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TAX



Amazon



Accounting



An Essential Guide on Amazon
Accounting Using Tally



RETURNS

TDS



GST

<https://thegstco.com/>

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INTRODUCTION

As an Amazon seller, maintaining accurate accounting records is crucial for effectively tracking business transactions, managing expenses, and ensuring compliance with tax regulations. Proper bookkeeping not only facilitates the tracking of sales, expenses, and profit/loss but also plays a pivotal role in meeting tax filing requirements.

This comprehensive handbook is designed to provide valuable guidance to novice Amazon sellers on setting up fundamental accounting processes in TallyPrime, a widely used accounting software in India. TallyPrime's cloud-based version offers the flexibility of remote access from any device, making it particularly advantageous for e-commerce sellers who require convenient access to their financial records.

The information provided in this handbook is aimed at empowering Amazon sellers with the knowledge and tools necessary to establish sound accounting practices, thereby facilitating informed decision-making and regulatory compliance.

INSTALLING TALLYPRIME

To install TallyPrime on your computer, you need to have administrator rights. Moreover, your computer must meet the following technical requirements:

Operating system (OS) – Microsoft Windows 7 or above

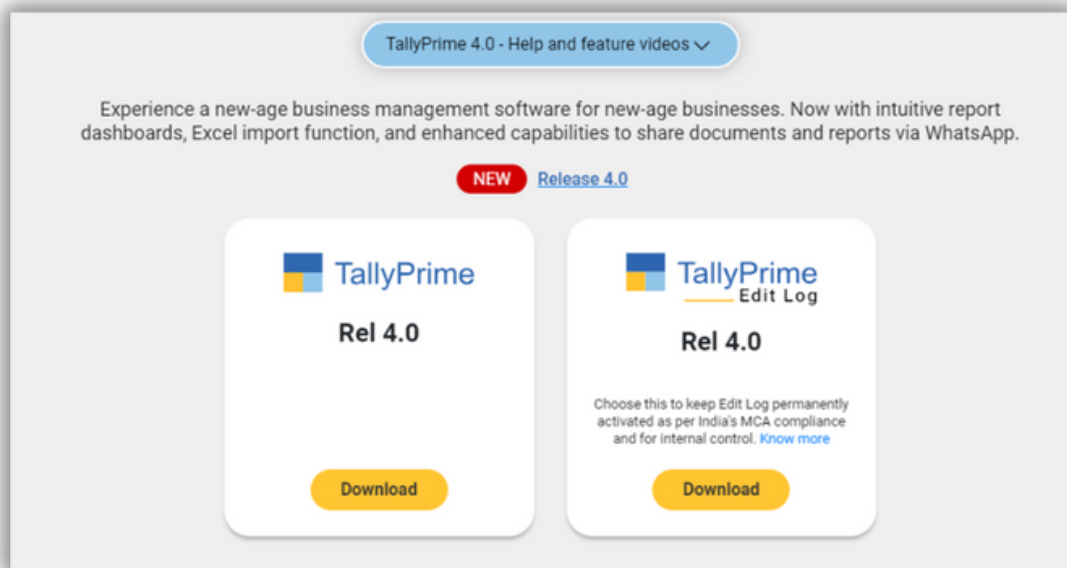
Bitness – 64-bit applications (for the OS and other applications such as MS Excel, Adobe Acrobat, and so on)

Memory (RAM) – A minimum of 512 MB

Storage – A minimum available space of 512 MB on your hard disk, cloud location, and so on

How to download TallyPrime?

Visit the TallyPrime download page at <https://tallysolutions.com/download/>. You will find two options to download: TallyPrime and TallyPrime Edit Log. Click on the TallyPrime download option.



TallyPrime Edit Log and TallyPrime are essentially the same, except that the Edit Log version has the edit log feature activated by default and cannot be disabled, whereas the regular TallyPrime version does not have this feature enabled by default.

Once you have downloaded TallyPrime onto your system, install it and activate it using the license key that you received after purchasing it.

COMPANY SETUP

Maintaining your business transactions on a day-to-day basis is critical to your business. To keep a record of all your business transactions, you need to first create a company in TallyPrime. Through the company, you can also view and update all your transaction entries, as needed, and go through the financial reports based on the transactions that you maintain.

The whole company creation process is divided in two parts, company creation and setting the company features

Part one: Company Creation

Step 1: On launching TallyPrime, click on “Create Company” Option.

Step 2: Fill out the company details like, company name, mailing name, address, state, country etc.

Setup 3: Set up financial year details and security options

Financial year beginning from: TallyPrime pre-fills this field based on the date settings of your computer and the Country selected in the Company Creation screen.

Books beginning from: By default, TallyPrime fills this field with the Financial year beginning from date. You can update this, as needed. Say you started your business and have maintained all business transactions since 1-Oct-2023. You can update the Books beginning from date to 1-Oct-2023, while the financial year will be 1-Apr-2023.

Company Creation			
Company Data Path	: C:\Users\Public\TallyPrime\Data		
Company Name	: National Enterprise'	Financial year beginning from	: 1-4-2020
Mailing Name	: National Enterprise'	Books beginning from	: 1-4-2020
Address	: #27, 80 Ft, Industrial Area Koramangala Bangalore	Security	
		Set TallyVault Password to encrypt Company Data	: No
		Control User Access to Company Data	: No
State	: Karnataka		
Country	: India		
Pincode	: 560037		
Telephone	: 080-25363663		
Mobile	: 9864664666		
Fax	:		
E-mail	: nationalenterprise@hotmail.com		
Website	: www.nationalenterprise.com		
Base Currency symbol	: ₹		
Formal name	: INR		

Accept ?
Yes or No


Step 4: Specify the Base Currency Information
You can set up the base currency depending on the currency used in your business to record transactions.

To view all the options related to base currency, press F12 (Configure) > set Provide Additional Base Currency details to Yes.

Step 5: Accept the Setting

Once you move to the last field, you will be prompted to accept the setting, click yes to create the company or click on no to continue with editing

Once you accept the setting, your company will be created successfully.



The screenshot shows a configuration window titled "Company created successfully." with a subtitle "(Enable the features as per your business needs.)". The company name is "National Enterprises". A "Show more features" option is set to "No". The settings are organized into three sections: Accounting, Inventory, and Taxation. The Accounting section has "Maintain Accounts" and "Enable Bill-wise entry" both set to "Yes". The Inventory section has "Maintain Inventory" and "Integrate Accounts with Inventory" both set to "Yes". The Taxation section has "Enable Goods and Services Tax (GST)" and "Enable Tax Deducted at Source (TDS)" both set to "Yes".

Company: National Enterprises*		
Show more features : No		
Accounting		
Maintain Accounts	: Yes	
Enable Bill-wise entry	: Yes	
Inventory		
Maintain Inventory	: Yes	
Integrate Accounts with Inventory	: Yes	
Taxation		
Enable Goods and Services Tax (GST)		: Yes
Enable Tax Deducted at Source (TDS)		: Yes

Note: All the information you fill in here will be printed on all the invoices and reports. This can be the same as the company's name. However, if you want a different name to be printed on your invoices and reports, you can specify a different mailing name.

Part two: Set up Company Features

As you create a company in TallyPrime, you can set up the necessary features, either now or anytime later, based on your business needs. The basic minimum key features required for you to start recording your business transactions are enabled and displayed by default.

Company created successfully.
(Enable the features as per your business needs.)

Company: Max Enterprises

Show more features : No Yes / No

Accounting	Taxation
Maintain Accounts : Yes	Enable Goods and Services Tax (GST) : Yes
Enable Bill-wise entry : Yes	Enable Tax Deducted at Source (TDS) : No
Inventory	
Maintain Inventory : Yes	
Integrate Accounts with Inventory : Yes	

Set show more features to “yes” to set additional features. As for the amazon accounting, you have to set TDS and TCS to “yes”.

Company created successfully.
(Enable the features as per your business needs.)

Company: Max Enterprises

Show more features : Yes

Show all features : No

Accounting	Taxation
Maintain Accounts : Yes	Enable Goods and Services Tax (GST) : Yes
Enable Bill-wise entry : Yes	Enable Tax Deducted at Source (TDS) : No
Enable Cost Centres : No	Enable Tax Collected at Source (TCS) : No
Inventory	Online Access
Maintain Inventory : Yes	Enable Browser Access for Reports : Yes
Integrate Accounts with Inventory : Yes	Enable Tally.NET Services for Remote Access & Synchronisation : No
Enable multiple Price Levels : No	Others
Enable Batches : No	Enable multiple addresses : No
Maintain Expiry Date for Batches : No	Mark modified vouchers : No
Use Discount column in invoices : No	
Use separate Actual and Billed Quantity columns in invoices : No	

IMPORTING AMAZON SALES DATA

You can import the Amazon sales data using two methods

1. Download excel sheet manually from the Amazon seller account
2. Using third party syncing tool like eVanik



Importing data manually through Excel may lead to various challenges, such as creating numerous customer ledgers, setting off bulk payments, managing B2C and B2B sales separately, handling commissions and fees, matching sales and returns accurately, and recording TCS and TDS at the order level. This manual process can be time-consuming and error-prone. Therefore, it is recommended to use a reliable automated tool like eVanik OneWorld Suite for seamless integration of eCommerce marketplace transactions with TallyPrime.

Benefits of using eVanik

- **Seamless Integration:** eVanik provides one-click integration of eCommerce marketplace transactions with TallyPrime or Tally ERP9. This eliminates the need for manual downloading or uploading of Excel or CSV files from marketplace seller panels.
- **Automated Syncing:** All the data from the marketplaces automatically syncs with eVanik OneWorld Suite through robust API integrations. This saves time and eliminates the risk of manual errors in data entry.
- **No Third-Party Module:** There is no requirement to install any third-party module (TCP) in your TallyPrime. eVanik is integrated with TallyPrime through the API, ensuring a seamless and secure integration process.
- **Easy Mapping:** Product and ledger mapping can be done easily in eVanik through a simple user interface and forms provided. This simplifies the process of mapping and ensures accurate recording of data in TallyPrime.
- **Sales Tax Report Matching:** eVanik provides a matching tool where sellers can match their Sales Tax Report (MTR Report) with the data integrated into TallyPrime. This helps ensure accurate reporting and compliance with GST guidelines.

Process to Import Amazon sales data using eVanik

Since eVanik is a third party tool, you have to first create an account on eVanik and then you have to authorize eVanik to pull the data from amazon marketplace.

Follow these steps to complete the process

- 1. Purchase eVanik's Subscription Plan:** Visit eVanik at <https://www.evanik.com/> and purchase the plan that best suits your business requirements.
- 2. Download chrome extension:** Once you've created your account, download the "eCommerce Tally eVanik" Chrome extension, provided by eVanik itself, to seamlessly sync data from Amazon.
- 3. Purchase the Amazon MWS API:** Amazon Marketplace Web Service (Amazon MWS) is an integrated web service API that helps Amazon sellers to programmatically exchange data on listings, orders, payments, reports and more.
- 4. Integrate eVanik with Amazon:** Once you have to Amazon MWS API, you can integrate eVanik with Amazon easily.

Watch this video for the complete integration process. Click [here](#).

LEDGER CREATION

A ledger is a date-wise record of all the transactions related to a particular account such as cash, sales, purchase and so on.

There are many ledgers that you can create as per your business requirements but for the amazon accounting, you need to create two ledgers primarily.

Sales ledger

The Sales Ledger, also known as the Debtors Ledger' or Accounts Receivable Ledger,' is a specialised ledger that focuses on customer transactions. It tracks sales made on credit, outstanding amounts receivable from customers, and payments received.

Purchase ledger

The Purchase Ledger, also known as the Creditors Ledger' or Accounts Payable Ledger,' is the counterpart to the Sales Ledger. It focuses on supplier transactions, tracking purchases made on credit, outstanding amounts payable to suppliers, and payments made to suppliers.

When you sell on Amazon, the platform deducts various taxes and fees from the final amount it credits. To track all these deductions, you have to create ledgers for each fee and tax also for Amazon.

Types of deductions

Amazon Fees

- **Closing fee** - Closing Fee is charged every time your product is sold on Amazon based on the price range of the product. This fee also varies based on the fulfilment channel you are using.
- **Referral fee** - For each product sold, a referral fee is applicable which varies by product category and is calculated as a percentage of the total selling price of the product.
- **Shipping fees** - If you use Easy Ship or Fulfilment by Amazon (FBA), Amazon will deliver your products to the customer and charge you a fee. (If you are choosing to Self-Ship, you will have to bear the cost of shipping and deliver through 3rd party courier service/own delivery agents).

Additional Fees

Pick & Pack Fee (FBA Only) - This fee is charged per unit sold at ₹13 for Standard, ₹26 for Overize, Heavy & Bulky items.

Storage Fee (FBA Only) - This is the fee charged for storing your products in the Amazon Fulfillment Center costing ₹45 per cubic foot per month.

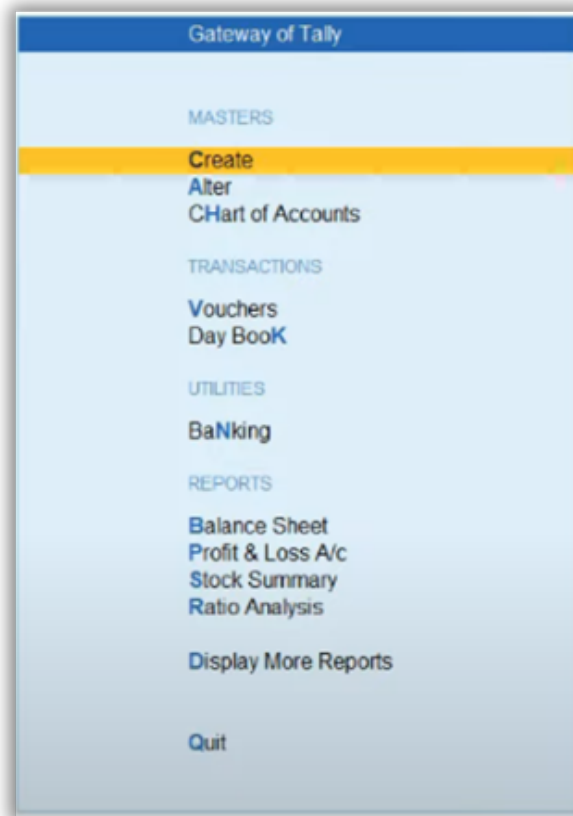
FBA Removal Fees (FBA Only) - In case you wish to remove your products from the Amazon Fulfillment Center then the following fee rates will be applicable:

- Taxes
- CGST
- SCGST
- TCS
- TDS (Conditions Apply)

Note: If a seller receives more than 5 lakhs of rupees in payments from Amazon in the previous financial year, then 1% TDS will be deducted from their earnings starting in the next financial year.

Steps to create ledger for Amazon

1. Click on “create” from the gateway of tally



2. Click on ledgers

3. Types the name for ledger as “Amazon”, as explained already , you have to create ledger for all deduction as well as for amazon, as you will be receiving payments from amazon.

4. Fill out the details required details

Name : Amzon (alias) :		Total Opening Balance	
Under	Sundry Debtors (Current Assets)	Mailing Details	Name : Amzon Address : Patna
Maintain balances bill-by-bill	: Yes	State	: Bihar
Default credit period	:	Country	: India
Check for credit days during voucher entry	: No	Pincode	:
		Mobile no.	:
		Provide Contact Details	: No
		Banking Details	
		Provide bank details	: No
		Tax Registration Details	
		PANIT No.	:
		Registration type	: Regular
		GSTIN/UIN	: 10AAICA3918J1C8
		Set/Alter GST details	: <input type="checkbox"/> No

5. Set alter GST details to Yes and after that one popup will come, make yes in is ecommerce operator field and press “Control and A” to save it.

GST Details	
Registration type	: Regular
Assessee of Other Territory	: No
Is e-commerce operator	: Yes
Consider Party as Deemed Exporter for Purchases	: No
Party Type	: ♦ Not Applicable
GSTIN/UIN	: 10AAICA3918J1C8

6. In the similar way, you have to create for rest of the taxes and fees. Click [here](#) to understand the exact process.

GSTR 1 FILLING

GSTR-1 is a monthly or quarterly return that summarizes all sales (outward supplies) of a taxpayer. It is a detailed form that requires taxpayers to provide a wide range of information about their GST liability.

It enables e-commerce sellers to report their outward supplies, including sales made through e-commerce platforms, and ensure compliance with GST regulations.

You can file GST return in tally prime using following three methods

Generate JSON file using TallyPrime and upload on the portal

In this method, You only have to record your GST transactions in TallyPrime, as usual, and the relevant details will be reflected seamlessly in the GSTR-1 report in TallyPrime. After that, you can export the details to a JSON file and upload it to the portal.

Generate JSON file using GST Offline Tool and upload on the portal

In this method, you have to export your GSTR-1 details from TallyPrime in the MS Excel or CSV format, and then import the file into the GST Offline Tool. Then you can export the details to a JSON file and upload it to the portal.

File GSTR-1 directly on the portal

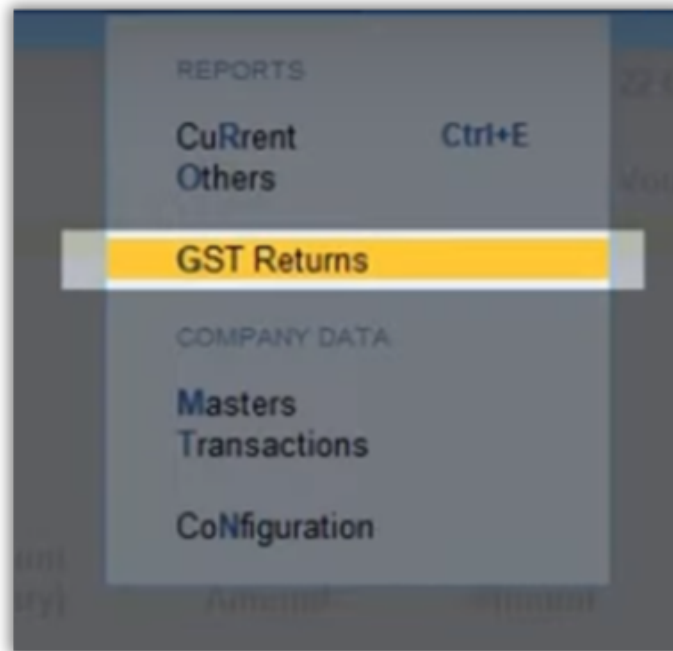
In this method, you can easily copy the details from the GSTR-1 report in TallyPrime and paste it in the respective sections on the portal. Alternatively, you can also fill the details manually by referring to the values in TallyPrime.

Out of these three methods, first method is easiest to implement, so we will understand how file GSTR 1 using first method.

Follow these steps to file GSTR 1

Part One: Downloading and Configuring the Data

1. Go to the GST report.
2. Press ALT + E to export the GSTR1 or click on the export option in the top-left corner.
3. Click on the GST return option, and the export GSTR1 screen will appear.



4. Press F2 and enter the time period for which you want to file the GST return. You will then see transactions for all state GST registrations. If you want to file GSTR for a specific state GST, press F3 and select the particular state. You will then see transactions for that respective state.

Export GSTR-1				1-Oct-22 to 31-Oct-22		
Date	Particulars	Vch Type	Vch No.	Taxable Amount	Tax Amount	Invoice Amount
Pending to Export (Voucher Count - 27; Summary Count - 7)						
Karnataka Registration - Oct-22						
3-Aug-22	Naveen Tech Hub	Sales	18	1,88,000.00	33,840.00	2,21,840.00
9-Sep-22	Naveen Tech Hub	Sales	42	52,000.00	9,360.00	61,360.00
2-Oct-22	AVN Traders	Sales	19	84,000.00	15,120.00	99,120.00
2-Oct-22	(Delete)	Output Supply (In-Accounting)	16			
5-Oct-22	SMS Enterprises	Sales	21	52,000.00	9,360.00	61,360.00
10-Oct-22	Naveen Tech Hub	Sales	23	82,000.00	14,760.00	96,760.00
11-Oct-22	Subash Tech Solutions	Sales	24	1,04,000.00	18,720.00	1,22,720.00
13-Oct-22	Subash Tech Solutions	Credit Note	2	(-)52,000.00	(-)9,360.00	(-)61,360.00
18-Oct-22	Naveen Tech Hub	Sales	26	1,04,000.00	18,720.00	1,22,720.00
18-Oct-22	Rajesh Enterprises	Sales	27	41,000.00	7,380.00	48,380.00
19-Oct-22	SMS Enterprises	Sales	28	1,08,000.00	19,440.00	1,27,440.00
20-Oct-22	SMS Enterprises	Sales	30	1,04,000.00	18,720.00	1,22,720.00
20-Oct-22	Rajesh Enterprises	Sales	31	52,000.00	9,360.00	61,360.00
21-Oct-22	Subash Tech Solutions	Sales	32	93,000.00	16,740.00	1,09,740.00
21-Oct-22	Madhur Solutions	Sales	37	35,000.00	6,300.00	41,300.00
21-Oct-22	Tristar Solutions	Sales	38	55,000.00	9,900.00	64,900.00
21-Oct-22	Unnati Enterprises	Sales	36	2,30,000.00	41,400.00	2,71,400.00
23-Oct-22	Madhur Solutions	Sales	40	80,018.00	14,403.24	94,421.24
23-Oct-22	Tristar Solutions	Sales	41	90,000.00	16,200.00	1,06,200.00
23-Oct-22	Madhur Solutions	Sales	44	35,000.00	6,300.00	41,300.00
23-Oct-22	Tristar Solutions	Sales	45	55,000.00	9,900.00	64,900.00
24-Oct-22	Subash Tech Solutions	Sales	46	93,000.00	16,740.00	1,09,740.00

5. Check all the transactions carefully before uploading the data. If you see any deleted transaction in the report, it means you have deleted that transaction from the books. It is mandatory to upload that deleted transaction prior to GST filing.

Karnataka Registration - Oct-22						
3-Aug-22	Naveen Tech Hub	Sales	18	1,88,000.00	33,840.00	2,21,840.00
9-Sep-22	Naveen Tech Hub	Sales	42	52,000.00	9,360.00	61,360.00
2-Oct-22	AVN Traders	Sales	19	84,000.00	15,120.00	99,120.00
2-Oct-22	(Delete)	Outward Supply (Non-Accounting)	16			
5-Oct-22	SMS Enterprises	Sales	21	52,000.00	9,360.00	61,360.00
10-Oct-22	Naveen Tech Hub	Sales	23	82,000.00	14,760.00	96,760.00
11-Oct-22	Subash Tech Solutions	Sales	24	1,04,000.00	18,720.00	1,22,720.00
13-Oct-22	Subash Tech Solutions	Credit Note	2	(-)52,000.00	(-)9,360.00	(-)61,360.00
18-Oct-22	Naveen Tech Hub	Sales	26	1,04,000.00	18,720.00	1,22,720.00
18-Oct-22	Rajesh Enterprises	Sales	27	41,000.00	7,380.00	48,380.00
19-Oct-22	SMS Enterprises	Sales	28	1,08,000.00	19,440.00	1,27,440.00
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20-Oct-22	Rajesh Enterprises	Sales	31	52,000.00	9,360.00	61,360.00
21-Oct-22	Subash Tech Solutions	Sales	32	93,000.00	16,740.00	1,09,740.00
21-Oct-22	Madhur Solutions	Sales	37	35,000.00	6,300.00	41,300.00

6. If the GST data is not visible in the report, press F12 to configure the report for GST data. A small window will appear, and in that window, set all fields to "Yes" as follows.

Configuration

Show Party GSTIN/UIIN : Yes

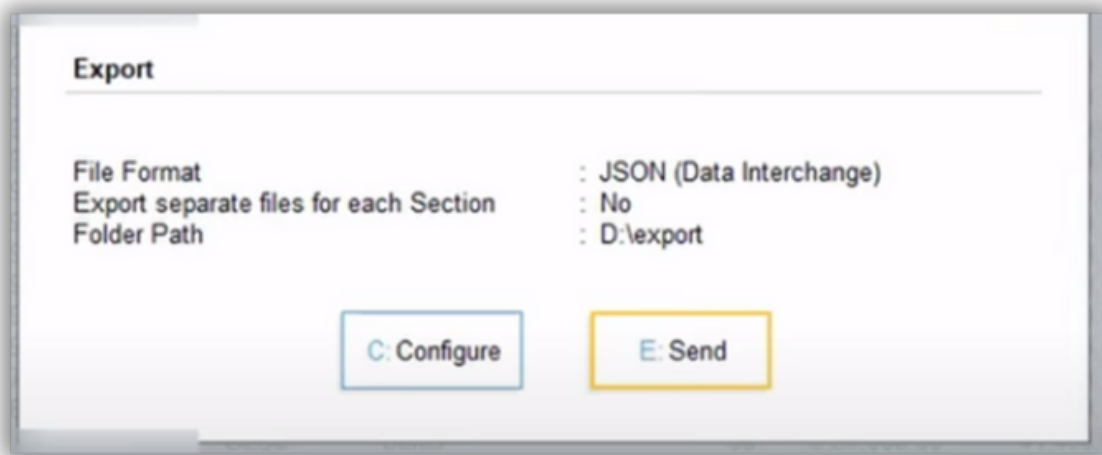
Show Section : Yes

Show GST Status : Yes

Show Invoice Amount : Yes

7. Press "X" to export the data or click on the export button at the bottom.

8. In the next window, specify the file location path and file format according to your needs.

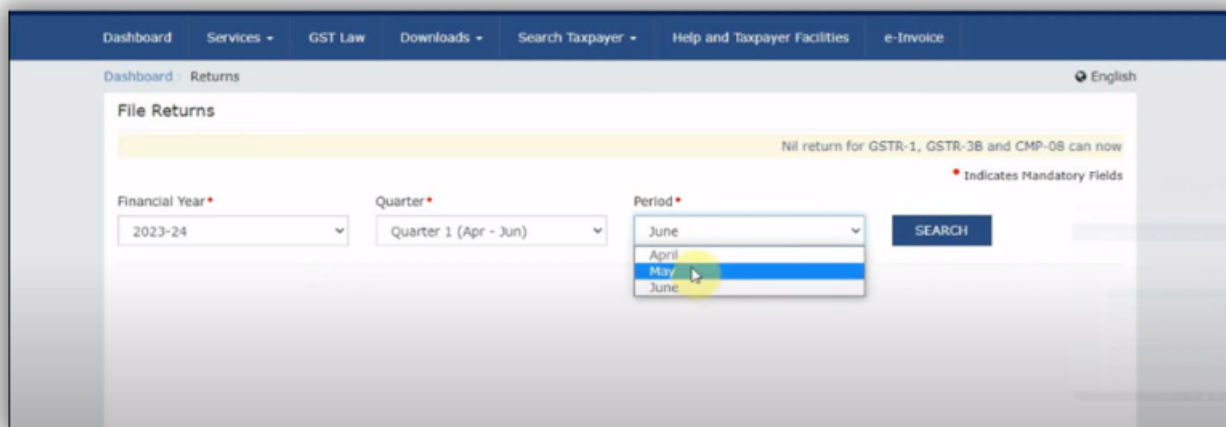


9. Click on the send button to export the file.

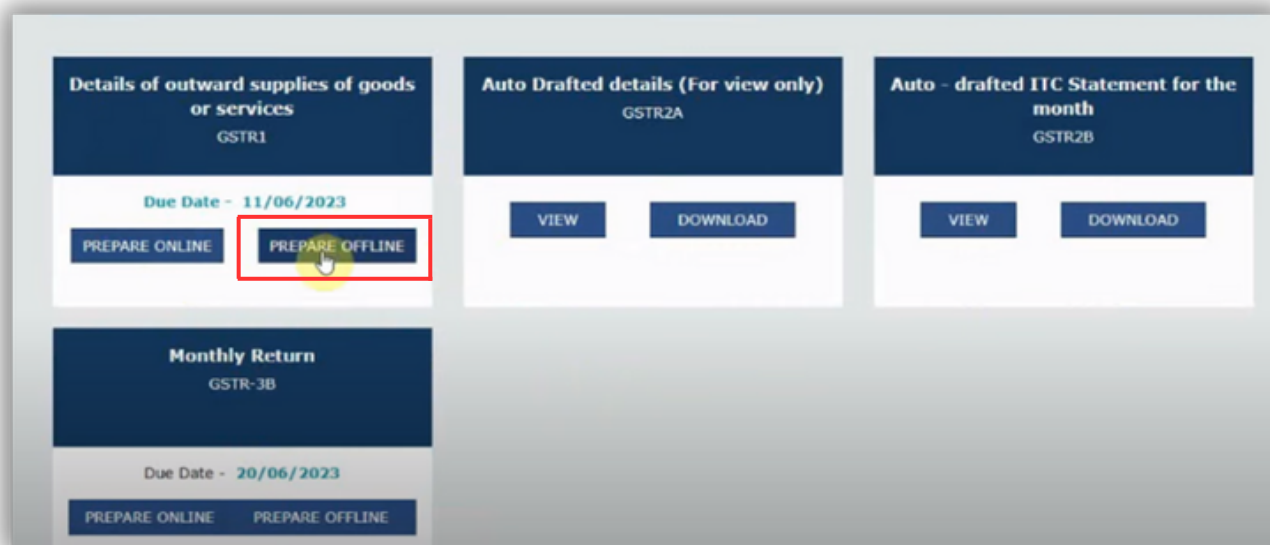
Part Two: Uploading Data on GST Portal

1. Log in to the GST portal and go to the return dashboard.

2. Select the financial year, quarter, and month, then click on the search button.



3. In the next window, click on the "prepare offline" option and upload the transaction file.



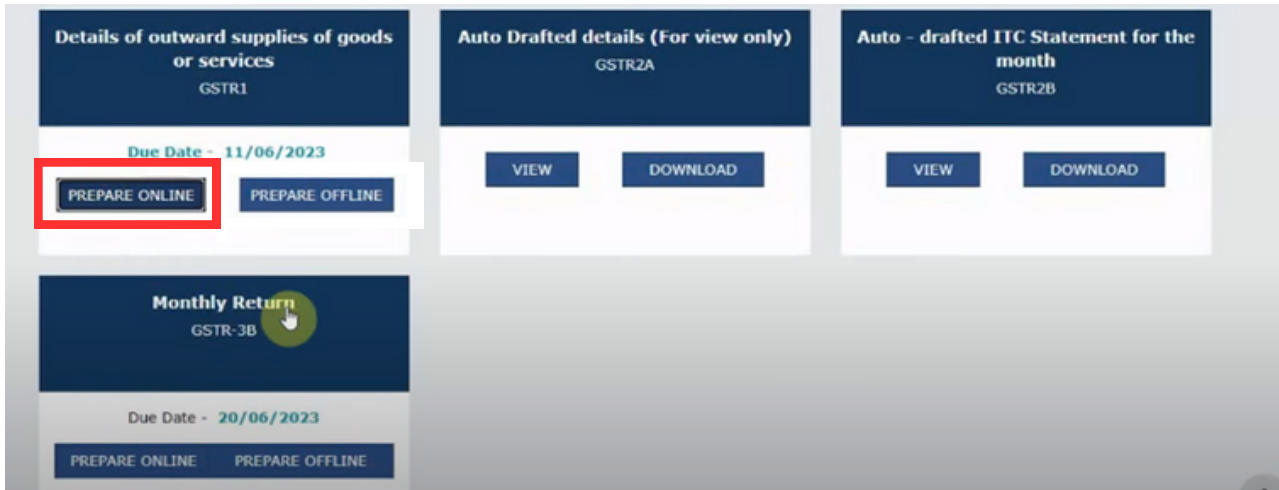
4. Upload the exported file, and if there are any errors in the file, they will be shown in the error report as below.

Date	Time	Reference id	Status	Error Report
08/06/2023	08:57:25	82c605bc-f072-41f1-bb45-03661f1bd623	Processed	NA

5. Once you have uploaded all the files, click on the "Back Files Returns" option located at the bottom right corner.

6. Once again, you will be redirected to the GST return dashboard. Select the year, quarter, and month, then click the search button.

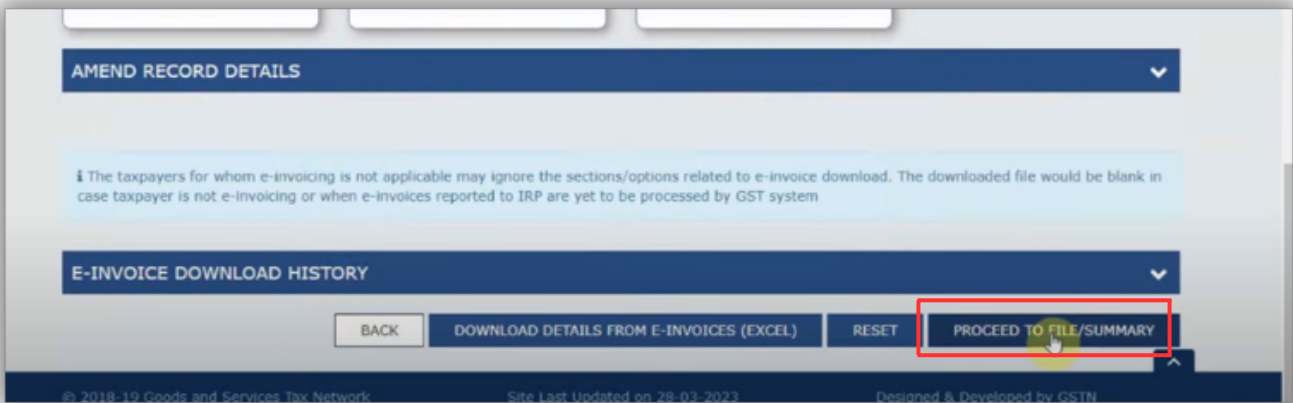
7. Click on prepare online option.



8. Next, you will see the data in the following format. Click on the 'Generate summary' button that appears at the bottom right corner and then refresh it.



9. Click on the “Proceed to File Summary” button



10. In the next window, you will see a summary of the data as follows. Check carefully to ensure everything is correct.

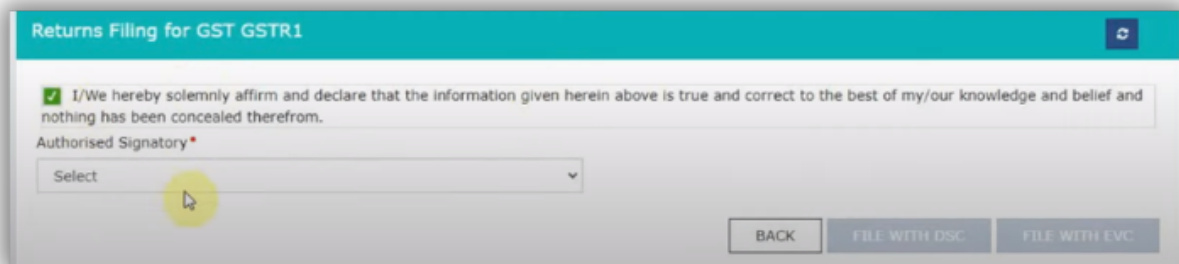
CONSOLIDATED SUMMARY							
Description [Expand All ▼]	No. of records	Document Type	Value (₹)	Integrated tax (₹)	Central tax (₹)	State/UT tax (₹)	Cess (₹)
4A - Taxable outward supplies made to registered persons (other than reverse charge supplies) - B2B Regular							
Total	11	Invoice	98,350.00	17,703.00	0.00	0.00	0.00
Recipient wise summary ▼							
4B - Taxable outward supplies made to registered persons attracting tax on reverse charge - B2B Reverse charge							
Total	0	Invoice	0.00	0.00	0.00	0.00	0.00
5A - Taxable outward inter-state supplies made to unregistered persons (where invoice value is more than Rs 2.5 lakh) - B2C							

11. Once you have ensured that the summary is correct, click on the 'File statement' option.

11B - Amendment to advances adjusted in returns for earlier tax periods in table 11B(1), 11B(2)							
Amended amount - Total	0	Net Value	0.00	0.00	0.00	0.00	0.00
Net differential			0.00	0.00	0.00	0.00	0.00
12 - HSN-wise summary of outward supplies							
Total	1	NA	1,03,080.00	17,703.00	425.70	425.70	0.00
13 - Documents issued							
Net issued documents ▼	13	All Documents					
Total Liability (Outward supplies other than Reverse charge)			1,03,080.00	17,703.00	425.70	425.70	0.00

At the bottom of the page, there are three buttons: 'BACK', 'DOWNLOAD SUMMARY (PDF)', and 'FILE STATEMENT'. The 'FILE STATEMENT' button is highlighted with a red rectangle and a yellow mouse cursor.

12. In the next window, you have to choose authorized signatory and complete the verification using DSC or EVC method" is grammatically correct.



Returns Filing for GST GSTR1

I/We hereby solemnly affirm and declare that the information given herein above is true and correct to the best of my/our knowledge and belief and nothing has been concealed therefrom.

Authorised Signatory*

Select

BACK FILE WITH DSC FILE WITH EVC

13. Once you complete the verification process, your GSTR-1 filing process is successfully completed.