

### **How to charge GST on free goods in sales invoice**

As per our understanding, there is no GST on free goods in sales invoice. If you want to create new tax type with tax on free goods, see current GST Tax type and create similar ones with the option to charge tax on free goods. Please do not charge tax on free goods to avoid further problems.

To avoid confusion in invoice, we have provided new formats like this:

Qty 10+1 (Old heading Qty+**FREE, FREE** is removed from heading)

QtyDisc (New column is added which will show value of free qty.)

Taxable value is calculated after reducing discount from value of charged qty. There is no change in invoice entry screen or your data entry pattern. You may continue to enter qty on screen as earlier. The change is done only in printing.

In GST regime, GST is always applicable after reducing all discounts in invoice except Cash Discount., GST is applicable on all additions in invoice including freight, interest, late payment penalty, other than GST taxes etc. So please avoid confusion and continue to do invoicing as it is done earlier.

*Note: This is not legal advice. It is sharing of common knowledge as per our understanding. Apply your own wisdom or consult your tax expert. We are not responsible for any damage.*