

### **How to handle challan, return, breakage/expiry in GST regime**

At present, Unisolve or CROSS are working as earlier for challan and returns.

We have separated returns with credit note/debit note. Now you may enter goods in sales returns and after checking the same, you can create credit note to customer. Similarly you may enter goods in purchase returns and after checking the same, you can create debit note to supplier. As per our understanding you may not be able to raise replacement notes now.

**On expiry**, as pharmaceutical waste is covered under 3006 and GST is applicable at 12% on this HSN, so it is expected that we shall have to charge GST 12% on expired goods (including goods of 5% GST).

### **Sales returns within 6 months**

Handling returns is different on the basis of the customer (GST status). If customer is under regular GST (NOT COMPOSITION), he will have to create a debit note (like invoice) and charge GST on the same. Customer will deposit the GST and supplier will get input credit for the same. If the customer is not under regular GST, supplier will raise a credit note to customer and claim credit from Government. Similar process is to be followed while returning till manufacturer.

Reducing item value in invoice should not be done and separate credit note/debit note should be created. For GST regular customers, you should finish in same month, so that transactions of customer and supplier are matched for input credit. For others you may enter in returns and provide credit note within 6 months of date of sales.

### **Challans**

GST is to be charged before delivery of goods and tax invoice is required to be created. So challan should be used only as packing slip for checking of goods and a tax invoice should be created before delivery of goods.

*We shall continue to improve this document and processes in UniSolve and Cross as we get better understanding of trade practice.*