispatch button to save and generate form number.



### **How to Dispatch Excess Quantity to Outside processing?**

Excess Material can be dispatch to Outside processing when 'Allow Dispatch Qty to Exceed Orig Qty' flag in Additional Information is set to 'Y'

### **How to Dispatch Partial Quantity to Outside Processing (OSP) Vendor?**

Provision for dispatching partial quantity is possible via Primary and Secondary 57F4 challan.

### **How to generate VAT Invoice and Excise Invoice Document for Purchase Returns?**

Following setups control generation of VAT ,Excise Invoice Number and Report.

1. Organization and Location should be classified as Manufacturing in Additional Information.
2. Excise Invoice Number should be setup in Additional Information. (N)India Local Purchasing>Oracle Purchasing>setup>Organization>Additional Information.
3. VAT document setup should be complete. (N)India Local Purchasing>India VAT/Service Tax>VAT Document sequencing.

Transaction Flow:

When Returning the material to supplier in Returns screen fill RMA Number. Sselect India Return to Vendor context from Receiving Transactions DFF and select Generate VAT/Excise Invoice no=Y.

To check VAT / Excise Invoice number generated, submit India Return to Vendor report based on RMA Reference and Receipt Number. Based on the report Material can be despatched.

### **How to resolve 'APP-JA-460480:OSP sub-inventory not defined for this organization' error while querying Purchase Order from Approve Dispatch 57F4 form?**

You need to define Subinventory with name 'OSP' to resolve this issue, following is the navigation for setting up OSP

Subinventory. India Local Inventory>Oracle Inventory>Setup>Organizations>Subinventories

### **How to Resolve India receiving transaction processor running into error-ORA-01400: CANNOT INSERT NULL INTO ("JA"."JA\_IN\_RG23\_PART\_I"."FIN\_YEAR")?**

Setup for Organization and Tax calendar should be complete.

1. Navigation: India Local Inventory-->setup-->Organization-->Additional Info.
2. Select the Organization.
3. Provide Excise information to classify Organization as Manufacturing / Trading.
4. Click on Tax calendar to do the setup, Active flag should be 'Y' for the current financial year, this is called as Tax calendar. This setup is mandatory to hit the Excise register in the active tax period.

### **How to make inventory entry for VAT amount when supplier invoice is lost or not**

### received ?

1. Create Purchase Order with Value added tax attached. Navigation: India Local Purchasing-->Purchase Orders-->Purchase Order (localized)-->Open
2. Save and Approve Purchase Order.
3. Create Receipt against the Purchase Order from Receipt Localized window and save. (N)India Local Purchasing/India Local Inventory-->Receipts-->Receipts Localized-->New
4. Receipt gets auto queried in Receipt Localized window when receiving transaction processor is completed normal.
5. Deliver the material. (N)India Local Purchasing/India Local Inventory-->Receipts-->Receiving Transactions
6. Click on Claim VAT button to open and query in claim details window.
7. When the Supplier invoice is not received, in Populate details block ,select Processing action = UnClaim and Save.
8. Check for India - VAT Claim Processor (India - VAT Claim Processor) completes normal from view-->Request.
9. Once the request is completed normal, find the Receipt in Vat-Tax claim screen to check the status. Navigation: India Local Purchasing/India Local Inventory-->India VAT/Service Tax-->Transactions-->VAT-Tax Claim.
10. VAT tax amount will be loaded to item cost.

**When creating Purchase Orders on foreign suppliers exact tax values cannot be determined hence taxes are not added. Hence Tax will be added manually in Receipt localized Tax window but system does not allow to add or modify currency nor tax amount?**

Following setups clarify how to control the taxes.

1. Allow tax change at Receipt is "Y" in additional info setup then Receipt localized window will allow to ADD taxes. (N)India Local Inventory-->Setup-->Organization-->Additional Info.
2. Update Transactions flag in Tax definition window controls modification of taxes. (N)India Local Inventory-->Setup-->Tax-->Taxes.
3. Update Currency flag in Tax definition window controls modification of tax currency. (N)India Local Inventory-->Setup-->Tax-->Taxes.