24ETAX ERP · PROCESS GUIDE 06

Inventory, manufacturing and POS

Covers: Inventory › Items, Stock on hand & valuation, Stock journals, Delivery challans & e-way bills · Manufacturing › Bills of material, Production orders · Point of sale › POS terminal, POS sessions

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Purpose

Keeps quantity and value of stock in step with the books. Items are bought through vendor bills and goods receipts, sold through invoices and the counter, moved by challans and stock journals, and converted by production orders. Every movement updates the stock ledger and, where value changes, posts a voucher.

Who does what

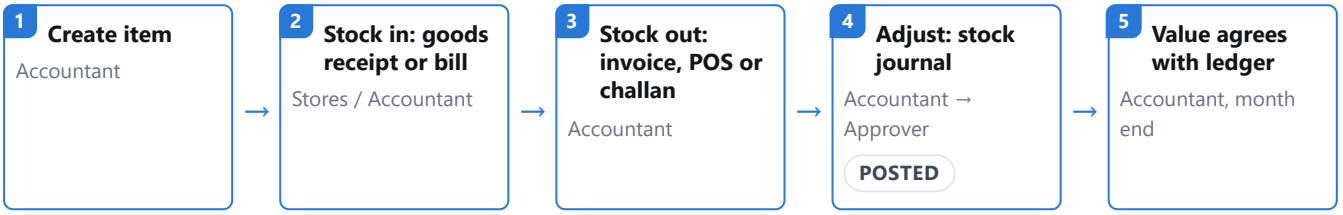
Role	What they do here
Accountant	Items, warehouses, stock journals, challans, bills of material, production orders, POS selling.
Approver, Admin	Approve and post the vouchers that stock journals and production create; void POS orders.
Auditor	Reads stock, valuation and the stock ledger.

Before you start – setup

1. Open **Inventory** › **Stock on hand & valuation** and click **Warehouses, units & POS terminals**.
2. Under **Warehouses** add each store or godown with code, name, branch, address and PIN code. Mark one **Default**.
3. Under **Units of measure** add the units you use (nos, kg, box) with decimals, using **Add unit**.
4. For counter sales, under **POS terminals** click **Add terminal**: choose the **Warehouse**, **Cash ledger**, **UPI ledger**, **Card ledger** and **Sales ledger**, then **Create terminal**.

Process flow

HOW STOCK MOVES



↳ Stock moves only from item lines on invoices, vendor bills, goods receipts, POS, challans, stock journals and production. A plain voucher never moves stock.

↳ Reversing the voucher reverses its stock movement.

Steps

1. Create an item

1. Open **Inventory** › **Items**. Enter **SKU *** and **Name ***; choose **Type**: **Goods** or **Service**.

2. Enter **HSN/SAC**, **GST %**, **Unit**, **Barcode**, **Sale price ₹** and **Purchase price ₹**.
3. Choose **Valuation**: **FIFO** or **Weighted average**. Decide before the first movement.
4. Tick **Batches**, **Expiry** or **Serial numbers** if the item is tracked that way. Set **Reorder level** and **Reorder qty**.
5. Click **Create item**. Open an item to see **On hand**, **Avg cost**, stock **By location** and its full **Stock ledger**.

2. Opening stock, transfers and adjustments (stock journal)

1. Open **Inventory** › **Stock journals**.
2. Choose the **Kind**: **Opening stock**, **Transfer between warehouses**, or an adjustment (cycle count difference, damage).
3. Pick the warehouse (for a transfer, **From** and **To**), the date and type the **Reason**.
4. Add a line per item with quantity, **Unit cost ₹** (for stock coming in) and batch, expiry or serials if tracked.
5. Click **Post journal**. Quantity changes at once; the value entry is a voucher that follows normal approval.

3. Check stock and valuation

1. Open **Inventory** › **Stock on hand & valuation**. Each item shows locations or batches, **On hand** and **Value**.
2. Under **Valuation & GL** compare **Total stock value** with **Inventory ledger balance**. **Difference** should be nil; if not, look for a journal posted to the inventory ledger by hand or a stock voucher still awaiting approval.
3. The reorder list shows items at or below their level with a suggested quantity. Raise purchase orders from it (guide 05).
4. The expiry list shows batches expiring within 30 days.

4. Delivery challan and e-way bill

For goods leaving without an invoice: job work, samples, branch transfer, or a sale where the invoice follows.

1. Open **Inventory** › **Delivery challans & e-way bills**.
2. Choose the **Kind**: **Job work**, **Sample / approval**, **Branch transfer** or sale. Enter the date, **From warehouse** (and **To warehouse** for a transfer), the **Party**, **To PIN**, **Distance km**, **Vehicle** and **Transporter**.
3. Add items with quantity and rate. The form shows the consignment value and says when an e-way bill is required (above ₹50,000).
4. Click **Issue challan**. Stock leaves the warehouse.
5. On the challan row click **e-way bill** and confirm the vehicle number. If the goods do not move, use **cancel EWB** within the allowed time.
6. When goods come back (job work, samples), mark the challan **returned**. For a sale, raise the **invoice** from the challan.

5. Manufacturing

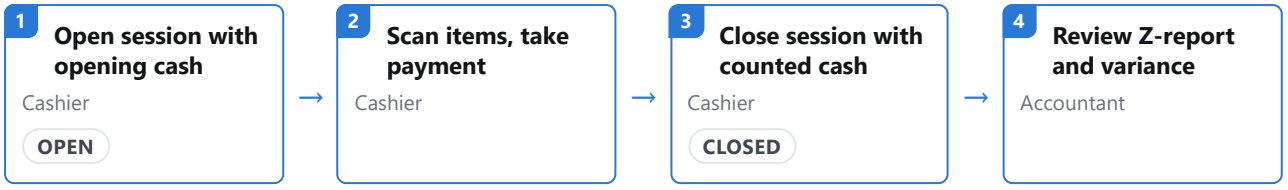


1. Open **Manufacturing** › **Bills of material**. Enter **Code ***, **Name ***, the **Product** and **Output qty** per batch, **Labour ₹ / batch** and **Overhead ₹ / batch**.
2. Add each **Component** with **Qty per batch** and **Scrap %** using **+ Component**. Click **Save BOM**; the cost roll-up shows the cost per unit.

3. Open **Manufacturing** › **Production orders**. Choose the **BOM**, **Quantity** and **Warehouse** and click **Release order**.
4. Open the order. The component table shows required, on hand and short. If **Components short** appears, receive or transfer the components first.
5. Enter **Quantity to receive** and **Output batch** and click **Consume components & receive output**. Components leave stock and the finished product enters at material + labour + overhead cost.
6. An order that will not be produced: **Cancel order** with a reason.

6. Point of sale

A COUNTER DAY



1. Open **Point of sale** › **POS terminal**. Enter **Opening cash ₹** and click **Open session**.
2. For each sale: scan the barcode or search the item, set quantity, enter **Customer name** and **Phone** if wanted, choose the payment mode (cash, UPI, card), enter **Tendered ₹** and press the Charge button.
3. The terminal keeps working without internet and sends the sales when the connection returns.
4. At the end of the shift, count the drawer, enter **Counted cash ₹** and close the session.
5. Open **Point of sale** › **POS sessions**. Each session shows sales, float and **Variance** (counted less expected cash) and its **Z-report**.
6. A wrong sale is cancelled from the session with **void** and a reason; stock and the sales entry are reversed.

Checks and controls

CHECKS AND CONTROLS

- Stock value and the inventory ledger are compared on the valuation page; a difference is shown, not hidden.
- Batch, expiry and serial numbers are demanded for items tracked that way.
- Stock movements respect the inventory period lock set by the administrator.
- Voiding a POS order and reversing a stock voucher need a reason and are in the audit trail.

Limits

LIMITS

- E-way bills are issued in test (sandbox) mode until the administrator enables a live GST provider (guide 17).
- The voucher form in Accounting has no item lines; never use it for stock.
- The valuation method of an item should not be changed after movements exist.

Routine checklist

Daily

- ☐ POS sessions closed; variance explained.
- ☐ Challans issued for all goods that left without invoice; e-way bills generated where required.

Monthly

- [ ] Cycle count of selected items; differences posted by stock journal with a reason.
- [ ] Total stock value agrees with the inventory ledger.
- [ ] Reorder list actioned; near-expiry batches dealt with; challans out for job work or sample followed up.

Year end

- [ ] Full physical count, differences posted, valuation report printed for the auditor.