

### Lesson Objectives

On completion of this lesson, you will be able to understand:



- Purchase Returns in GST
- Using a Debit Note
- Nature of Return



### Recording Purchase Returns in GST

You can record purchase returns or de-escalation of the purchase value (both local and interstate) against an earlier purchase transaction using a debit note. You can use the voucher mode of credit note to record the escalation of purchase value.

- ❖ On 02-09-2017 Returned 8 Dell Computer to PT Solutions

### To record purchase return using a debit note

1. Go to **Gateway of Tally > Accounting Vouchers > Ctrl+F9.**

The screenshot shows the 'Accounting Voucher Create' window in Tally. The voucher type is 'Debit Note' (No. 1) dated '2-Sep-2017' (Saturday). The original invoice no. and date are blank. The party A/c name is 'PT Solutions', with a current balance of '₹1,33,772.89 Cr' and a purchase ledger of 'Purchase @ 28%'. The table below lists the items:

Name of Item	Quantity	Rate per	Amount
Dell Computer	8 Nos	22,996.00 Nos	1,83,928.00
Central Tax			25,748.80
State Tax			25,748.80

At the bottom, 'Provide GST details' is set to 'Yes'. A 'Transaction' field contains '8 Nos'. An 'Accept ?' button is visible in the bottom right corner.

2. **Original invoice no.:** Enter the invoice number of the original purchase transaction against which you are recording the purchase return.
3. In **Party's A/c Name**, select the party from whom the original purchase was made.
4. Select the central and state tax ledgers.
5. **Provide GST details:** Enable this option if you want to enter additional details about the transaction.

### Nature of Return

When the seller has not uploaded the credit note, the buyer has to upload the debit note from the viewpoint of outward supply. Hence, the list of **Nature of Return** is same in debit note and credit note.

**01-Sales Return** - When there is a return of goods or services after sales.

**02-Post sale discount** - When discount is allowed on goods or services after sales.

**03-Deficiency in service** - When there is a deficiency in services (like a quality issue) after sales.

**04-Correction in invoice** - When there is a change in the invoice raised that leads to change in tax amount.

**05-Change in POS** - When there is a change in place of supply that leads to change in tax amount.

**06-Finalization of Provisional assessment** - When there is a change in price or rate after the department issues a notification about the finalized price of the goods or services.

**07-Others** - Any other nature of return.

Similarly, you can record purchase returns against an interstate purchase by selecting the relevant party, purchase ledger, and integrated tax ledger.

- Under GST invoicing rules, issuing of supplementary invoice has not been defined. You can record the adjustment to purchases using debit/credit note.

*\*\*\* Chapter – end \*\*\**

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